

# Farm Personal/Commercial Umbrella Liability Coverage

These rules require that one underlying primary coverage be written by Farmers Mutual Hail Insurance Company of Iowa, unless the Personal or Farm Liability coverage is written by a Farm Mutual reinsured by Farmers Mutual Hail Insurance Company of Iowa. The remaining coverage must be written at the required underlying limit(s) in a B+ VII or better A.M. Best rated Company.

## Eligibility

- A. Farm Personal Umbrella may be issued in the name of an individual farmer-rancher.
- B. Farm Commercial Umbrella may be issued to the owner/operator of a farm-ranch partnership or a farm-ranch family corporation.
- C. **NO POLICY MAY BE BOUND WITHOUT AUTHORIZATION FROM THE COMPANY.**  
  
Coverage will be made effective when approved by the Home Office. Property is to be inspected and a completed application submitted within 24 hours of completion for review of requested binding authority.
- D. A new Personal Umbrella application may be requested every 5 years.
- E. An updated renewal questionnaire may be requested annually.
- F. All underlying declaration pages not written through Farmers Mutual Hail Insurance Company of Iowa must be submitted with new applications. Underlying declaration pages may also be requested if there has been a substantial change in risk.

## Minimum Underlying Requirements

Automobile Including Motorcycles	<b>BI/PD</b>	<b>250/500/100 or 300 CSL</b>
If Farm Truck 20,001 – 40,000 GVW or Youthful Driver under age 21 and/or Drivers age 65 or older in household		<b>500/500/250 or 500 CSL</b>
If Farm Truck greater than 40,000 GVW or Semi tractor/trailer unit		<b>1,000,000 CSL</b>
Homeowners/Farmowners w/ swimming pool on premises w/ childcare on premises		<b>300 CSL 500 CSL 500 CSL</b>
Watercraft		Equal to Personal Liability
Recreational Vehicles		Equal to Personal Liability
Rental Dwellings (1 to 4 Family Only)		Equal to Personal Liability
Employers' Liability		Equal to Personal Liability
Business Pursuits		Equal to Personal Liability

**NOTE:** If 500/500/250 or 500 CSL underlying support is required by rule above, all other underlying coverage must meet these limits.

**NOTE:** If limits in excess of 2 Million Limit of Liability are requested, all underlying coverage must meet 500/500/250 or 500 CSL limit requirements.

**NOTE:** If limits in excess of 3 Million Limit of Liability are requested, all underlying coverage other than Motor Vehicle liability must meet 1,000,000 CSL limit requirements.

If the required underlying limits of liability are either reduced, cancelled, discontinued or non-existent, the Insured's retained limit will be equal to the amount of liability coverage that the primary policy would have provided. The Insured should be made aware of this.

## Self-Insured Retention (SIR)

Farm Personal Umbrella Liability **\$ 1,000**

## Ineligible Risks

(Not Inclusive)

The following list indicates some of the risks which are best avoided or evaluated with special care:

- ◆ Professional Malpractice or Errors and Omissions Liability
- ◆ Aircraft
- ◆ Watercraft, if:
  - A. Inboard or inboard/outboard greater than 250 HP and outboard over 150 HP
  - B. And/or 26 feet or more in overall length
  - C. Requiring a crew
- ◆ Assigned Risk Drivers
- ◆ Actor or Actress
- ◆ Bail Bondsperson
- ◆ Public Lecturer
- ◆ News Editor or Reporter
- ◆ Political Party Official/ Public Officeholder
- ◆ Professional Writer
- ◆ Professional Sports Athlete
- ◆ Public/ Media Personality, Publisher, and/or Radio/TV Broadcaster, Executive or Manager
- ◆ Executive Officer/Senior Officer of Fortune 1000 Company
- ◆ Professional Entertainer/ Entertainment Agent
- ◆ Labor Union Official
- ◆ Any Person who has been sued for libel or slander
- ◆ Law Enforcement Official or Officer

