



## FARMOWNERS DISCLOSURE NOTICE

Your renewal policy includes important coverage changes. Please review this important notice and retain it with your insurance policy.

This Disclosure Notice is not a contract of insurance. It is intended to provide information on an updated URB Farmowners form series which is now in use by this company. The policy may not include all of the forms addressed by this Disclosure Notice. It is recommended that you review your policy carefully to determine your rights, duties and obligations. This information is intended to assist you in the review of your prior and current policy. If there are any conflicts between this Disclosure Notice and your policy, the provisions of the policy shall prevail.

The Farmowners program has been created to meet the needs of a diverse farm community. Farming has evolved and today can be the result of a hobby or a career. The Farmowners program is intended to address the needs of the gentleman farmer or the farmer who is in business to make a living whether it be as an individual, a corporation or some other type of legal entity. With more options for coverage combined with these updated forms, the Farmowners program is intended to assist today's farmer in obtaining the coverages necessary to adequately insure the risks faced by farms today.

### Agreement

#### ML-20F (6/99)

Form ML-20F is a compilation of several forms. Form ML-20 (1/87) has been revised and portions of Forms ML-6 (1/87) and ML-7 (1/87) have been absorbed into ML-20F, and those two forms no longer exist as independent forms. As a consequence, the program is now more streamlined and information is displayed in a more coherent, easier to read format. It does necessitate a wide variety of changes.

1. The Agreement portion of the policy now refers to liability insurance as opposed to personal liability insurance as the former edition did.
2. The Agreement states that any reference to ML-20 is to be read as ML-20F.
3. The Table of Contents has been reorganized and the Condition Sections now refers to the part attached to the policy as opposed to the fixed entity in the prior edition form.
4. The Definitions section has undergone major changes.
5. Under Definitions, the definition of You has been revamped to include your spouse only when the insured is an individual. Changes in eligibility rules necessitate this added clarification.
6. Under Definitions, Automobile is now a defined term. Please note that unlicensed, unregistered autos used exclusively on the farm premises for farm operations are exempted from the auto definition. Thus, for instance, former military vehicles used to gather the harvest may be covered. Autos in dead storage on the farm premises are also exempt.
7. Under Definitions, Bodily Injury has been redefined.
8. Under Definitions, Business has been redefined to exempt farming from the definition.
9. Under Definitions, Custom Farming is now defined.
10. Under Definitions, Employee is defined to include leased employees also.
11. Under Definitions, Farm Animals is now a defined term. As you will note, it is broadly defined to include animals such as deer, alpacas, ostriches etc., which were not traditionally raised on farms in the past.
12. Under Definitions, Farm Dwellings, Farming, Farming Operations, Farm Premises and Farm Structures have been given new or added meanings and definitions.
13. The definition of Insured Premises has been condensed for easier reading.
14. Under Definitions, Non-Farm Vehicles are now defined.
15. Under Definitions, Poultry becomes a defined term.
16. Under Definitions, Residence is redefined to state that the insured must reside in at least one of the units shown as the residence on the Declarations.
17. Specified Causes of Loss is a newly defined term.
18. Mobile Machinery and Specifically Insured Machinery are now defined.
19. Tenant's Improvements and Betterments are now defined.
20. Principal Property Coverage A has been slightly modified to eliminate prior reference to personal property.
21. Principal Coverage B shows new title, Scheduled Private Structures and the Agreement is modified to limit coverage to those scheduled structures.

### Causes of Loss Forms Available for Coverages E, F and/or G

Note that the Farm Perils Section was previously included as part of the ML-6 and/or the ML-7. In this new series, the Causes of Loss sections for Coverages E, F and/or G require the use of one or more of the following forms: ML-6F, ML-1F, ML-2F, ML-3F and/or ML-62. In general, the ML-6F provides the least broad coverage and coverage gradually gets broader from the ML-1F, to ML-2F and then the ML-3F and the ML-62. While these forms have been streamlined, there are few substantive differences between the coverages provided in the old forms series and the updated series, except where more perils are included.

## **Liability Options**

### **ML-9A (6/99)**

Note that Form ML-9A can be used to provide Personal Liability coverage on a Commercial Farm when an LS-1, LS-5 or LS-6 are used to cover the commercial liability exposure.

