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## Introduction

- Farming operations
  - Cultivating soil, producing crops, raising livestock, incidental operations like roadside stands
- Farm premises
  - Include residential and commercial structures
- Liability exposures arise out of legal wrongs
  - Crime
  - Breach of contract
  - Tort

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## Farm Liability Loss Exposures

- Premises and operations risks
- Products and completed operations risks
- Contractual liabilities
- Independent contractor liability

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## Risks Not Eligible for Farm Liability Coverage

- Typically insured under a CGL or specialty form:
  - Dwelling used for business purposes other than permitted incidental occupancies
  - Dwelling with more than 4 family units
  - Primary purpose is freezing, dehydrating, or poultry factory
  - Principal function is to supply commodities the insured uses for processing or manufacturing for sale to others (e.g., a dairy farm)

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## ISO Policy Structure

**Farm  
Liability  
Policy**



**Common Policy  
Declarations**

**Common Policy  
Conditions**

**Liability Declarations**

**Liability Coverage Forms  
FL 00 20**

**Endorsements**

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## Farm Liability Form Coverage Sections

|                                       |  |
|---------------------------------------|--|
| <b>Section I—Coverages</b>            | Contains three coverage parts (H, I, J) that define the scope of coverage for the different types of covered damages |
| <b>Section II—Limits of Insurance</b> | Defines how each of the policy limits apply  |
| <b>Section III—Conditions</b>         | Outlines various obligations of the insured and insurer  |
| <b>Section IV—Definitions</b>         | Provides specific definitions of key terms contained in the policy   |

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## Farm Liability Coverage Form—Part I

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## Section I Coverages

- Coverage H—Bodily Injury and Property Damage Liability
- Coverage I—Personal and Advertising Injury
- Coverage J—Medical Payments

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## Who Is an Insured

- Combination of homeowners and CGL concepts
- “You” and “your” refer to the *named insured* shown in the declarations
  - Distinguish between named insured (“you”) and an insured
- Who is an insured depends in part on the named insured’s legal structure (i.e., individual, corporation, etc.)

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## Insured Definition

**Insured means you, and if you are an individual,**

insured also means the following members of your household

- your relatives;
- any other person under the age of 21 who is in your care or the care of a member of your household who is your relative; or
- a student enrolled in college full time, as defined by the school, provided the student is under the age of
  - 24 and is your relative or
  - 24 and is in your care or the care of a member of your household who is your relative.

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## Insured Definition (cont'd)

**Insured means you, and if you are a partnership or joint venture,**

insured also means your members, your partners, and their spouses, but only with respect to "farming" operations.

**Insured means you, and if you are a limited liability company (LLC),**

insured also means

- your members, but only with respect to your "farming" operations; and
- your managers, but only with respect to their duties as your managers.

**Insured means you, and if you are an organization other than a partnership, joint venture, or LLC (i.e., corporation, association, etc.),**

insured also means

- your executive officers and directors, but only with respect to their duties as your officers and directors; and
- your stockholders, but only with respect to their liability as stockholders.

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## Insured Definition (cont'd)

- Does not include a person or organization with respect to a partnership, joint venture, or LLC not shown in the declarations
- Does include the insured's employees
  - For job-related acts
  - Causing bodily or personal injury to a third party
    - No coverage for injuries to fellow employees
- Includes real estate manager acting on the insured's behalf
- Includes parties who have custody of an insured's animal
- Includes persons using covered vehicles on the insured's location

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## Coverage H Insuring Agreement

- When no exclusion applies, the insurer
  - pays sums ...
  - the insured is legally obligated to pay ...
  - because of bodily injury or property damage ...
  - caused by an "occurrence" during the policy period
    - "Occurrence" includes continuous or repeated exposure
- Insurer has a right and duty to defend, investigate, and settle a claim
  - Ending when the applicable limit is exhausted by the payment of claims
  - Defense costs are outside the limits

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## Known Loss Wording

- Also known as the Montrose Provision
- Eliminates coverage under a *current* policy for loss the insured was aware of when that policy took effect

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## What Is “Farming”?