Driving Record of any covered person that has a major motor vehicle conviction

# Farm Personal/Commercial Umbrella Liability Coverage

## Ineligible Risks

(Not Inclusive)  
Continued

- ◆ Risk has had a liability loss of \$25,000 or more, or unacceptable 5 year loss history
- ◆ Risks that have more than 20 Personal Automobiles and/or Trucks
- ◆ Personal Umbrella where farming or ranching is conducted
- ◆ Custom Farming receipts exceeding \$150,000 annually
- ◆ Farming operations with more than 10 Employees
- ◆ Custom Feeding operations with more than 6 Employees
- ◆ Child Care/Day Care operations with more than three children at any one time
- ◆ Farms used to supply commodities for manufacturing or processing by the insured for sale to others, e.g.
  - A. Creameries
  - B. Dairies (but not dairy farms)
  - C. Farms operating freezing or dehydrating plants
  - D. Slaughtering and dressing of livestock
  - E. Bunching or packaging of fruits & vegetables
  - F. Packaging of Berries
  - G. Canning or Processing
  - H. Feed Grains
- ◆ Principal business is raising and using horses for racing or show purposes
- ◆ Vacant Farms or Ranches
- ◆ Commercial Feed Lots and Feed Mills
- ◆ Grain Storage Facilities (Other than the insured's grain)
- ◆ Farms with more than 6 Truck Tractor/Trailer units
- ◆ Truck Tractor/Trailer units for hire, driven more than 3,000 miles per year or commercially licensed
- ◆ Farm Vehicles which have a radius of operation greater than 250 miles
- ◆ Dude Ranches or Bed & Breakfast Operations
- ◆ Private Fishing or Hunting Grounds, Animal Exhibition Farms or Zoos
- ◆ Restaurants
- ◆ Produce Stand with gross annual sales of \$30,000 or more
- ◆ Farms that have a landing strip or airport operations
- ◆ Farming Operations over 7,500 acres
- ◆ Construction Material Products (EIFS Stucco, Entran Pipe, FRT Lumber, Chromated Copper Arsenate Treated Wood)

## Umbrella Program Description

A Farm Personal Umbrella Liability policy can be issued in the name of an owner/operator of farm premises who meets eligibility requirements and maintains the necessary types and limits of underlying insurance, as outlined on Page – 1 of this manual section.

A Farm Commercial Umbrella Liability policy can be issued to a farm-ranch partnership or a farm-ranch family corporation that meets eligibility requirements and maintains the necessary types and limits of underlying insurance, as outlined on Page – 1 of this manual section.

**Note:**  
**NO POLICY OR COVERAGE MAY BE BOUND WITHOUT AUTHORIZATION FROM THE COMPANY.**

Form UM 0002 will be used to provide Farm Personal Umbrella Liability Coverage. It includes coverage for the insured's liability for damages due to bodily injury and property damage that arise out of the insured premises and the personal activities of the insured, subject to the exclusions found in the policy and attached endorsements.

Coverage for liability for personal injury applies only when the underlying insurance has been extended to include such coverage.

Form UM 0610 will be used to provide Farm Commercial Umbrella Liability coverage.

It includes coverage for the insured's liability for damages due to bodily injury and property damage that arise out of farming activities on the insured's premises and related operations, subject to the exclusions found in the policy and attached endorsements.

It also includes coverage for liability for advertising injury and personal injury when the underlying insurance has been extended to include such coverage.

There is also coverage for the insured's liability for bodily injury and property damage caused by watercraft or a motor vehicle which is covered by underlying insurance, but only to the extent that such bodily injury or property damage is not excluded by the underlying insurance and is not otherwise excluded under the Farm Personal or Farm Commercial Umbrella Liability policy.

The Farm Personal and Farm Commercial Umbrella liability coverage does not include automobile no-fault, uninsured motorist, underinsured motorist or similar coverage.