1. An identification line has been added at the top of the page.
2. An introductory line has been added to establish that coverage applies only to personal liability exposures.
3. A definition of business has been added at the beginning of the form. Please note that when ML-9A is in use, farming is included within the definition of business.
4. Domestic Employee has been slightly redefined and it appears under the definition heading.
5. A definition of Insured has been included.
6. A definition of Insured Premises has been added.
7. Under Insured Premises, item 4b.3 has been clarified to exclude land used for farming.
8. Under Insured Premises, item 4b.6 has been clarified to include only non-farm premises.
9. The grant of coverage for Coverage L has been expanded to include suit or any other legal process. The exhaustion of limits provision under Coverage L has been broadened to include a reference to other dispositions.
10. Coverage L has been clarified by words that coverage attaches to personal, non-business pursuits.
11. Under Incidental Liability and Medical Payments Coverage item 5b.3 has been clarified by the addition of the reference to motorized vehicles not subject to motor vehicle registration.
12. Item 5 c. has been clarified by a reference to recreational motor vehicles not subject to motor vehicle registration.
13. Item 6 has been clarified by referencing the loading and unloading operations as performed by an insured.
14. Exclusion h. has been significantly broadened to be more specific as to the lack of coverage for alleged unintentional injuries caused by an intentional act.
15. Exclusion k. has been broadened and clarified. The listing of irritants, contaminants or pollutants has been broadened to include electrical, magnetic or sound emissions. The laundry list of bodies of water has been eliminated and it now includes a reference to land, air or water.
16. Exclusion l. is newly added. This is an exclusion of motorized vehicles other than as defined in the policy.
17. Exclusion m., n., o., and p. have been re-lettered.
18. Exclusion m. has been broadened by the inclusion of diseases transmitted by farm animals.
19. Exclusion p., (formerly exclusion o.) has been revised to exclude criminal acts by an insured as well as by employees.
20. An introductory paragraph is added at the top of page L-5. It provides a means to adapt this form to usage in other states.
21. The Workers' Compensation roll on section has been slightly modified to reference form ML-5 and ML-5T.
22. The Workers' Compensation section has been modified to reference ML-20F and ML-424 and ML-425 when they are applicable.
23. On page L-5, the second heading has been revised to read Provisions Of ML-9A That Apply. The references to ML-9 and ML-10 have been deleted.
24. References to New York Workers' Compensation Law have been deleted and replaced by Workers' Compensation Law to enable this form to be used in other jurisdictions also.

### **ML-10F (6/99)**

Note that Form ML-10F includes coverage for personal liability.

1. On page L-1, the Definitions section at the heading of the form has undergone some changes. The definition of Farming has been redefined to broaden it to include less common farming pursuits such as aquaculture, hydroponics etc.
2. A definition of Farm Premises has been added to clarify the form.
3. The grant of coverage under Coverage L has been expanded to include suit or other legal process. The exhaustion of limits provision under Coverage L has been broadened to include a reference to other dispositions.
4. Under Incidental Liability and Medical Payments Coverage, item 2, Contracts and Agreements Coverage on page L-2 has been further restricted. The coverage now extends to those incidental contractual liabilities shown, as is the pattern in other forms. They include leases, easements, agreements with municipalities, sidetrack agreements and

elevator maintenance agreements. Given the facts of labor contracts etc., it no longer seems prudent to extend uncontrolled blanket contractual liability coverage to farming operations.

5. Item 5 b. 3) has been augmented with the clarifying words, and not subject to motor vehicle registration.
6. Item 5 c. has been augmented with the clarifying words, and not subject to motor vehicle registration.
7. Items 5 and 6 have been clarified by referring to loading/unloading operations by an insured.
8. Item 6 d.3) on page L-3 has been further restricted to motors that are not owned or leased to any insured.
9. Item 8 on page L-3 has been added in its entirety. The intent is to define custom farming operations and restrict it to a maximum annual earnings. In the event that greater earnings are derived from this pursuit, additional coverage may be purchased. Certain high risk exposures such as application of herbicides or pesticides are excluded.
10. Exclusion h. on page L-3 has been modified to refer to bodily injury and to property damage. It has also been augmented with a clarification to the extent that unintentional injuries rising from intentional acts are similarly excluded as is the intent of the contract.
11. Exclusion k. on page L-4 has been broadened to exclude real or alleged derivative injuries by close family members. The exclusion applies to dual capacity matters also.
12. Exclusion l. has been streamlined by making it specific to land, air or water as opposed to the original laundry list.
13. Exclusion m. is newly added and it excludes coverage for personal liability or medical payments necessitated by electrical or magnetic emissions.
14. Exclusion n. has been added to clarify that this policy does not intend to provide benefits that should be provided by an auto policy.
15. Exclusion o. is newly added and it is to clarify that the policy is not intended to act as the guarantor of the insured's work. Surety bonds can be purchased as needed.
16. Exclusion p. has been modified to exclude the transmission of a communicable disease by an insured or by a farm animal. The transmission by farm animals has become a high profile issue with such considerations as "mad cow" disease etc.
17. Exclusion q. has been added to exclude liability from animals used in contests etc.
18. Exclusion t. has been modified to add criminal practices by an insured to the exclusion as opposed to merely employees.
19. The former reference to exclusions n., o., and p. has been eliminated.
20. On page L-5, a paragraph has been added immediately before the Workers' Compensation Section. The intent is to make the form better adapted for use in other jurisdictions.
21. The Workers' Compensation section introduction has been broadened to include a reference to forms ML-5 and ML-5T.
22. The Workers' Compensation Section has been modified to reference ML-10F, ML-20F and ML-424 and ML-425. The reference to New York has been eliminated in 4 places.

