

## Loudoun Mutual Insurance Company

This endorsement broadens the coverages provided by “your” primary coverage form.

**PLEASE READ IT CAREFULLY**

### WINERY & VINEYARD ENDORSEMENT

The following applies to coverage provided by Forms FO – 6, GL – 610, LM 20 and LM 21.

#### IV. Farm Coverage

##### 1. Coverage F Scheduled Farm Personal Property is amended to add the following items:

**Items 14., 15., 16., 17., 18. and 19. are added.** This is additional insurance and a \$500 deductible applies to every loss.

**14. Bottled Wine Products**, means wine and other winery products in the bottle or other package in which it will be sold. When a limit is shown on the “declarations” for Bottled Wine Products, “we” cover bottled wine products while on the “insured premises”. “ We” also cover up to 10% of the limit shown on the “declarations” for bottled wine products while away from the “insured premises”.

**15. Bulk Wine** means wine and other winery products in your hands as a producer or processor and not in a bottle or other package in which it will be sold. When a limit is shown on the “declarations” for Bulk wine, we cover “bulk wine” while on the “insured premises.”

#### ADDITIONAL PERILS RELATING TO ITEMS 14. AND 15.

In addition to the FO – 6 Perils Insured Against we insure against direct physical loss to property covered under items 14. Bottled Wine Products and item 15. Bulk Wine caused by the following perils:

- 1. Wine Contamination.** We will pay for loss or damage caused by or resulting from contamination of wine products, unless the contamination is caused by or resulting from contact of the wine product with cleaning solvents within the tanks, vessels or barrels, including their component parts and connections, used to process or store the wine product. The most we will pay is the limit applicable to the damaged product.
- 2. Wine Leakage.** We will pay for loss or damage caused by or resulting from leakage of bulk wine from any tanks, vessels or barrels used to process or store wine products caused by a Peril Insured Against, mechanical breakdown or faulty, inadequate or defective workmanship of you or your employees. We will not pay for any loss or damage caused by or resulting from wine leakage that is considered normal and customary to the trade. The most we will pay is the limit applicable to the damaged product.
- 3. Wine Spoilage.** We will pay for loss or damage caused by spoilage to Bottled Wine Products or Bulk Wine due to change in temperature resulting from interruption of electrical service caused by damage to the generating or transmission equipment or mechanical breakdown of refrigeration or temperature controlling equipment. The most we will pay is the limit applicable to the damaged product.

## **SPECIAL LOSS SETTLEMENT PROVISIONS RELATING TO ITEMS 14. AND 15.**

The following provisions apply to property covered under items 14. and 15. under Form FO – 6.

Subject to the terms under How Much We Pay For Loss Or Claim, we settle losses according to the following:

1. Sold but not delivered Bottled Wine Products at the selling price less any discounts and expenses you otherwise would have had.
2. Unsold Bottled Wine Products at the price the wine could have been sold for, as case goods, as of the time and place of loss or damage had no damage occurred.
3. Bulk wine at the lesser of : the three year average wholesale market price of the wine less any unincurred costs for the same vintage or from the same vineyard(if the three year average is unavailable, the three year Virginia wholesale price, less unincurred costs, for the same vintage); or the cost to replace the wine with wine of like kind, quality and state of fermentation.
4. All values exclude Unpaid U.S. Government Internal Revenue taxes for which you are liable; and discounts and expenses you other wise would have had.

### **16. Outdoor Growing Grapevines**

“We” pay for loss to outdoor growing grapevines located on the insured premises that is caused by or resulting from any of the following:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or Civil commotion;
- e. Aircraft;
- f. Vehicles not owned or operated by you or your employees;
- g. Vandalism; or
- h. Theft

The most we pay for any one occurrence is \$50,000. However, the most we pay for any one outdoor growing grapevine is \$500.

### **17. Bottled Wine Product in Transit.**

“We” pay for loss to bottled wine property while it is in transit, but not while being transported by or in the custody of a common or contract carrier. “We” do not pay for loss or damage caused by shifting of load, poor packing or rough handling, or unexplained shortage; loss caused by insects, vermin or inherent vice. “We” do not pay for loss caused by leakage, seepage, evaporation, shrinkage, breakage, heat or cold unless caused by fire, lightning, windstorm, flood,

explosion, collision or overturn. The most “we” pay is \$10,000 per occurrence or the limit that applies to the covered property, whichever is less.

### **18. Related Retail Business Personal Property**

“We” pay for loss caused by a Peril Insured Against by Form FO-6 to “business” property related to the operation of a retail sales or wine tasting facility operated by the insured for the primary purpose of selling wine distilled by the “insured.” Unless shown otherwise on the Declarations the most “we” pay for any one “occurrence” is \$25,000.

### **19. Signs.**

“We” pay for loss caused by a Peril Insured Against by Form FO-6 to “business” signs related to the operation of a vineyard while located at the “insured premises.” Unless shown otherwise on the Declarations the most “we” pay for any one “occurrence” is \$5,000.

## **III. Liability Coverages**

### **Definitions**

The definition of item 6. Farming is deleted and replaced by:

“Farming” means the ownership, maintenance, or use of premises for the production of crops or the raising or care of livestock, including all necessary operations.

“Farming” also includes the operations of roadside stands, retail facilities, tasting rooms and farm markets maintained principally for the sale of the “insured’s” own farm products, but does not include other retail activities.

“Farming” also includes the rental of or operation of “insured premises” for social gatherings of 100 people or less, at any given time, if no individual entrance or admission fee is charged.

“Farming” also includes the manufacturing, distributing, selling or serving of wine and related products, both on and off the premises.

### **Exclusions That Apply to Bodily Injury and/or Property Damage**

Exclusion number 7. does not apply to “your” operation of a winery or vineyard unless any required license is suspended, cancelled or revoked.

Exclusion 14. is added. “We” do not pay for “bodily injury” or “property damage” that arises out of the rental of or operation of “insured premises” for social gathering of 101 or more people, at any given time, whether an individual entrance or admission fee is charged or not. This exclusion does not apply to any non business related social gatherings.

All other conditions of the policy apply.