

PERSONAL LIABILITY COVERAGE (FARM)

The following Table of Contents shows how this Personal Liability Coverage is organized. It will help "you" locate particular sections of this form.

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Additional provisions are shown separately.

Endorsements and schedules may also apply. They are identified on the "declarations".

Refer to the Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverages described herein subject to all the "terms".

DEFINITIONS

1. The words "you" and "your" mean the person or persons named as the insured on the "declarations". This includes "your" spouse if a resident of "your" household.

2. The words "we", "us", and "our" mean the company providing this Personal Liability Coverage.

3. "Bodily Injury" means bodily harm to a person and includes sickness, disease, or death. This also includes required care and loss of services.

"Bodily Injury" does not mean bodily harm, sickness, disease, or death that arises out of:

- a. a communicable disease;
- b. the actual, alleged, or threatened sexual molestation of a person;
- c. mental or emotional injury, suffering, or distress that does not result from physical injury; or
- d. the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, including any amendments. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs. However, this does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

4. "Business" means a trade, a profession, or an occupation, all whether full or part time. This includes the rental of property to others.

"Business" includes services regularly provided by an "insured" for the care of others and for which an "insured" is compensated. A mutual exchange of like services is not considered compensation.

"Business" does not include:

- a. "farming";
- b. the incidental activities that are usually performed by minors; or
- c. activities that are related to "business", but are usually not viewed as "business" in nature.

5. "Declarations" are all pages labeled Declarations, Supplemental Declarations, or Schedules which pertain to this Personal Liability Coverage.

6. "Domestic Employee" means a person employed by an "insured" to perform duties that relate to the use and care of the "insured premises". This includes a person who performs duties of a similar nature elsewhere for an "insured". This does not include a "farm employee" or a person while performing duties in connection with the "business" of an "insured".

7. "Farm Employee" means an employee of an "insured" whose duties are in connection with the "farming" operations of the "insured". This does not include a "domestic employee" or a person employed in "your" "business".

8. "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 the operations of roadside stands and farm markets maintained principally for the sale of the "insured's" own farm products, but it does not include other retail activities.

9. "Insured" means:

- a. "you";
- b. "your" relatives if residents of "your" household;
- c. persons under the age of 21 in "your" care or in the care of "your" resident relatives;
- d. "your" legal representative, if "you" die while insured by this Personal Liability Coverage. This person is an "insured" only for liability arising out of the "insured premises". An "insured" at the time of "your" death remains an "insured" while residing on the "insured premises";
- e. persons using or caring for vehicles, watercraft, or animals owned by an "insured" as defined under a., b., or c. above and to which this Personal Liability Coverage applies (This does not include persons using or caring for vehicles, watercraft, or animals in the course of "business" or without the owner's consent.);
- f. persons in the course of performing domestic duties that relate to the "insured premises";
- g. persons in the course of acting as "your" real estate manager for the "insured premises"; and

- h. a person while performing duties as an employee of an "insured" with respect to farm implements and other vehicles covered by this Personal Liability Coverage.

Each of the above is a separate "insured", but this does not increase "our" "limit".

10. "Insured Premises" means:

- a. the one- to four-family dwelling shown on the "declarations". This includes structures or parts of buildings where "you" reside;
- b. the farm premises described on the "declarations";
- c. other land "you" use for "farming" purposes and new farm premises acquired by "you" during the policy period;
- d. all other premises shown on the "declarations";
- e. all vacant land owned by or rented to an "insured". This includes land where a residence or farm structure is being built for the use of an "insured";
- f. that part of a residence, acquired by "you" during the policy period, and to be used by "you";
- g. "your" cemetery lots and "your" burial vaults or those of "your" resident relatives;
- h. that part of a premises not owned by an "insured" if it is temporarily used as a residence by an "insured";
- i. all premises used by "you" in connection with "your" residence;
- j. all access ways adjoining the "insured premises"; and

- k. that part of premises occasionally rented to an "insured" for other than "business" purposes.
11. "Limit" means the amount of coverage that applies.
12. "Motorized Vehicle" means a self-propelled land or amphibious vehicle regardless of method of surface contact. This includes parts and equipment.

This does not include vehicles that are designed and used to assist the handicapped and are not required to be licensed for road use.

13. "Motor Vehicle" means a "motorized vehicle", a trailer, or a semi-trailer, and all attached machinery or equipment, if:
- a. it is subject to "motor vehicle" registration; or
 - b. it is designed for use on public roads.
14. "Occurrence" means an accident, including repeated exposures to similar conditions, that results in "bodily injury" or "property damage" during the policy period.
15. "Pollutant" means:
- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of.
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
16. "Property Damage" means physical injury to tangible property. This includes the loss of use.

