



We've Got Something to Crow About!

Farm Program

- ***Enhancements***
- ***Form Changes***
- ***Rate Changes***



Oregon

Contents

Winery Property.....3

Orchard and Vine Coverage4

Agritourism Liability5

Alternative Commodities6

Alarm Credits.....6

Replacement Cost7

Farm Pollution Limits7

Premium Size Credit7

Other Changes (Things to make us *that* much better!) 8-9

Policy Form Revisions..... 9-11



Winery Property

We are introducing new form **EF9924-Winery Property Endorsement!** This endorsement provides the following coverages:

- Trees, plants and shrubs - \$1000 for any one tree or vine up to a limit of \$25,000 per occurrence.
- Wine Market Value - Market value of “bottled winery products” is determined specifically for various stages in aging and market readiness.
- Wine Contamination
 - \$25,000 with option to increase (.10 per \$100 increased)
- Wine Leakage
 - \$25,000 with option to increase (.10 per \$100 increased)
- Brands & Labels Expense
 - \$25,000 – Cost incurred to stamp “salvage” or remove & re-label products.

Farmowner Orchard, Vineyard and Winery Supplemental Questionnaire COM156 is a new questionnaire that will be used to gather information specific to winery risks.

Rule 36.D.45-Winery Property, has been added to the Farmowner manual.

\$100 flat charge premium applies.

Sublimits for wine contamination and wine leakage can be increased for an additional charge.



Orchard and Vine Coverage

We are introducing new form **EF9923-Orchard and Vineyard Growers Property Enhancement!** This endorsement provides the following coverages:

- Deductible – \$500, for all coverages per occurrence.
- Valuation – All coverages are ACV unless otherwise stated.
- \$1,000 for any one tree or vine up to a limit of \$50,000 per occurrence.
- \$5,000 for Contingent Transit Coverage for orchard and vineyard products (products shipped at the buyer's risk that cannot be collected for due to damage by a Covered Cause of Loss).
- Replacement Cost up to \$5,000 for sign coverage.
- Vineyard Contamination Coverage
 - \$10,000 - Loss to harvested vineyard products caused by "sudden and accidental release of fluids from machinery used in the harvesting of grapes".
- Harvested Orchard and Vineyard Products:
 - \$25,000 – Harvested Orchard and Orchards Products at the insured location.
 - \$5,000 - Harvested Orchard and Orchards Products while in transit up to 100 miles of insured location.
 - \$10,000 - Harvested Orchard and Orchards Products not at the insured location or in transit.
 - \$5,000/\$20,000 while in custody of a common carrier..



Farmowner Orchard, Vineyard and Winery Supplemental Questionnaire

COM156 will also be used when submissions for Orchard and Vineyard risks are received.

Rule 36.D.44-Orchard and Vineyard Growers Property Enhancement has been added to the Farmowner manual.

\$100 flat charge premium applies.

Agritourism Liability

We have revised form **EF0443-Business and Agritourism Activities** to include Agritourism Activities, such as Fall Festivals or Pumpkin Patches, as part of the business activities.

Farmowner Agritourism Supplemental Questionnaire COM157 was created to provide our underwriters with the information needed to understand the complexity of a risk that is part of a rapidly growing aspect of today's farming communities. The additional operations performed on farm premises can encompass a large range of activities. When coverage is requested, the questionnaire will provide some general information pertaining to the size and frequency or duration of the operations. Additionally, a broad range of options is provided to indicate specific activities performed as part of the insured's Agritourism Activities.

Premiums are determined by selecting the appropriate Hazard Grade and Estimated Annual Gross Receipts. The coverage limit follows the liability limit of the policy. Premiums, as shown in the manual pages, will be increased by the same Increased Limit Factor used for the underlying liability.

Liquor Liability can also be added in conjunction with Agritourism Activities, but not as a coverage on its own. Limits for Liquor Liability follow the policy liability limit.

Rule 37.G.2.c-Agritourism Activities and 37.G.2.d-Liquor Liability have been added as part of Rule 37.G.2-Incidental Business Activities in the Farmowner manual.