Use Form UM 0009, when the underlying Farm Liability coverage has been endorsed to include coverage for the personal liability exposures of those who reside on the farm, in order to include that extension of coverage under the Farm Commercial Umbrella Liability policy.

# Farm Personal/Commercial Umbrella Liability Coverage

## Policy Limits

The basic Each Occurrence Limit for Farm Personal and Farm Commercial Umbrella Liability Coverage is \$1,000,000. A higher Each Occurrence Limit of \$5,000,000 is available. Use the rating information shown in the rate pages. A higher Each Occurrence limits may be available. Contact the Home Office.

**NOTE:** There is a limit restriction of \$1,000,000 on High Profile Personal Umbrellas.

## Aggregate Limits

The Farm Commercial Umbrella Liability Coverage provided by Form UM 0610 is subject to the General Aggregate Limit and the Products/Completed Work Hazard Aggregate Limit described below.

### GENERAL AGGREGATE LIMIT

A General Aggregate Limit equal to twice the Each Occurrence Limit is the most that will be paid during a 12-month policy period for all covered damages, except damages due to bodily injury or property damage included in the Products/Completed Work Hazard.

### PRODUCTS/COMPLETED WORK HAZARD AGGREGATE LIMIT

A Products/Completed Work Hazard Aggregate Limit equal to twice the Each Occurrence Limit is the most that will be paid during the 12-month policy period for damages due to bodily injury or property damage included in the Product/Completed Work Hazard.

## Retained Limit

When Farm Personal or Farm Commercial Umbrella Liability Coverage applies to an occurrence that is not covered by the terms of underlying insurance, Forms UM 0002 and UM 0610 apply in excess of a \$1,000 Retained Limit.

## Minimum Premium

Farm Personal and Farm Commercial Umbrella Liability Coverage is subject to the minimum premium shown in the rate pages of this manual.

## Policy Writing Instructions

The Farm Umbrella Liability policy consists of either Form UM 0002 (Farm Personal Umbrella) or Form UM 0610 (Farm Commercial Umbrella), other attached mandatory and optional forms and declaration page, which may include entries that are otherwise called for on endorsement forms.

A Farm Personal/Commercial Umbrella policy may only be written for a term of one year, unless otherwise approved by the Company.

The amount of any return premium due because of cancellation or reduction in limits or coverage is calculated on a pro-rata basis.

### OPTIONAL ENDORSEMENTS AVAILABLE TO RESTRICT COVERAGE:

(1) **Designated Premises**

Coverage can be excluded for liability arising out of the ownership, occupancy, maintenance, or use of specifically described premises by attaching Form UM 0101 and describing the excluded premises on the form.

(2) **Designated Operations**

Coverage can be excluded for liability arising out of specifically described operations by attaching Form UM 0102 and describing the excluded operations on the form.

(3) **Designated Products**

Coverage can be excluded for liability arising out of specifically described products by attaching Form UM 0103 and describing the excluded products on the form.

(4) **Designated Vehicle or Watercraft**

Coverage can be excluded for liability arising out of a specifically described vehicle or watercraft by attaching Form UM 0104 and describing the excluded vehicle or watercraft on the form.

(5) **Designated Driver**

Coverage can be excluded for the liability of a specific driver by attaching Form UM 0134 and identifying the excluded driver on the form.

(6) **Non-Stacking or Non-Pyramiding of Limits**

Used to limit multiple FMH policies from responding to the same location or exposure. A 5% discount will apply to all policies to which FMH-9350 is attached.

# Farm Personal/Commercial Umbrella Liability Coverage

## Premium Determination

Refer to the rate pages shown in the manual to develop the umbrella liability premium as follows:

### A. Basic Premium

This includes the Initial Residence listed under the underlying liability policy. It can be a 1-4 family house, townhouse, row house, or 1-2 family mobile home used mainly for family residential purposes, that is not specifically excluded under the umbrella policy.

The Basic Premium also includes coverage for not more than 200 acres of land and for Custom Farming Receipts of up to \$5,000 annually without an additional premium charge.