- Farm liability coverage form contains no mention of farming in insuring agreement
- Coverage rests on absence of an exclusion
- “Farming” is defined as the operation of an agricultural or aquacultural enterprise
  - Includes operation of roadside stands on farm premises and maintained solely for sale of farm products produced by insured
  - Does NOT include retail activity, mechanized processing operations, or agritainment

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## Bodily Injury and Property Damage

- Bodily injury (BI) includes damages claimed for care, loss of services, or death that result from bodily injury
- Property damage (PD) includes loss of use of damaged property and loss of use of tangible property that has not been damaged

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## Products Liability Coverage

- Covered because it is not excluded
  - No explicit insuring agreement
- Liability arising from products the insured purchases for resale are excluded
  - Not within the “farming” definition
- Liability from selling processed products is excluded
  - Can be covered by a CGL
- Confirm coverage for ambiguous situations with the underwriter

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## Reasons for Exclusions

- Eliminate coverage for uninsurable exposures
- Eliminate coverage typically provided by another policy type
- Eliminate coverage for untypical exposures
- Allow for specialized underwriting and pricing

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## Section I Exclusions

- |   |  |
|---|--|
| a) Expected or intended                                   | g) Mobile equipment  |
| b) Contractual liability                                  | h) Use of livestock or other animals                       |
| c) Pollution  | i) Business pursuits                                       |
| d) Release of discharge from aircraft                     | j) Custom farming  |
| e) Aircraft, motor vehicle, motorized bicycle or tricycle | k) Professional services                                   |
| f) Watercraft   | l) Rental of premises and ownership or control of premises |

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## Section I Exclusions (cont'd)

- |   |  |
|---|--|
| m) Communicable disease                     | s) Damage to your product  |
| n) Workers compensation or similar laws     | t) Damage to your work   |
| o) Employers liability                      | u) Damage to impaired property                                       |
| p) Building or structure under construction | v) Recall of products, work, or impaired property                    |
| q) BI to an insured                         | w) Sexual molestation, corporal punishment, physical or mental abuse |
| r) Damage to property                       | x) Controlled substances   |

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## Section I Exclusions (cont'd)

- y) Personal injury
- z) Recording or distribution of material or information
- aa) War
- bb) Agritainment

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## Expected/Intended Injury Exclusion

- Excludes BI or PD expected or intended by the insured
  - Even if the BI or PD is different from what was intended
  - Exception: use of reasonable force to protect people or property

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## Contractual Liability Exclusion

- Contractual liability is excluded, with two important exceptions:
  - Insured would be liable even without the contract
  - Liability assumed under an “insured contract”
    - Lease of premises agreement
    - Easement
    - Agreement to indemnify a municipality
    - Sidetrack agreement
    - Agreement to pay another’s third-party BI or PD claims
      - Concerning farming operations

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## Pollution Exclusion

- Exclusion in the form, like the CGL exclusion, excludes liability for BI and PD for pollution and pollution cleanup costs, with limited exceptions
- Mandatory endorsement FL 01 63 provides coverage for
  - Heat, smoke, or fumes from fires on insured location set to burn vegetation
  - Damage to others' crops or animals caused by chemical drift
    - Subject to exclusions and \$25,000 aggregate limit
- Mandatory endorsement FL 04 30 replaces the pollution exclusion with a more limited exclusion

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## Aircraft, Motor Vehicle, Motorized Bicycle, or Tricycle Exclusion

- Specifically excludes
  - Motor vehicles, meaning a motorized land vehicle, trailer, or semitrailer designed for travel on public roads or used on public roads, unless it qualifies as "mobile equipment," and any machinery or equipment attached to such a vehicle
  - Motorized bicycles
  - Motorized tricycles
  - Recreational motor vehicles
- Exceptions apply

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## Exceptions to Vehicles Exclusion

- The exclusion does *not* preclude coverage for
  - Aircraft that causes BI or PD to a residence employee not operating it
  - Parking a motor vehicle or motorized bicycle or tricycle on or on the ways next to premises owned or rented to the insured if the vehicle is not owned, rented, or borrowed by the insured
  - Vehicles not subject to motor vehicle registration that are used to assist the handicapped or designed for recreational use off public roads and not owned by the insured
  - Bodily injury or property damage arising out of the operation of machinery or equipment that is attached to or part of a land motor vehicle that would qualify as “mobile equipment” if it were not subject to a compulsory insurance or financial responsibility law
  - Bodily injury or property damage arising out of the operation of “mobile equipment”
  - Boat, camp trailer, home trailer, or utility trailer unless it is being towed by or carried on a motor vehicle
  - **Unmodified golf cart used in a golfing facility or a private residential community**

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## “Mobile Equipment” Defined

“Mobile equipment” means the following, including any attached machinery or equipment:

- a. Bulldozers, forklifts, and tractors designed for use principally off public roads and other farm machinery designed for use principally off public roads and as implements for cultivating or harvesting;
- b. Vehicles while on premises you own or rent;
- c. Vehicles that travel on crawler treads, except that snowmobiles are “mobile equipment” only while on an insured location or any premises you own or rent;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted power cranes, shovels, loaders, diggers, or drills or road construction or resurfacing equipment such as graders, scrapers, and rollers;
- e. Vehicles not described above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or
  - Cherry pickers and similar devices used to raise or lower workers
- f. Vehicles not described in a., b., c., or d. above that are maintained primarily for purposes other than the transportation of persons or cargo....

