

Loudoun Mutual Insurance Company
Farm Guardian

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

PLEASE READ IT CAREFULLY

The following applies to coverages provided by forms FO-2 or FO-3.

I. Incidental Property Coverages

The following Incidental Property Coverages are modified as follows:

5. Credit Card, Forgery and Counterfeit Money – The most “we” pay is increased from \$1,500 to \$2,500 per “occurrence”.

The following Incidental Property Coverages are added as follows:

14. Water Damage- Sewers, Drains, and Sumps – “We” pay for direct physical loss to covered property caused by:
 - a. water or sewage which backs up through sewers or drains; or
 - b. water which enters into and overflows from within a sump pump, sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area. However, “we” do not pay for loss to the sump pump or other type of system or related equipment caused by mechanical breakdown.

This coverage does not increase the “limits” shown on the “declarations” for Coverages A, B, C or D.

“We” pay only that part of the loss which is more than the deductible stated in the “declarations”. However, the deductible does not apply to Coverage D.

Under Exclusions That Apply to Property Coverages, the references to:

1. water or sewage which backs up through sewers or drains or water which overflows from within a sump under Water Damage; and
 2. mechanical breakdown under Wear and Tear;
- are deleted with respect to the coverage provided by this endorsement.

15. Extra Mortgage Expense – If “you” are required to obtain a new mortgage as a result of a covered homeowner loss, “we” will pay up to \$250 per month for a maximum of three years for any additional interest “you” may be required to pay above the highest rate of interest applicable to “your” mortgage agreement at the time of loss. In addition, “we” will pay up to \$2,000 towards the cost of acquiring a new mortgage if “you” rebuild in the same location.
16. Computer Coverage – “We” will pay up to \$2,500 for direct physical loss to “hardware” (meaning machines or a network of machines including related peripheral equipment capable of accepting information and processing it according to a plan or program) and up to \$250 for direct physical loss to “software” (meaning processing, recording or storage media used for electronic data processing operations including films, tapes, cards, discs, drums, cartridges, or cells. Software also means data, including instructions or information, stored on processing, recording

or storage media used for electronic processing operations) unless the loss is caused by a peril that is excluded.

The loss must be due to an external cause.

The Exclusions That Apply to Property Coverages are deleted and replaced by the following with respect to the property covered by this Incidental Property Coverage:

“We” do not pay for a loss caused by:

- a. War – “We” do not pay for loss that results from war. This means declared war, undeclared war, civil war, insurrection, rebellion, revolution, a warlike act by a military force or by military personnel; the destruction, seizure, or use of the property for a military purpose; or the discharge of a nuclear weapon even if it is accidental.
- b. Civil Authority – “We” do not pay for loss which results from order of civil authority. This means seizure or destruction under quarantine or customs regulations; risks of contraband or illegal transportation or trade; or confiscation or destruction by order of a government or public authority. “We” do pay for loss which results from acts of a civil authority to prevent the spread of fire.
- c. Nuclear Hazard – “We” do not pay for loss which results from nuclear reaction, nuclear radiation, or radioactive contamination. Loss caused by nuclear hazard is not considered loss caused by fire. Direct loss by fire resulting from the nuclear hazard is covered.
- d. “We” do not pay for a loss that results from and is confined to the following perils:
 - 1) normal wear and tear of covered property;
 - 2) gradual deterioration of covered property;
 - 3) hidden or latent defect in covered property;
 - 4) a quality, fault, or weakness in covered property that causes it to damage or destroy itself; or
 - 5) insect or vermin damage to covered property.
- e. “We” do not pay for loss caused by mechanical breakdown or malfunction, component failure, faulty installation, or blowout. However, if loss by fire or explosion results, “we” will pay for the resulting loss.
- f. “We” do not pay for loss to “software” caused by interruption of electrical power supply, power surge, blackout, or brownout if the cause of such disturbance took place more than 100 feet from the “insured premises”.
- g. “We” do not pay for loss to “software” caused by electrical injury, magnetic injury, disturbance of electronic recordings or erasure of magnetic recordings if cause of such disturbance took place more than 100 feet from the “insured residence”.
- h. “We” do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.
- i. “We” do not pay for loss caused by humidity, dampness, dryness, or changes in extremes of temperature.
- j. “We” do not pay for loss or damage resulting from the failure of any electronic data processing equipment, computer program, software, media, or data to correctly recognize, interpret, or process any encoded, abbreviated, or encrypted date or time.