The actual scope of this exposure may be difficult to determine and there are activities for which we do not wish to offer coverage. We are therefore introducing new form **EF1055-Exclusion-Designated Operations or Activities**. For example, this form would be used if the insured is operating a pumpkin patch and also has a catapult contraption for launching the pumpkins. The catapult contraption would be excluded even though coverage for the remainder of the operations was provided.



Alternative Commodities

EF9922-Alternative Hay and Commodities Coverage has been revised to include commodities such as apples, onions and potatoes as property eligible for coverage. These are items that might otherwise be placed on the Value Reporting Endorsement.

The form has also been revised to display Covered Causes of Loss, Valuation and Deductible. Items scheduled using the **EF9922** will no longer appear on the Scheduled Personal Property Schedule DFP0013.

As with hay, commodities coverage must represent at least 80% of the highest limit stored at any time during the policy period. Premiums for this coverage are fully earned at the inception date.

Commodities scheduled using the **EF9922** will receive a .70 credit applied to the corresponding building rate of which they are stored. The factor applied to the rate for Hay in the Open has been revised to .50.

For further explanation, refer to Rule 36.D.38-Alternative Hay and Commodities Coverage in the Farmowner manual.



Alarm Credits

Rule 12-Protective Devices or Services and **EF1212-Premises Alarm System Endorsement** have been revised to allow for the application of credits to qualifying outbuildings scheduled on Coverage G.

Credits can be applied to outbuildings if information existing in the file indicates that protective devices are present, or if information is received to verify that the building is equipped with protective devices.

The credits applied are the same as those applied to Dwellings as shown in Rule 12.



Replacement Cost

We are introducing new form **EF0426-Farm Personal Property Replacement Cost Endorsement**. Eligible items of equipment scheduled on Coverage E can now be scheduled with Replacement Cost valuation.

To be eligible, an item must be 5 model years or newer and the Year, Make and Model of the equipment must be documented. Blanket equipment is not eligible. Items must be insured for at least 80% of their replacement value.

Premium calculation is 40% of the item premium.

Example: Item premium = \$100.

Replacement Cost premium = \$40.

The total item premium = \$140.



Farm Pollution Liability Limits

We are excited to announce that we are now offering Limited Farm Pollution Liability limits up to \$500,000!

We have made revisions to form **EF0430-Limited Farm Pollution Liability Extension Endorsement**, removing the limit/premium table and replacing it with a field that will show only the applicable limit.

F012-Limited Farm Pollution Application has been revised to show all of the limits we offer. While the layout of the application is changed, the questions remain the same.

Refer to your Farmowner manual for limits and premiums offered.

Premium Size Credit

We are adding a Premium Size Credit plan to our Farmowner program. Credits will be applied to policies starting at \$5,000 in Farmowner premium. This does not include or apply to Umbrella or Auto premiums. The credit will be applied after all other modification factors have been applied. Refer to page EF-PS-1 in the Farmowner manual for further explanation of the plan and what credits apply.



Other Changes

Minimum Premium

The minimum premium for Farmowner policies is changed to \$750 and Rule 8-Policy Writing Minimum Premium in the Farmowner manual has been revised.

Irrigation Equipment

Currently we use only one rate for Irrigation Equipment. As part of the revisions in the Farm program, Irrigation Equipment can now be scheduled using a rate for equipment that is 5 model years of age or newer or for equipment that is 6 model years of age or older. A model year must be supplied to your underwriter for equipment to be eligible for the rate for equipment that is 5 years or newer.

Irrigation Equipment scheduled on existing policies will be given the rate for equipment that is 6 years or older and will reflect an increase of 30% from the previous Irrigation Equipment rate.

Irrigation Equipment that is 5 years or newer will be scheduled with that rate once the model year is provided. Equipment scheduled using this rate will reflect an increase of 20% from the previous Irrigation Equipment rate.

All-Terrain Vehicles

We are adopting the most recent edition of ISO form **FL0474-All Terrain Vehicle Coverage**. This version allows for coverage to be extended when Farm policies are issued using the Commercial General Liability Form CG0001.

Rule 38.O. All-Terrain Vehicles is added to the Farmowner manual.