... However, “mobile equipment” does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged. Land vehicles subject to compulsory or financial responsibility law or other motor vehicle insurance law are considered “motor vehicles.”

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## Covered Watercraft

- Watercraft that are NOT sailing vessels and are powered by
  - Inboard or inboard-outdrive 50 horsepower or less NOT OWNED by an insured
  - Inboard or inboard-outdrive more than 50 horsepower NOT OWNED by or RENTED to an insured
  - One or more outboard engines or motors with 25 total horsepower or less
  - One or more outboard engines or motors with more than 25 total horsepower—motor NOT owned by an insured
  - Outboard engines or motors of more than 25 total horsepower OWNED by an insured unless acquired during the policy period
- Watercraft that ARE sailing vessels, with or without auxiliary power, that are
  - Less than 26 feet in overall length
  - 26 feet or more in overall length and NOT OWNED by or RENTED to an insured

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## Mobile Equipment Exclusion

- Applies to BI or PD arising out of transportation of “mobile equipment” by a motor vehicle owned by, operated by, rented to, or loaned to an insured
  - Typically covered by the insurance on the vehicle
- Racing, stunting, etc., are also excluded

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## Use of Livestock or Other Animals Exclusion

- No coverage when livestock or other animals are practicing for or participating in a race or stunting activity
  - Exclusion applies only to occurrences at the contest facility
- Also excludes livestock or other animals, with or without a wagon or cart, providing rides for a fee or in connection with a function
  - Coverage may be available by endorsement

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## Business Pursuits Exclusion

- Excludes BI or PD from a business activity other than farming
  - Exception: Occasional or part-time business with no employees by an insured under age 21

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## Custom Farming Exclusion

- No coverage for an insured's custom farming if receipts in the 12 months preceding the occurrence exceed \$5,000
  - \$5,000 threshold may be increased by endorsement

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## Professional Services Exclusion

- Excludes BI or PD arising out of the rendering of or failure to render professional services
- Exclusion applies even if the claim against the insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by the insured
- Professional liability insurance should be purchased separately

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## Rental of Premises and Ownership or Control of Premises Exclusion

- Excludes BI or PD at an uninsured location
  - Including owned location not declared at policy inception
  - “Insured location” and “residence premises” are defined
- Also excludes rental or holding for rental of an insured location
  - Exceptions allow coverage for
    - Scheduled farm premises rented for farming during the policy period
    - Rental of farm premises acquired during the policy period
    - Rental of a residence on the farm premises
    - Tenants occupying part of an insured’s principal residence
    - Occasional occupancy of the insured’s residence

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## Communicable Disease Exclusion

- Excludes BI or PD from transmission of communicable disease by an insured

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## Workers Compensation Exclusion

- Absolutely excludes liability under workers compensation law for injury to the insured's employees
  - Workers compensation laws vary by state
- Farm employee means any insured's employee whose duties are principally in connection with the maintenance or use of the "insured location" as a farm
  - These duties include the maintenance or use of the insured's farm equipment
  - But "farm employee" does not mean any employee while engaged in a business of the insured or in agritainment

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## Employers Liability Exclusion

- Excludes BI sustained by an employee other than residence employee
  - Residence employees' duties focus on maintenance or use of the residence premises
  - Farm workers or employees engaged in another business of the insured are not residence employees

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## Building or Structure under Construction Exclusion

- BI arising out of construction is excluded
- Exceptions provide coverage for BI sustained by someone other than an insured or residence employee at a *dwelling* under construction

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## Bodily Injury to an Insured Exclusion

- Prevents intra-family lawsuits

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## Damage to Property Exclusion

- Excludes property better insured under a property policy:
  - Property owned by an insured
  - Property rented or occupied by an insured
  - Premises the insured has sold, given away, or abandoned, if the property damage arises out of any part of those premises
  - Property loaned to the insured
  - Personal property that is in the care, custody, or control of the insured