17. "Recreational Motor Vehicle" means a "motorized vehicle", a trailer, or attached equipment that is designed or is used for leisure time activities, and which is not a "motor vehicle".

18. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply to this Personal Liability Coverage.

PRINCIPAL COVERAGES

Each Principal Coverage applies only if a "limit" is shown on the "declarations".

Coverage L -- Liability -- "We" pay, up to "our" "limit", all sums for which an "insured" is liable by law because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies. "We" will defend a suit seeking damages if the suit resulted from "bodily injury" or "property damage" not excluded under this coverage. "We" may make investigations and settle claims or suits that "we" decide are appropriate. "We" do not have to provide a defense after "we" have paid an amount equal to "our" "limit" as a result of a judgment or written settlement.

Coverage M -- Medical Payments To Others -- "We" pay the necessary medical expenses if they are incurred or medically determined within three years from the date of an accident causing covered "bodily injury". Medical expenses means the reasonable charges for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, and funeral services, prosthetic devices, hearing aids, prescription drugs, and eyeglasses, including contact lenses. This applies only to:

- 1. a person on the "insured premises" with the permission of an "insured"; and

2. a person away from the "insured premises" if the "bodily injury":
 - a. is a result of a condition on an "insured premises";
 - b. is caused by an activity of an "insured";
 - c. is caused by a person in the course of performing duties as a "domestic employee";
 - d. is caused by an animal owned by or in the care of an "insured"; or
 - e. is sustained by a "domestic employee" and arises out of and in the course of employment.

- c. resulting in whole or in part from:
 - 1) activities related to a "business" of an "insured";
 - 2) premises owned, rented, or controlled by an "insured", other than an "insured premises"; or
 - 3) the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading, or unloading of "motorized vehicles", aircraft, or watercraft. "We" do pay for "property damage" to "motorized vehicles" not subject to "motor vehicle" registration and not owned by an "insured" if the "motorized vehicle" is used only to service the premises or if it is designed for recreational use off public roads.

INCIDENTAL COVERAGES

The following coverages are subject to all the "terms" of Coverages L and M. Except for Claims and Defense Cost and First Aid Expense, they do not increase the "limits" stated for the Principal Coverages.

1. **Damage to Property of Others --**
Regardless of an "insured's" legal liability, "we" pay for property of others damaged by an "insured", or "we" repair or replace the property, to the extent practical, with property of like kind and quality. "Our" "limit" for this coverage is \$500 per "occurrence".

The exclusions that apply to Coverages L and M do not apply to this coverage. However, "we" do not pay for damage to property:

- a. owned by an "insured", or owned by, rented to, or leased to another resident of "your" household or the tenant of an "insured";
- b. caused intentionally by an "insured" who has attained the age of 13; or

2. **Contracts and Agreements --** "We" pay for damages for "bodily injury" or "property damage" resulting from liability assumed by an "insured" under a written contract made before the loss. The loss causing the "bodily injury" or "property damage" must have occurred during the policy period. This coverage does not apply to a contract in connection with "business" activities of an "insured".
3. **Claims And Defense Cost --** If "we" defend a suit, "we" pay:
 - a. the costs taxed to an "insured";
 - b. the costs incurred by "us";
 - c. the actual loss of earnings by an "insured" for time spent away from work at "our" request ("We" pay up to \$50 per day.);
 - d. the necessary costs incurred by "you" at "our" request;
 - e. the interest which accrues after the entry of a judgment, but ending when "we" tender or pay up to "our" "limit";