### **LS-1, LS-5 and LS-6 (Various Edition Dates)**

Note that the Farmowners Program expands the options available for Commercial and Corporate Farm Operations, and now with the new forms, General Liability coverage is available within the scope of the Farmowners Program.

Liability forms LS-1, LS-5, or LS-6 may be attached to and made part of your policy to provide General Liability coverage. These all consist of an Agreement, Definitions, Principal Coverages, Supplementary Payments, Exclusions, What **You** Must do in Case of Loss, How Much **We** Pay for Loss or Claim, Payment of Loss or Claim, Policy Conditions and a Nuclear Exclusion.

This is the first time General Liability coverage has been available in the context of farm liability and these forms will overall provide broader coverage of a commercial nature. With respect to the differences in the forms, the LS-1 is the least broad liability form, providing General Liability coverage for the premises location. LS-5 is roughly equivalent to the standard General Liability coverage available in the insurance industry providing coverage for bodily injury and property damage from premises operations and LS-6 is the broadest of these three forms providing coverage for bodily injury, property damage and personal injury arising out of premises operations. In some situations, these forms may also provide products and completed operations coverages. Not every form in the LS series will be attached to your policy even if you purchase General Liability coverage. For more specific information on whether you have purchased this coverage and the details of it, consult your policy.

## **LS-400 (12/00)**

Form LS-400 is an amendatory endorsement that may also be included in your policy. This form is required when an LS-1, LS-5 or LS-6 are used. Coverage under the farm program is provided for premises and operation liability resulting from farm operations at the locations described on the policy.

## **Schedule for Coverages E and G**

### **ML-300 (6/99)**

1. Form ML-300 is a reformatted and updated version of a prior form.
2. The form title has been changed to reference Coverage G-Unscheduled Farm Personal Property also.
3. The reference and instructions for specifically insured machinery is now at the top of the form.
4. The information captured on the form has been broadly enhanced. There is a place to enter the cause of loss form, deductible amount and whether replacement cost provisions apply.
5. The items in the description have been grouped together and augmented for convenience.
6. Description area now references grain, hay in a structure and hay in the open.
7. The former reference to livestock now reads farm animals.

## **Schedule for Coverage F**

### **ML-303 (6/99)**

1. Form ML-303 has been reformatted and streamlined by eliminating the prior descriptions and blanks and replacing them with blanks to be filled in as a description.
2. The form has been made more flexible by the addition of lines to capture information as to the cause of loss form in use and a listing of the applicable deductible.
3. A check box has been added to show replacement cost when applicable.

## **Conditions Section**

Note that the Conditions Section was previously included in the ML-20 and the cancellation and conditions provisions are now contained in the ML-424 or ML-425.

## **ML-424 (6/99) – For Use with Commercial Farming Operations**

1. Form ML-424 is a direct pick up of the commercial cancellation and conditions provisions. However, there are some small modifications.
2. Item 2c (3) (I) has been changed slightly to refer to the applicable section of the Health Law as opposed to the prior reference to the specific statute.
3. Item 2d. has been added to address checks under \$5.00.
4. Item 3b. (e) has been added to clarify the aggregate limit in the event of a late conditional or non-renewal notice.
5. Item 3g. has been added to provide information on returned checks.
6. Condition 4 has been added. It provides instructions for the orderly transition to the insured's own counsel when the limits of liability have been equaled or exceeded.
7. Condition 7 has been modified to read that the insurer does not provide coverage in the event of misrepresentation, concealment or fraud as opposed to the older concept of the coverage being void in those circumstances.
8. Condition 8 has been expanded to include audit capacity language.

## **ML-425 (6/99) – For Use with Personal Farming Operations**

1. Form ML-425 is a direct pick up of the personal lines cancellation and conditions provisions. However, there have been some very small modifications.
2. Condition 2 d has been added to address checks under \$5.00.
3. Item 3 has been added to provide information on cancellation reinstatements when the check tendered in payment is dishonored and returned.
4. Item 4, Transition of Duties, has been added to provide an orderly transition to the insured's own counsel when the limits of liability have been equaled or exceeded.
5. Condition 7 has been revised to refer only to a lack of coverage rather than the prior treatment of voiding the contract.
6. Condition 8 has been expanded to include an optional audit capacity.

There may be additional forms on your policy and this Disclosure Notice is not intended to be an exhaustive list. Any remaining forms have undergone similar substantive and cosmetic changes to update the forms in light of current court decisions, to clarify and simplify language, to reduce redundancies and ambiguities and to promote more comprehensible, user friendly forms and endorsements.

This Disclosure Notice is intended to highlight and detail the typical changes that are present in the revised forms series. It should not be regarded as detailing every change nor is it an exhaustive listing, but, it does provide a view of the general range of series changes. If you have any questions as to these changes on the completion of your review, please contact your agent or this company for further information.