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## Damage to Your Product Exclusion

- The policy covers damage *caused by* the insured's product, not damage *to* the product

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## Damage to Your Work Exclusion

- No coverage for property damage *to* the insured's work
  - Exception: custom farming with 12-month receipts < \$5,000

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## Damage to Impaired Property or Property Not Physically Injured Exclusion

- Excludes PD for impaired property
  - Impaired property is tangible property that cannot be used or is less useful because the insured's product or work has been incorporated into it but can be restored to use by repair, replacement, adjustment, or removal of the insured's product or work

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## Recall of Products, Work, or Impaired Property Exclusion

- Excludes coverage for costs associated with recalling, withdrawing, or removing a product from use
- Recall coverage, if wanted, should be purchased separately

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## Sexual Molestation, Corporal Punishment, or Physical or Mental Abuse Exclusion

- Covering these is considered to be against public policy

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## Controlled Substances Exclusion

- Excludes BI or PD from use, sale, manufacture, delivery, transfer, or possession of controlled substances
  - Controlled substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812
  - Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs
  - The exclusion does not apply to use of legitimate prescription drugs

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## Personal Injury Exclusion

- Excluded under Coverage H because it's the subject of Coverage I

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## Distribution of Material in Violation of Statutes Exclusion

- Excludes BI or PD from violating various federal laws, such as the do-not-call list

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## War Exclusion

- War is commercially uninsurable

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## Agritainment

- Exclusion added in 2016 edition of farm liability coverage form
- Excludes BI or PD arising directly or indirectly out of any “agritainment”
- “Agritainment” is defined as an agricultural-related or aquacultural-related activity or enterprise that is primarily operated on the insured location for the purposes of tourism or entertainment and is engaged in for monetary or other compensation
- Agritainment endorsements also introduced in 2016
- Endorsements eliminate exclusion for an additional premium and are subject to underwriting approval
- CGL policy may be a better alternative, depending on the nature of activities

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## An Overlooked Paragraph

- Follows the long list of exclusions under Coverage H
- States that *exclusions c. (Pollution) through v. (Recall of Products, Work, or Impaired Property) and aa. (War) and bb. (Agritainment) of the policy do not apply to damage by fire to premises rented to or temporarily occupied by the insured with the permission of the owner*
- This “fire damage liability” coverage is subject to a separate limit, as stated on the declarations page of the policy

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## Farm Liability Coverage Form—Part II

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### What Is Personal Injury (PI)?

- Injury, including consequential bodily injury, arising out of
  - False arrest, detention, or imprisonment
  - Malicious prosecution
  - Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, committed by or on behalf of its owner, landlord, or lessor
  - Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services
  - Oral or written publication of material that violates a person's right of privacy

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## What Is Advertising Injury (AI)?

- Injury arising out of one or more of the following offenses
  - Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services
  - Oral or written publication of material that violates a person's right of privacy
  - The use of another's advertising idea in the named insured's advertisement
  - Infringing upon another's copyright, trade dress, or slogan in the named insured's advertisement
- Advertisement: a notice that is broadcast or published to the general public or specific market segments about the named insured's farm-related goods, products, or services for the purpose of attracting customers or supporters
- "Published notices" include material placed on the Internet or similar electronic means of communication
  - With regard to websites, only the part that is about farm-related goods, products, or services is considered an advertisement

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## Exclusions Applicable to PI and AI

- |  |   |
|--|---|
| • Knowing violation of another's rights            | • Distribution of material in violation of statutes             |
| • Material published with knowledge of its falsity | • War   |
| • Material published before policy period          | • Infringement of copyright, patent, trademark, or trade secret |
| • Criminal acts                                    | • Electronic chatrooms or bulletin boards                       |
| • Contractual liability                            | • Unauthorized use of another's name or property                |
| • Pollution  |   |

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## Exclusions Applicable to Only PI

- Business pursuits (other than farming)
- Civic or public activities for pay
- Personal injury to an insured
- Agritainment

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## Exclusions Applicable to Only AI

- Breach of contract
- Quality or performance of goods—failure to conform to statements
- Wrong quotation or description of prices
- Business of advertising, broadcasting, publishing, or telecasting
- Pollution-related loss, cost, or expense

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## Coverage J—Medical Payments

- “Good will” coverage
  - For minor injuries
  - Sustained by third parties
  - On the insured’s premises or arising out of the insured’s activities
- “No-fault” coverage
  - Prevents some BI liability claims

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## Med Pay Insuring Agreement

- Regardless of fault, covers reasonable medical expenses incurred or ascertained within 3 years after an accident causes bodily injury
- Includes expenses for
  - First aid
  - Necessary medical, surgical, X-ray, dental services, and prosthetic devices
  - Necessary ambulance, hospital, professional nursing, and funeral expenses

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## Whose Medical Expenses Are Covered?