Farm Type Factor and Additional Rate Revisions

Type of Farm Categories are described in Rule 37-Farm Liability and Rule 38-CGL Farm Liability. Loss ratios for farms categorized as Type I (horses and livestock) or Type II (poultry and dairy) are substantially higher than that of Type III (fruits, vegetables, horticulture) or Type IV (grain and field crops) farms. To address this we have made several changes:

Liability rates have been adjusted to reflect actual loss performance by Type of Farm as well as by future loss trends. Rates for Type I and Type II farms are increased 10.8% while Type III and Type IV risks are decreased 9.20%.

Property rates will be affected differently. Rates for Dwellings, Unscheduled Personal Property and Farm Outbuildings will decrease 9.20% while rates for Scheduled Personal Property, with the exception of Scheduled Irrigation Equipment, will decrease 3.33%.

In addition, Rule 33-Farm Type Factor is added to the Farmowner manual. This is a new factor that will apply to most property premiums and is determined by the Type of Farm as described in Rules 37 and 38. A 20% increase will apply to property on policies that are Type I or Type II. Type III and Type IV farm policies will see no change due to the Farm Type Factor at this time.

Significant progress has been made in addressing inadequate Insurance to Value (ITV) on farm dwellings and outbuildings. Many agencies have opted to add Inflation Guard on all of their policies in an effort to keep up with increases in the cost of labor and materials.



In an effort to further correct ITV inadequacy, the MSB Zip Code increase factor will be applied to any dwelling or outbuilding limits not currently being increased at renewal. Specifically, this would apply to dwellings written on an Actual Cash Value (ACV) basis where Inflation Guard does not apply and outbuildings where Inflation Guard does not apply. The increase factor will not be applied to wind machines written on Coverage G, as they are not considered “buildings”.

Dwelling and outbuilding limits may be decreased if it is determined that the increase is not necessary. In order to do this we will need validation of the limits requested. The current Replacement Cost (100% limit required) or ACV limit (at least 80% of that value) will have to be calculated to support the reduction.

Also affecting the premiums is the application of the Premium Size Credit. Policies reaching \$5,000 in Farmowner premium will automatically have credits applied to them. Available credits range from 4% to 20%, depending on the actual policy premium.

Policy Forms Revisions

EF0020-Farm Liability Coverage Form

Revisions have been made to bring the form up to date with the most current edition of ISO form FL0020.

Amendments have been made to exclusions for Pollution, Aircraft, Motor Vehicle, Motorized Bicycle or Tricycles, and Damage to Property.

Exclusions have been added for Use of Livestock or Other Animals, Communicable Disease, TCPA and CANSPAM acts and War.

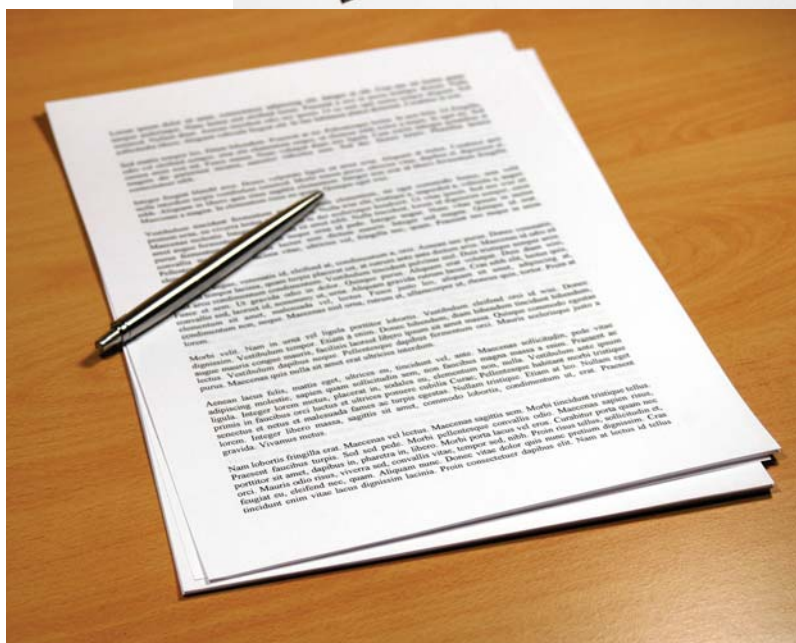
Definitions have been added or revised for “advertisement”, “bodily injury”, “indemnatee”, “mobile equipment”, “motor vehicle” and “personal injury”.