- f. the premiums on appeal bonds or bonds for the release of attachments up to "our" "limit" ("We" are not required to apply for or furnish bonds.);
 - g. the premiums up to \$500 per bail bond required of an "insured" because of an accident or a traffic law violation arising out of the use of a vehicle to which this Personal Liability Coverage applies ("We" are not required to apply for or furnish bonds.); and
 - h. prejudgment interest awarded against an "insured" on that part of the judgment "we" pay. If "we" offer to pay the "limit", "we" will not pay any prejudgment interest based on that period of time after the offer.
4. **First Aid Expense** -- "We" pay the expenses incurred by an "insured" for first aid to persons, other than "insureds", for covered "bodily injury".
5. **Motorized Vehicles** -- "We" pay for the "bodily injury" or the "property damage" which:
- a. occurs on the "insured premises" and is a result of the ownership, maintenance, use, loading, or unloading of:
 - 1) a "motorized vehicle" if it is not subject to "motor vehicle" registration because of its type or use; or
 - 2) a "recreational motor vehicle".
 - b. results from:
 - 1) a golf cart while used for golfing purposes;
 - 2) a utility, boat, camp, or mobile home trailer, except when the trailer is carried on, is towed by, or is attached to a "motor vehicle" or a "recreational motor vehicle"; or
- 3) a "motorized vehicle" which is designed only for use off public roads and which is used mainly to service the "insured premises". However, this coverage does not apply to "bodily injury" or "property damage" which results from a "motorized vehicle" owned by an "insured", other than a golf cart, while used for recreational purposes away from the "insured premises".
 - c. results from an "insured's" use of a "recreational motor vehicle" which is not owned by an "insured".
6. **Watercraft** --
- a. "We" pay for the "bodily injury" or the "property damage" which results from the maintenance, use, loading, or unloading of:
 - 1) a watercraft while it is on the "insured premises";
 - 2) a watercraft which is not owned by or rented to an "insured" if the loss is a result of the activities of an "insured";
 - 3) a watercraft which is not owned by an "insured" and which is powered by inboard or inboard/outboard motors which total 50 horsepower or less;
 - 4) a sailing vessel with or without auxiliary power which is owned by or is rented to an "insured" and is less than 26 feet in length; or
 - 5) a watercraft which is powered by outboard motors which total 25 horsepower or less.
 - b. "We" pay for the "bodily injury" or the "property damage" which results from the maintenance, use, loading, or unloading of a watercraft that is powered by outboard motors which total more than 25 horsepower, if:

- 1) the motors are listed on the "declarations";
 - 2) the motors are acquired by an "insured" during the policy period and a request for coverage is made within 45 days after they are acquired; or
 - 3) the motors are not owned by an "insured".
7. **Business** -- "We" pay for the "bodily injury" or the "property damage" which results from:
- a. the rental of that part of the "insured premises" that is usually occupied by "you" as a residence;
 - b. the rental of other parts of the "insured premises" for use as a residence (No family unit may include more than two roomers or boarders.); or
 - c. the rental of a part of the "insured premises" for use as a school, studio, office, or private garage.
8. **Custom Farm Work** -- "We" pay for "bodily injury" or "property damage" which results from the "insured's" performance of or failure to perform custom farm work for others for a charge under contract or agreement. Custom farm work includes the use of draft animals, farm tractors, farm trailers, farm implements, and other farm machinery used in performing the work.

This coverage applies only if "your" receipts from custom farm work for the 12 months just before the date of the "occurrence" do not exceed \$5,000. This coverage does not apply to "bodily injury" or "property damage" which results from the application of pesticides or herbicides.

EXCLUSIONS

"We" do not pay for a loss if one or more of the following excluded events apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded event.

1. **Exclusions That Apply to Coverages L and M** -- This Personal Liability Coverage does not apply to:
 - a. "bodily injury" or "property damage" which results from war. (This includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure, or use of property for a military purpose. Discharge of a nuclear weapon is deemed a warlike act even if accidental.)
 - b. "bodily injury" or "property damage" which results from the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading, or unloading of aircraft, except for "bodily injury" to a person while performing duties as a "domestic employee". However, this exclusion does not apply to model airplanes.
 - c. "bodily injury" or "property damage" which results from the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading, or unloading of "motorized vehicles" or watercraft

owned or operated by or rented or loaned to an "insured". However, "we" do pay:

- 1) for "bodily injury" to a person in the course of performing duties as a "domestic employee"; or
 - 2) if coverage is provided by an Incidental Motorized Vehicle or Watercraft Coverage.
- d. "bodily injury" or "property damage" which results from the use of a "motorized vehicle" in, or in the practice or the preparation for, racing, speed, pulling or pushing, demolition, or stunt activities or contests.
- e. "bodily injury" or "property damage" which results from the use of animals, other than horses, in or in the practice or preparation for, any prearranged racing, speed, pulling or pushing, or stunt activities or contests. However this exclusion applies only to "occurrences" that take place at the location designated for the contest or activity.
- f. "bodily injury" or "property damage" which results from liability imposed by law on an "insured" for the use of a "motorized vehicle", aircraft, or watercraft, except if coverage is provided for by an Incidental Motorized Vehicle or Watercraft Coverage.
- g. "bodily injury" or "property damage" which results from the rendering of or the failing to render a professional service.
- h. "bodily injury" or "property damage" which results from activities related to the "business" of an "insured", except as provided for by an Incidental Business Coverage.
- i. "bodily injury" or "property damage" which results from premises that are owned, rented, or controlled by an "insured" and that are not the "insured premises". However, "we" do pay for "bodily injury" to a person in the course of performing duties as a "domestic employee".
- j. "bodily injury" or "property damage" which is expected by, directed by, or intended by the "insured"; or that is the result of intentional and malicious acts of the "insured". However, this exclusion does not apply to "bodily injury" that arises out of the use of reasonable force to protect people or property.
- k. "bodily injury" or "property damage" which results from an "occurrence" for which an "insured" is also an "insured" under a nuclear energy liability policy or would be an "insured" but for the exhaustion of its "limits". (A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or their successors.)
- l. "bodily injury" or "property damage" which results from the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants" into or upon land, water, or air.
- However, this exclusion does not apply to "bodily injury" or "property damage" that results from the heat, smoke, or fumes of a fire on the "insured premises" that:
- 1) becomes uncontrollable or breaks out from where it was intended to be; or

- 2) is set by the "insured" for the purpose of burning off crop stubble or other vegetation consistent with normal and usual "farming" practices, and is not in violation of any ordinances or laws.
- m. any loss, cost, or expense arising out of any:
 - 1) request, demand, or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "pollutants"; or
 - 2) claim or suit by or on behalf of any governmental authority relating to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of "pollutants".
- n. "bodily injury" or "property damage" which results from the "insured's" performance of or failure to perform custom farm work for others for a charge under contract or agreement, except as provided for by Incidental Custom Farm Work Coverage.
- o. "bodily injury" or "property damage" which results from the discharge of substances from an aircraft.
- p. "bodily injury" to a "farm employee" of an "insured" if it occurs in the course of employment by the "insured" or the consequential injury to a spouse, child, parent, brother, or sister of such injured employee.

This exclusion applies whether the "insured" is liable either as an employer or in any other capacity and to any obligation of an "insured" to fully or partially reimburse another for damages arising out of the injury. However, this exclusion does not apply to:

- 1) liability assumed by an "insured" under a contract or an agreement; or
 - 2) "bodily injury" sustained by a person on the "insured premises" in a neighborly exchange of assistance for which the "insured" is not obligated to pay any money.
2. **Additional Exclusions That Apply Only to Coverage L** -- Coverage L does not apply to:
- a. "bodily injury" to "you", and if residents of "your" household, "your" relatives and persons under the age of 21 in "your" care or in the care of "your" resident relatives.
 - b. liability assumed under a contract or an agreement, except as provided by Incidental Contracts and Agreements Coverage.
 - c. damage to property owned by an "insured".
 - d. damage to property that is rented to, occupied by, used by, or in the care of an "insured", except for "property damage" caused by fire, smoke, or explosion.
 - e. sickness, disease, or death of a "domestic employee" unless a written notice is received by "us" within 36 months after the end of the policy period in which the injury occurred.
 - f. "bodily injury" to a person, including a "domestic employee", if the "insured" has a workers' compensation policy covering the injury or if benefits are payable or are required to be provided by an "insured" under a workers' compensation, non-occupational disability, occupational disease, or like law.

- g. "property damage" to products manufactured, sold, handled, or distributed by an "insured" when the "property damage" arises out of such products or a part of the products.
- h. "property damage" to work performed by or for an "insured" when the "property damage" arises out of such work or a part of the work. However, this exclusion does not apply to Incidental Custom Farm Work Coverage.

3. **Additional Exclusions That Apply Only to Coverage M** -- Coverage M does not apply to "bodily injury" to:

- a. an "insured" or other person who resides on the "insured premises", except a "domestic employee".
- b. a person who is on the "insured premises" because a "business" is conducted or professional services are rendered on the "insured premises".
- c. a person, including a "domestic employee", if a workers' compensation policy covers the injury or if benefits are provided under a workers' compensation, non-occupational disability, occupational disease, or like law.

WHAT YOU MUST DO IN CASE OF LOSS

1. **Notice** -- In the case of an "occurrence" (or if an "insured" becomes aware of anything that indicates that there might be a claim under this Personal Liability Coverage), the "insured" must promptly give "us" or "our" agent notice (in writing if requested).