- Coverage applies only to a person, other than an insured, who is on an insured location with the permission of an insured or to a person (other than an insured) off an insured location if the bodily injury
  - Arises out of a condition on an insured location or the ways immediately adjoining it
  - Is caused by activities of an insured or by a farm employee in the course of employment by the insured
  - Is caused or sustained by a residence employee in the course of employment by the insured
  - Is caused by an animal owned by or in the care of an insured

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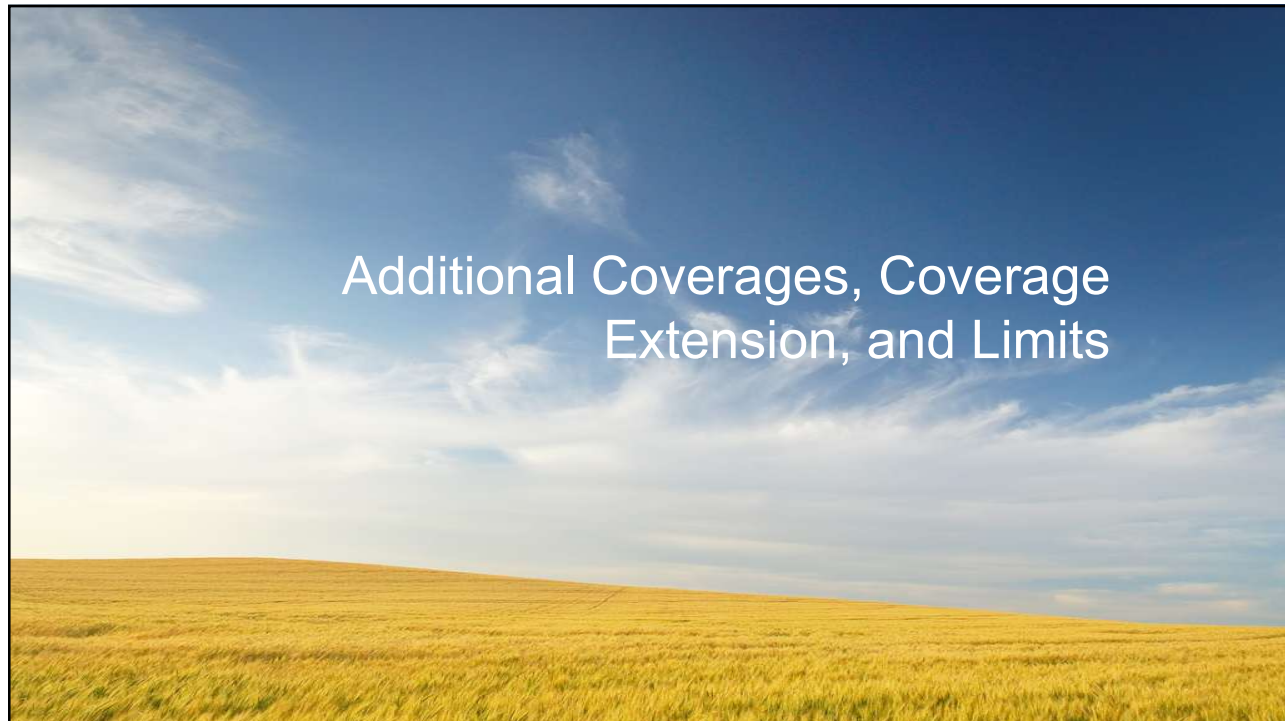
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## Med Pay Exclusions

- Professional service and business pursuits
- Location rented, owned, or controlled by insured
- Farm employees or others maintaining the farm
- Workers compensation or similar law
- Injury to resident
- Agritainment
- Coverage H exclusions also apply

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## Supplementary Payments— Coverages H and I

- Expenses incurred by the insurance company
- Up to \$250 for the cost of bail bonds required because of a covered accident or traffic law violation involving a covered vehicle
  - The insurance company is not required to furnish the bond
- The cost of court bonds to release attachments for bond amounts within the policy limit
- All reasonable expenses incurred by the insured at the company's request to assist in the investigation or defense of a claim or suit, including loss of earnings up to \$250 per day
- All costs taxed against the insured in the suit
- Prejudgment interest
- Postjudgment interest

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## What Triggers the Insurer's Duty To Defend?

