



Farmers Mutual Hail
Insurance Company of Iowa

CUSTOM SPRAYING FOR AGRICULTURAL PURPOSES

This policy is amended to include the following **terms**. All other **terms** of the policy apply, except as amended by this endorsement.

The coverage provided by this endorsement is extended to pay for **bodily injury** or **property damage** arising out of your custom spraying operation on land used for the production of agricultural crops or weed control.

PRINCIPAL LIABILITY COVERAGES

1. Insuring Agreement

a. **We** will pay those sums that an **insured** becomes legally obligated to pay as **damages** due to **bodily injury** or **property damage** caused by the handling or application of agricultural chemicals, liquids, waste or gases on or into the plants or soil if:

- 1) the chemicals, liquids, waste or gases that caused the injury were used by the **insured** or **employees** in normal approved and customary agricultural practices;
- 2) the **insured** or **employees** are properly trained and licensed for the product they are applying by the appropriate governmental body that oversees the handling and application of agricultural applications; and
- 3) the chemicals, liquids, waste or gases did not escape or were not discharged, dispersed, or released from **aircraft**.

We have the right and duty to defend the **insured** against a **suit** seeking **damages** which may be covered under this insurance.

However, **we** have no duty to defend the **insured** against any **suit** seeking **damages** to which this insurance does not apply. Subject to all the **terms** of this insurance, **we** may choose to investigate an **occurrence** and settle any resulting claim or **suit**.

b. The insurance provided by this endorsement applies only to **bodily injury** or **property damage**:

- 1) caused by an **occurrence** which takes place in the **coverage territory**;
- 2) which occurs during the policy period; and
- 3) which is not a continuation of, resumption of, or change in physical damage that was known by a **designated insured** prior to the inception date of the policy period. If a **designated insured** knew, as stated under the Knowledge of Bodily Injury, Property Damage or prior to the inception date of the policy period, that physical damage had occurred, any continuation of, resumption of, or change in such physical damage will be deemed to have been known by the **designated insured** prior to the inception date of the policy period.
- 4) **bodily injury** or **property damage** that occurs during the policy period and which is not a continuation of, resumption of, or change in **bodily injury** or **property damage** which was known by a **designated insured**, as stated under the Knowledge of Bodily Injury, Property

Damage or to have occurred prior to the inception date of this policy period, will include any continuation of, resumption of, or change in such physical damage after the end of this policy period.

EXCLUSIONS

This insurance does not apply to:

- a. any loss, cost, or expense arising out of any continuous or repeated seepage, leakage, escaping, spreading, pumping or draining in which any of the following would apply:
 - 1) request, demand, order, or statutory or regulatory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of chemicals, liquids, manure or gases; or
 - 2) claim or suit by or on behalf of any governmental body or authority relating to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of chemicals, liquids, manure or gases.
- b. Loss exclusion does not apply to liability for **damages** that the **insured** would have had in the absence of such request, demand, order, or statutory or regulatory requirement, or such claim or **suit** by or on behalf of any governmental body or authority.
- c. **bodily injury** or **property damage** arising out of custom spraying operations that are in violation of an ordinance, regulation, law or license requirement.
- d. **bodily injury** or **property damage** to others or property:

- 1) which is expected by, directed by, or intended by any **insured**; or
- 2) that is the result of an intentional and malicious act of any **insured**.

- e. liability which is assumed by the **insured** under a contract or an agreement.

However, Exclusion e. does not apply to:

- 1) liability for **damages** that the **insured** would have had in the absence of the contract or agreement; or
 - 2) liability for **damages** due to bodily injury or property damage assumed in a **covered contract**, but only if such **bodily injury** or **property damage** occurs after the contract or agreement has been executed.
- f. physical damage to property **you** own, rent, lease, borrow, or occupy.
 - g. Spraying for non-agricultural purposes, including but not limited to the custom spraying of residential property including lawns and gardens.
 - h. Spraying performed for the control or eradication of mosquitoes, tree damaging insects or similar pests.
 - i. **Bodily injury** or **property damage**, as provided under Custom Spraying, does not include any indirect or consequential damage that occurs at any time, such as loss of use of soil, animals, crops, water, yield or other property, loss of market, or loss of value.

HOW MUCH WE PAY FOR LOSS OR CLAIM

The following is added to How Much We Pay For this exclusion or Claim.

- a. The amount we will pay for **damages** as a result of any one Custom Spraying **occurrence** that is covered by this Custom Spraying endorsement is the **limit** applicable to this endorsement. However, this **limit**;
- 1) does not increase the Each **Occurrence Limit** of the policy it is attached; and
 - 2) The coverage provided by this endorsement is limited to two times the Custom Spraying **occurrence limit** and will apply separately to each consecutive 12 month period beginning with the inception date of this coverage part shown on the **declarations**, however coverage will not extend past the expiration of the policy.
- b. **Our** right and duty to defend ceases when **we** have paid an amount equal to the Custom Spraying **limits** as the result of a judgment or settlement.

PRO RATE CLAUSE

For any **bodily injury** or **property damage** claim arising from Custom Spraying, **we** will pay no more than the proportion of the listed gross receipts and other compensation bears to the actual gross receipts and compensation collected in the prior 12 month period preceding the **occurrence**. When the listed gross receipts are within 80% of the actual gross receipts, no pro rata payment will be deducted.