EF0116-Equipment Breakdown Enhancement Endorsement

We have replaced any reference to Mechanical Breakdown coverage with Equipment Breakdown.

Coverage is added for: additional costs to repair or replace Covered Property when containing CFC (chlorofluorocarbon); loss or damage to computer equipment; and extension of Disruption of Farming Operations, Extra Expense or Spoilage coverage if caused by an equipment breakdown.

Conditions are added to provide up to 125% of the cost to repair or replace property with equipment that is “better for the environment, safer or more efficient than the equipment being replaced”.



Equipment Breakdown coverage is being extended to Coverages E and F for limited coverage to “livestock” and “poultry” with \$25,000 sublimits.

In addition, provisions are added to clarify that Equipment Breakdown coverage does not extend beyond the insured location.

EF0412-Personal Liability

Revised for consistency with changes made to the Farm Liability Coverage Form EF0020 and in the ISO counterpart to this form, Personal Liability FL0412.

EF0444-Farmers Limited Crop Dusting Coverage

Revised for consistency with changes made to the Farm Liability Coverage Form EF0020.

EF0448-Broad Farm Liability

Changes are editorial in nature.

EF0469-Custom Farming Liability Coverage

We are revising this endorsement to clarify that the Damage to Property exclusion extending to damage to personal property in the insured’s care, custody or control, in the Farm Liability Coverage Form and Commercial General Liability Coverage Form, does not apply to coverage provided by this endorsement. This is consistent with changes made in the Damage to Property exclusion in the Farm Liability Coverage Form EF0020.

EF1005-Greenhouse and Nursery Operations Limitations

Changes are editorial in nature.

EF1040-Causes of Loss-Earthquake

Revisions were made to the exclusion for failure of power or utility services to include “lack of sufficient capacity and reduction in supply” consistent with changes made in the ISO counterpart form.

EF1211-Loss Payable Provisions

For consistency with Farm coverage forms, the phrase “statement of loss” is amended to “proof of loss”.

EF2168-Fungi or Bacteria Exclusion

Consistent with ISO revisions, we are replacing the term “consumption” with the term “bodily consumption” to reinforce that the term does not extend to goods or products not intended for bodily consumption.

EF9911-Scheduled Watercraft Physical Damage

We are revising the structure of the form to more clearly state coverages and add the Causes of Loss Form-Farm Property as a separate paragraph with direct reference to that form.

With regard to application of deductibles, we are deleting reference to Mutual of Enumclaw and replacing it with Enumclaw Insurance Group as policies can potentially be issued by different companies within the group.

As part of the definition of “insured watercraft” we are placing “similar type watercraft” in quotation to indicate there is an additional definition and the 45 day extension of coverage is revised to 45 days from “your acquisition”.

The definition of “predicted log cruise” is amended to “predicted log racing” for consistency throughout the form.

EF9920-Coverage for Financed Scheduled Farm Machinery and Equipment

We are revising this form to remove reference to Mutual of Enumclaw and form EF0013 and replacing it with reference to form FP0013.

EF9950-Farm Property Amendatory Endorsement

Changes made reflect updates and revisions to ISO forms.

Section III-Additional Coverages is revised to clarify that a plumbing system does not include sump, sump pump or related equipment. Coverage is added for damage to grave markers by Basic or Broad Covered Causes of Loss, subject to the Limit of Insurance.

Coverage E. Paragraph A. Covered Property is amended to clarify that Basic and Broad Covered Causes of Loss are the only causes of loss applicable to livestock.

Covered Causes of Loss-Special, Paragraph w. is revised. The exclusion of “wear and tear” is amended to add back coverage for irrigation equipment. For further clarification, we have added a definition, respective to the wear and tear exclusion, of what is considered to be irrigation equipment.



1460 Wells Street, Enumclaw, WA 98022
(360) 825-2591 1-800-366-5551
www.MutualOfEnumclaw.com

MK089 OR 0609