- The insured has specifically agreed in an insured contract to assume the liability on which the suit is based, including the defense costs
- The liability assumed in the hold harmless agreement must be of a kind covered by the policy
- The insured and the indemnitee are both named in the suit
- There is no apparent conflict of interest between the insured and the indemnitee
- The request for a defense is made by both parties, and they have agreed to be represented by the same counsel
- The indemnitee agrees to cooperate with the insurer in defending the suit (just as the insured agrees to do so in the policy conditions) and to provide records and documents related to the suit
- The indemnitee agrees to notify any other insurer whose policy may be triggered by this claim and to cooperate in coordinating such other coverage

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## Damage to Property of Others Additional Coverage

- "No-fault" (liability not required) with a \$1,000 limit
- Insurer will pay for PD to property of others that the insured feels morally (not legally) obligated to pay for
- Exclusions
  - Intentional damage by an insured  $\geq 13$  years old
  - PD to property owned by or rented to an insured, insured's tenant, or member of insured's household
  - Professional liability
  - Auto liability

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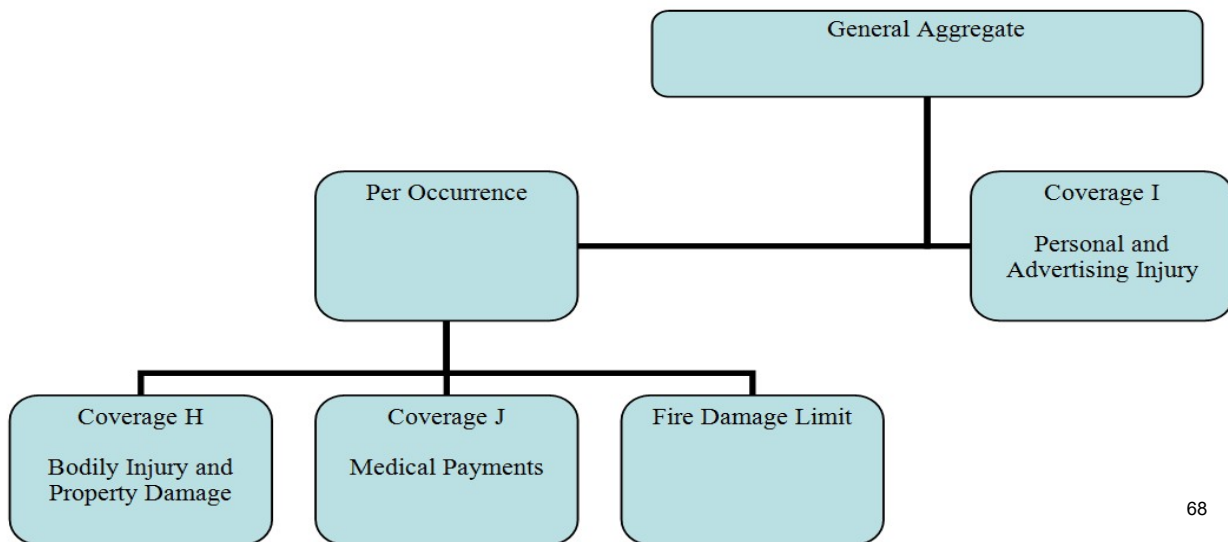
## Coverage Extension

- Only one extension under farm liability form
- “You” includes the spouse of the named insured if he or she is a resident of the same household
  - Coverage ceases when the spouse moves out; no grace period

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## Section II—Limits of Insurance



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## Aggregate Limit

- The most the insurer will pay during a 12-month policy term for bodily injury, property damage, personal and advertising injury, and medical payments

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## Occurrence Limit

- The most the insurer will pay for a single occurrence under Coverages H and J
  - All BI and PD from a single accident or repeated exposure to the same harmful conditions is a single occurrence
  - \$10,000 sublimit for damages the insured is legally obligated to pay due to statutorily imposed liability for the actions of a child or minor

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## Fire Damage Limit

- The most the insurer will pay under Coverage H for PD to premises rented to or temporarily occupied by the insured
  - Typically set at \$50,000 or \$100,000
  - Can range from \$25,000 to \$500,000