The notice must state:

- a. the name of the "insured"; the policy number; and the time, place, and the details of the "occurrence"; and
 - b. the names and the addresses of all known potential claimants and witnesses.
2. **Cooperation** -- The "insured" must cooperate with "us" in performing all acts required by this Personal Liability Coverage.
3. **Volunteer Payments** -- An "insured" must not make payments, pay or offer rewards, or assume obligations or other costs except at the "insured's" own cost. This does not apply to costs that are allowed by this Personal Liability Coverage.
4. **Other Duties -- Liability Coverage** -- In case of an "occurrence" which might result in a claim, the "insured" must promptly give "us" copies of all legal papers, demands, and notices that relate to the "occurrence" or claim.

At "our" request, the "insured" must help "us":

- a. to settle a claim;
- b. to conduct suits (This includes being at trials and hearings.);
- c. to enforce the right of recovery or indemnification against all parties who may be liable to an "insured" for the injury or damage;
- d. in the securing of and giving of evidence; and
- e. in obtaining the attendance of all witnesses.

5. **Other Duties -- Medical Payments To Others Coverage** -- In case of a loss the injured person or someone acting on behalf of that person must:

- a. give "us" written proof of claim (under oath if "we" request) as soon as practical; and
- b. authorize "us" to get copies of medical records.

The injured person must submit to medical exams by doctors chosen by "us" when and as often as "we" may reasonably require.

6. **Other Duties -- Damage to Property of Others** -- In case of a loss, "you" must give "us" a signed, sworn statement of loss within 60 days after the loss and "you" must exhibit the damaged property if it is within "your" control.

HOW MUCH WE PAY

1. **Coverage L -- Liability** -- The "limit" shown on the "declarations" for Coverage L is the most "we" pay for loss for each "occurrence". This applies regardless of the number of:

- a. persons insured under this Personal Liability Coverage;
- b. parties who sustain injury or damage; or
- c. claims made or suits brought.

2. **Coverage M -- Medical Payments To Others** -- The "limit" shown on the "declarations" per person for Coverage M is the most "we" pay for all medical expenses payable for "bodily injury" to one person as the result of one accident.

When a "limit" is shown on the "declarations" per accident for Coverage M, that "limit" is the most "we" pay for any one accident.

The payment of a claim under Coverage M does not mean "we" admit "we" are liable under Coverage L.

3. **Insurance Under More Than One Coverage** -- If more than one coverage applies to a loss, "we" pay no more than the actual loss.

4. **Coverage L -- Insurance Under More Than One Policy** -- Coverage L is excess over other insurance that applies to the loss or claim.

If the other insurance is also excess, "we" pay only "our" share of the loss. "We" pay only that part of the loss that the applicable "limit" under this Personal Liability Coverage bears to the total amount of insurance covering the loss.

PAYMENT OF LOSS OR CLAIM

A person who has secured a judgment against an "insured" for an insured loss or has liability established by a written agreement between the claimant, an "insured", and "us", is entitled to recover under this Personal Liability Coverage to the extent of coverage provided.

CONDITIONS

1. **Bankruptcy Of An Insured** -- Bankruptcy or insolvency of an "insured" does not relieve "us" of "our" obligations under this Personal Liability Coverage.
2. **Conformity With Statute** -- "Terms" in conflict with the laws of the state where the premises described on the "declarations" is located are changed to conform to such laws.
3. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void if, before or after a loss:
 - a. "you" or any other "insured" has willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) the "insured's" interest herein;
 - b. there has been fraud or false swearing by "you" or any other "insured" with regard to a matter that relates to this insurance or the subject thereof.
4. **Policy Period** -- These coverages apply only to "bodily injury" and "property damage" that occur during the policy period.

5. **Subrogation** -- If "we" pay for a loss, "we" may require that "you" assign to "us" the right of recovery up to the amount "we" pay. "We" are not liable for a loss if, after the loss, "you" impair "our" right to recover against others. "You" may waive "your" right to recover, in writing, before a loss occurs, without affecting coverage.

Subrogation does not apply to Coverage M -- Medical Payments to Others or to Damage to Property of Others under the Incidental Personal Liability Coverages.

6. **Suit Against Us** -- No suit may be brought against "us" unless:
 - a. all the "terms" of this Personal Liability Coverage have been complied with; and
 - b. the amount of an "insured's" liability has been fixed by:
 - 1) a final judgment against an "insured" as a result of a trial; or
 - 2) a written agreement of the "insured", the claimant, and "us".

No person has a right under this Personal Liability Coverage to join "us" or implead "us" in actions that are brought to fix the liability of an "insured".