Personal Liability Extension – When Farm Commercial Umbrella Liability coverage is written for a farm-ranch partnership or a farm-ranch family corporation (under Form UM 0610), coverage can be extended to include personal umbrella liability coverage for an individual who is the principal owner/operator for the partnership of the corporation. An additional Basic Premium Charge applies to extend coverage to this separate entity. Attach Form UM 0009.

- (1) An additional annual premium charge applies to any risk with a swimming pool exposure. Any pool with a diving board is unacceptable.
- (2) An additional annual premium charge applies to the Initial Residence with a child care/ daycare exposure of no more than 3 children at any one time. This coverage can only be extended from the Farm Personal Umbrella coverage under Form UM 0002 or Form UM 0009.

**NOTE: A minimum underlying limit requirement of at least \$500,000 CSL applies when a swimming pool or child care exposure exists.**

### B. Farm Acreage

This includes the combined acreage of the initial farm location and all additional farm locations, in excess of 200 acres and up to a total of 7,500 acres. A separate premium charge applies for the total acres in excess of 200 according to the table shown in the rate pages.

### C. Each Additional Residence

This includes a separate premium charge for each additional or seasonal residence occupied by the Insured. This coverage can only be extended from the Farm Personal Umbrella coverage under Form UM 0002 or Form UM 0009.

### D. Each Rental Dwelling

This includes a separate premium charge for each additional residence rented or held for rental to others. The annual premium charge reflected in the rate pages applies on the basis of each family unit rented or held for rental to others. This coverage can only be extended from the Farm Personal Umbrella coverage under Form UM 0002 or Form UM 0009.

### E. Each Additional Insured

This can include a separate premium charge for each additional insured reflected in the underlying liability policies as covered individuals, subject to meeting eligibility requirements of this program as reflected in this manual.

### F. Each Eligible Business Pursuit

This includes a separate premium charge for each incidental office, professional, private school or studio occupancy, and/or each incidental business pursuit where underlying coverage is provided. Each such business pursuit or activity is subject to eligibility requirements of this program as reflected in this manual. This coverage can only be extended from the Farm Personal Liability coverage under Form UM 0002 or Form UM 0009.

Business Pursuits other than the farm operation are excluded by the base policy. Coverage can be endorsed for Incidental Business Pursuits with gross annual receipts before expenses of \$30,000. Eligibility for any Business that exceeds this amount is subject to Special Review and Rating if eligible. Please refer to PUP-616 for limitations regarding seed sales.

### G. Custom Farming

This charge applies per total annual receipts as reflected in the rate table, for amounts over \$5,000 and not greater than \$150,000 annually.

### H. Livestock

This charge applies per total head or bird count as reflected in the rate tables. Contact the Home Office for amounts higher than those displayed. Underlying Farm Property and Liability coverage must be written by Farmers Mutual Hail Insurance Company of Iowa.

# Farm Personal/Commercial Umbrella Liability Coverage

## Premium Determination

Continued

### I. Motor Vehicles –Owned, Leased or Regularly Used

This includes each private passenger automobile, pickup, farm truck, farm semi-tractor/trailer unit, motor home, licensed or un-licensed recreational vehicle or non-owned vehicle regularly used. The Gross Vehicle Weight Rating is required on all Pickups and Trucks.

An additional annual premium charge applies for each driver under age 21 &/or each driver over age 64 with regular access to these vehicles.

### J. Farm Truck – Seasonal Use Only

A completed Farm Truck – Supplemental Questionnaire will be required on each truck over 20,000 GVW to document the actual GVW, use and other information. A revised form should be submitted if any changes.

### K. Fruit or Vegetable (Pick Your Own)

"Pick Your Own" Fruit or Vegetable Operations require an additional premium charge for total annual receipts over \$1,000 and not greater than \$10,000.

### L. Employers Liability

This charge applies separately for each employee when a Workers Compensation policy is not in effect.