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## Personal and Advertising Injury Limit

- The most the insurer will pay for PI and AI sustained by any one person or organization
- PI and AI claims are subject to the general aggregate but not the per occurrence limit

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## Medical Payments Limit

- The most that the insurer will pay for BI sustained by one person
  - A separate limit may apply to any one residence employee

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## Damage to Property of Others Limit

- \$1,000
- Not subject to general aggregate or each occurrence limit

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## Farm Liability Conditions

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## Loss Conditions

- Bankruptcy
  - The insurance company is not relieved of its obligations if the insured declares bankruptcy
- Duties in the event of occurrence, offense, claim, or suit
  - Typical provisions
- Insurance under two or more coverages
  - Does not increase the amount payable
- Legal action against us
  - Must comply with policy terms before suing the insurer
- No admission of liability with medical payments
  - Making a med pay payment is not an admission of any liability
- Other insurance
  - Proration by limits
  - No coverage for auto or watercraft liability, including loading and unloading, if the insured has other coverage—no matter what the other policy says
- Transfer of rights of recovery against us to others
  - The insurer may subrogate

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## Additional Conditions

- Liberalization
  - Automatically applies the broadened provisions of a new version of the form introduced within 45 days of the policy period
- Representations
  - The insurer may void the policy if the insured's representations in applying for insurance were false
- Separation of insureds
  - Coverage applies separately to each insured

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## Endorsements



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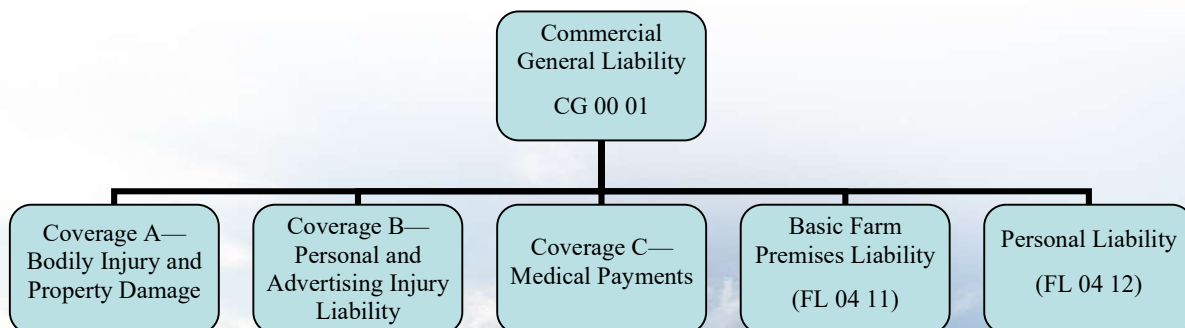
## Endorsements to the CGL

- Some farms are best insured by adding the basic farm premises liability endorsement (FL 04 11) and farm liability endorsement (FL 04 12) to the CGL
  - Farming operations coverage comparable to FL 00 20 but broader coverage for other operations
  - Although these are CGL endorsements, they have FL form numbers

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## Endorsements to the CGL (cont'd)



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## Endorsements That Expand Coverage

- Limited Crop Dusting Coverage
- All-Terrain Vehicle Coverage
- Owned Snowmobile Coverage
- Animals in Contests or Stunting Activities
- Animal Rides for Profit or Charity
- Custom Farming Liability Coverage
- Farm Employers Liability and Farm Employees Medical Payments
- Limited Fungi or Bacteria Coverage—Liability
- Limited Home Day Care Coverage
- Additional Residence—Rented to Others
- Business Activities
- Insured's Liability While Employed by Others in Nonfarm Jobs
- Limited Product Withdrawal Expense Coverage
- Agritainment—Liability

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### Coverage for Physical Injury to Crops and Animals Due to Certain Crop Dusting Operations Performed by Licensed Independent Contractor by Aircraft (Limited Crop Dusting Coverage) (FL 04 44)

- Pays for physical injury to crops or animals resulting from crop-dusting operations conducted on behalf of the named insured by a licensed independent crop duster
  - Vicarious liability coverage—the crop duster has primary liability
  - Per occurrence and aggregate limit: \$25,000

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## All-Terrain Vehicle Coverage Endorsement (FL 04 74)

- Covers the insured's legal liability for scheduled vehicles
  - No physical damage coverage

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## Owned Snowmobile Coverage Endorsement (FL 04 71)

- Covers liability arising out of scheduled snowmobiles
  - Snowmobiles can instead be insured under a separate policy that includes physical damage coverage.