### M. Watercraft

This includes each inboard, inboard/outboard or outboard powered watercraft, sailing vessel, or personal watercraft. The applicable annual premium charge is based on the horse power or length of the watercraft, as outlined, subject to eligibility requirements of this program as reflected in this manual. Coverage is contingent on any newly acquired watercraft being reported to the Company within 30 days following the date of acquisition.

## Farm Personal Umbrella Rates

Premium Computation - \$1,000,000 Limit

	<u>Annual Premium</u>
A. <b>BASIC PREMIUM</b> including initial Residence, not more than 200 acres of Land, Custom Farming Receipts up to \$5,000 annually.	
Underlying limits of 300/300 or 500/500	\$ 60
Underlying limits of 1,000/1,000	\$ 50
Add with swimming pool exposure	\$ 25
Add with childcare exposure	\$ 50
B. <b>Additional Acres:</b> (from 201 up to 7,500) Each additional 500 acres up to 7,500...	
With underlying limits of 300/300 or 500/500	\$ 15
With underlying limits of 1,000/1,000	\$ 10
C. <b>Each Additional Residence</b>	\$ 10
D. <b>Each Rental Dwelling</b> 1 to 4 Family	\$ 15
E. <b>Each Additional Insured</b>	\$ 10
F. <b>Each Eligible Business Pursuit</b>	\$ 15
G. <b>Custom Farming</b>	
\$5,001 - \$50,000 Receipts	\$ 25
\$50,001 - \$100,000 Receipts	\$ 30
\$100,001 - \$150,000 Receipts	\$ 35
Over \$150,000	Unacceptable without prior approval
H. <b>Livestock – (only with FMH underlying policy)</b>	
<b>Hog Confinement Operation</b>	
Up to 600 head	\$ 50
601 to 1,200 head	\$ 100
1,201 to 1,800 head	\$ 150
Over 1,800 head	Unacceptable without prior approval
<b>Poultry Confinement Operation</b>	
Up to 18,000 birds	\$ 50
18,001 to 36,000 birds	\$ 100
Over 36,000 birds	Unacceptable without prior approval
<b>Cattle</b>	
Up to 500 head	\$ 50
501 to 1,000 head	\$ 100
1,001 to 1,500 head	\$ 150
Over 1,500 head	Unacceptable without prior approval

# Farm Personal/Commercial Umbrella Liability Coverage

## Farm Personal Umbrella Rates

Continued

I. **Motor Vehicles** – owned, leased, or regularly used

<u>Underlying Limits</u>	<u>250/500</u>	<u>500/500</u>	<u>1M/1M</u>
	<u>300/300</u>		
1. each ppa	\$ 60	\$ 50	\$ 40
2. each pickup (G.V.W. under 10,000 lbs)	\$ 60	\$ 50	\$ 40
3. each med farm truck (G.V.W. 10,001 – 20,000 lbs)	\$ 100	\$ 75	\$ 60
4. each heavy farm truck (G.V.W. 20,001 – 40,000 lbs)	\$ N/A	\$ 160	\$ 120
5. each extra hvy farm trk (G.V.W. over 40,000 lbs)	\$ N/A	\$ N/A	\$ 200
6. each semi-tractor unit	\$ N/A	\$ N/A	\$ 300
7. each motor home	\$ 80	\$ 65	\$ 50
8. each lic'd R.V.	\$ 40	\$ 30	\$ 25
9. each unlicensed R.V.	\$ 25	\$ 20	\$ 20
10. each driver < 21	\$ N/A	\$ 25	\$ 25
11. each non-owned veh	\$ 20	\$ 15	\$ 15
12. each driver > 64	\$ N/A	\$ 25	\$ 25

**NOTE:** For \$300 CSL use 250/500 – 300/300 Rates

For \$500 CSL use 500/500 Rates

For \$1m CSL use 1 M/1 M Rates

I. **Farm Truck -Seasonal Use Only**

	<u>250/500</u>	<u>500/500</u>	<u>1M/1M</u>
	<u>300/300</u>		
Up to 200 miles round trip	\$ 60	\$ 50	\$ 40
Medium Truck	\$ 60	\$ 50	\$ 40
Ea Hvy Truck	\$ N/A	\$ 80	\$ 60
Ea Extra Hvy Truck	\$ N/A	\$ N/A	\$ 100
Ea Semi-Tractor	\$ N/A	\$ N/A	\$ 150

\*over 250 miles or non-seasonal use – Refer to Farm Rates

**Completed Farm Truck Questionnaire Required  
Form FMH-FTSQ (4-14)**J. **Fruit or Vegetable (Pick Your Own)**

\$1,001 - \$4,000 Receipts	\$ 10
\$4,001 - \$10,000 Receipts	\$ 15

K. **Employers' Liability**

Each employee	\$ 30
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L. **Watercraft:**

1. Each Inboard or Inboard/Outboard 50 HP or less, Outboard 25 HP or less, and Sailing Vessel 25 feet or less	\$ 25
2. Each Inboard or Inboard/Outboard 51-100 HP and Outboard 26-50 HP	\$ 30
3. Each Inboard or Inboard/Outboard 101-250 HP and Outboard 51-150 HP	\$ 35
4. Each Personal Watercraft	\$ 35

M. **MINIMUM POLICY PREMIUMS \$1,000,000**

	<b>Individual and Family Farms</b>	
	<u>250/500</u>	<u>500/500 and higher</u>
Territory B	\$ 200	\$ 150
Territory A	\$ 250	\$ 200
	<b>Partnerships and Other Corporations</b>	
	<u>250/500</u>	<u>500/500 and higher</u>
Territory B	\$ 350	\$ 300
Territory A	\$ 500	\$ 400

**UNDERLYING POLICY REQUIREMENTS  
\$2,000,000 or greater:**

- Limits require minimum \$500/500 or \$500 CSL.
- Limit restriction of \$1,000,000 will apply on High Profile Personal Umbrellas. **Contact Home Office.**

N. **Increase Factor Limit for \$2,000,000 to \$5,000,000 Limit of Liability**

Multiply the total \$1,000,000 premium by the Increase Limit Factor of .60. The resulting additional charge for the 2<sup>nd</sup> Million must be at least \$125.00. The premium for the \$3,000,000 layer will be .60 multiplied by the premium for the 2<sup>nd</sup> Million, subject to the Minimum Premium per layer or \$125.00. The Factor for \$4,000,000 and \$5,000,000 will be .75 multiplied by the premium for the previous layer, subject to the Minimum Premium per layer of \$125.00.

Rating for limits greater than \$3,000,000 may be subject to individual rating and be submitted to the Reinsurer for approval and a premium quote.

O. **Rating Territories****Territory A:**

Illinois – Cook, Du Page, Kane, and Lake Counties  
Missouri – St Louis and Jackson Counties

**Territory B:**

All other Counties in AR, IA, IL, IN, MN, MO, NE, SD & WI.

P. **Territory A:**

Refer to the appropriate Territory A minimum premium.

# Farm Personal/Commercial Umbrella Liability Coverage

## Farm Personal Umbrella Rates

Continued

### Q. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

### R. Waiver of Premiums

Additional or return premiums of less than \$7.00 that result from a mid-term policy change may be waived.

### S. Filed Rules and Rates

The filed rules and rates shall apply at the time of premium calculation of any mid-term addition or increase in coverage. Premium charges for coverage or exposure unrelated to the mid-term addition or increase in coverage shall continue as previously issued.

### T. Risks with Unusual or Unanticipated Exposures

Will be subject to individual rating and must be submitted to the Reinsurer for approval and a premium quote.

### U. Policy Changes

All policy changes must be requested in writing. Additional or return premium will be computed on a pro-rata basis.

### V. Cancellation

If the policy is cancelled for any reason, the return premium will be computed on a pro-rata basis. Back Dated Flat Cancellation is not permitted.