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## Animals in Contests or Stunting Activities (FL 04 40)

- Adds BI/PD/med pay coverage for animals used in contests or stunting activities
  - Example: rodeos



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## Animal Rides for Profit or Charity Endorsement (FL 04 41)

- Restores otherwise excluded coverage
- Applies to animal rides with or without a cart or wagon
  - Examples: hayrides, pony rides



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## Custom Farming Liability Coverage Endorsement (FL 04 69)

- The endorsement deletes some exclusions in the farm liability form and allows receipts to exceed \$5,000
  - The farm liability form excludes coverage for custom farming operations that earned more than \$5,000 in the year before the occurrence
- Can also be used with CGL

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## Farm Employees Liability and Farm Employers' Medical Payments Insurance Endorsement (FL 04 65)

- Covers employers liability exposure associated with farm workers except in states where farm workers are subject to workers compensation law
  - Separate liability (per occurrence) and med pay (per employee) limits
    - Optional: med pay coverage for using motor vehicles, autos, watercraft
  - Exclusions for
    - Operating/maintaining aircraft
    - Voluntary or statutory workers compensation, disability, unemployment benefits

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## Limited Home Day Care Coverage Endorsement (FL 04 42)

- Applies to both farm property and farm liability coverage when a home day care business is operated in a farm dwelling or other building on the premises
  - Excludes liability for draft or saddle animals, aircraft, motor vehicles, or watercraft

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## Additional Residence Rented to Others Endorsement (FL 04 06)

- Modifies the farm liability coverage form to provide coverage for residential property at other locations that the insured rents to others
  - May include residential structure and personal property in it

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## Business Activities Endorsement (FL 04 43)

- Can be used for virtually any incidental business exposure
  - With underwriting approval
- Modifies exclusions in the farm liability coverage form

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## Insureds' Liability While Employed by Others in Nonfarm Jobs Endorsement (FL 04 77)

- Intent: coverage for sales, clerical activities, teaching
  - Corporal punishment option
  - Exclusion for teachers concerning draft or saddle animals, aircraft, motor vehicles, watercraft
    - Example: drivers license or riding teacher
- Applies to specified occupations in which the insured is neither owner nor partner

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## Limited Product Withdrawal Expense Coverage (FL 04 02)

- Provides reimbursement for certain expenses incurred by the insured because of product withdrawal due to recall or tampering
- Strictly first-party expense reimbursement
- No liability coverage or defense costs

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## Agritainment—Liability (FL 05 01)

- New in 2016
- Provides coverage for specific agritainment activities
- May include coverage for liquor liability and use of livestock or other animals in agritainment activities

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## Endorsements That Reduce Coverage

- Exclusion—Employment-Related Practices
- Fungi or Bacteria Exclusion—Liability
- Exclusion—Silica or Silica-Related Dust
- Exclusion—Migrant and Seasonal Agricultural Worker Protection Act
- Amendment of Insured Contract Definition
- Exclusion—Injury or Damage from Genetically Modified Beans, Crops, Grains, Seeds, Plants, Shrubs, or Trees

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## Exclusion—Migrant and Seasonal Agricultural Worker Protection Act Endorsement (FL 01 16)

- A mandatory endorsement
- Excludes damages awarded under this act and similar acts

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## Exclusion—Injury or Damage from Genetically Modified Beans, Crops, Grains, Seeds, Plants,

(FL 10 64)

- Excludes BI or PD caused by or resulting from the genetic modification, whether intentional or not, of any of the items described in the endorsement

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## Exclusion—Animal Liability (FL 10 99)

- Excludes BI or PD that arises out of physical contact with an animal
- Options available to exclude certain specific animals or breeds, categories, or types of animals

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## Endorsements That Change Who Is Insured

- Additional Insured—Farm Liability (FL 04 50)
- Additional Insured—Executors, Administrators, Trustees or Beneficiaries (FL 04 32)
- Additional Insured and Residence Premises Endorsement (FL 04 07)
  - Can be used to add other household residents as insureds or to extend coverage to additional scheduled residences the insured maintains

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## CURRENT ISSUES IN LIABILITY INSURANCE

- Social Inflation
- Nuclear Verdicts
- The “Billboard Effect”
- Litigation Abuse and TPLF
- Nebraska Recreational Use Laws
- Agritainment
- Bird Flu (H5N1)

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