II. Replacement Value Loss Settlement Terms

1. Replacement Value means the cost to repair or replace the property with new property of equivalent kind and quality to the extent practical, without deduction for depreciation.
2. The Replacement Value Terms set forth in this endorsement apply to the following covered property:
 - a. Coverage C – Personal Property;
 - b. Appliances and window air conditioners;
 - c. Carpets and window coverings;
 - d. Awnings and canopies;
 - e. Antennas;
 - f. The following scheduled classes of personal property if covered under this policy:
 - 1) jewelry;
 - 2) furs and garments trimmed with fur or consisting principally of fur;
 - 3) cameras, projection machines, films, and related articles of equipment;
 - 4) musical instruments and related articles of equipment;
 - 5) silverware, goldware, items plated with gold or silver, and pewterware;
 - 6) golfer's equipment; and
 - 7) bicycles.
2. The Replacement Value Terms set forth in this endorsement do not apply to the following property:
 - a. articles of art or rarity that cannot be duplicated;
 - b. memorabilia, souvenirs, collector's items, and similar items whose age or history contribute to its value;
 - c. items not maintained in good or workable condition; or
 - d. items that are outdated or obsolete and are stored or not being used.
3. Under How Much We Pay for Loss or Claim, item 1.e., Loss Settlement Terms, is deleted and replaced by the following with respect to the property that is subject to the terms of this endorsement:
 - e. Loss Settlement Terms – Subject to the terms shown under How Much We Pay For Loss or Claim and the terms of this endorsement, “we” settle losses according to the Replacement Value Terms. If the Replacement Value Terms do not apply, “we” settle losses according to the Actual Cash Value Terms.
 - 1) Replacement Value Terms
 - a) “We” pay the smallest of the following amounts for each covered item:
 - (1) the replacement value of the property as defined on this endorsement;
 - (2) the amount computed after any special limitation in this policy has been applied to the loss;
 - (3) for loss to property covered under Coverage C, the Coverage C “limit”; or
 - (4) for loss to scheduled personal property, the “limit” that applies to the item.
 - b) When the replacement value for each “occurrence” is more than \$500, “we” do not pay for more than the actual cash value of the loss until actual

repair or replacement is completed. “You” may make a claim for the actual cash value amount of the loss before repairs are made or replacement is completed. A claim for any additional amount payable under this provision must be made within six months of whichever is later:

- (1) the last date on which “you” received a payment for the actual cash value; or
 - (2) the date of entry of a final order by a court declaring “your” right to full replacement cost.
- 2) Actual Cash Value Terms – Actual Cash Value includes a deduction for depreciation, however caused.
- a) The Actual Cash Value Terms apply to all property not subject to the Replacement Value Terms.
 - b) The smaller of the following amounts is used in applying terms under “our” “limit”:
 - (1) the cost to repair or replace the property with materials of like kind and quality to the extent practical; or
 - (2) the actual cash value of the property at the time of loss.

III. Incidental Liability Coverages

The following incidental liability coverages provided by Form GL – 2 are modified as follows:

1. Damage to Property of Others – “Our” “limit” for this coverage is increased from \$500 per “occurrence” to \$1,000 per “occurrence”.

The following incidental liability coverage is added to Form GL – 2 (if applicable) as item 10:

Personal Injury

Personal Injury means: false arrest, false imprisonment, wrongful eviction, wrongful entry, wrongful detention, malicious prosecution, misrepresentation, libel, slander, defamation of character, or invasion of privacy.

Personal Injury does not mean: false arrest, false imprisonment, wrongful eviction, wrongful entry, wrongful detention, malicious prosecution, misrepresentation, libel, slander, defamation of character, or invasion of privacy that arises out of:

- a. a communicable disease; or
- b. the actual, alleged, or threatened sexual molestation of a person.

Coverage L is extended to pay for damages which an “insured” is liable by law because of personal injury.

The exclusions that apply to Coverages L and M do not apply to this coverage. However, “we” do not pay for personal injury:

- a. which results from liability assumed by an “insured” under any contract or agreement (however, this exclusion does not apply to liability of others assumed by an “insured”

- under a written contract that directly relates to the ownership, maintenance, or use of an “insured premises”);
- b. which results from the willful violation of a law or ordinance by, at the direction of, or with the knowledge or consent of an “insured”;
- c. to a person which results from an offense directly or indirectly related to the person’s employment by an “insured”;
- d. caused by a publication, statement, or act by, at the direction of, or with the knowledge or consent of an “insured” before the effective date of this insurance;
- e. caused by a publication or statement made by, at the direction of, or with the knowledge or consent of an “insured”, if the “insured” knew or had reason to believe that the publication or statement was false;
- f. which results from activities related to the “business” of an “insured” (however, this exclusion does not apply to the rental or holding for rental of premises that are “insured premises”);
- g. arising out of civic duties or public duties performed for pay by an “insured”; or
- h. to “you”, and if residents of “your” household, “your” relatives, and persons under the age of 21 in “your” care or in the care of “your” resident relatives.

The following Supplemental liability coverage is added to Form GL – 610 (if applicable) as item 4:

COVERAGE P -- PERSONAL INJURY LIABILITY, ADVERTISING INJURY LIABILITY

"We" pay all sums which an "insured" becomes legally obligated to pay as "damages" due to "personal injury" or "advertising injury" to which this insurance applies.

1. "We" cover:
 - a. "personal injury" arising out of an offense committed in the course of "your" business, excluding advertising, publishing, broadcasting, or telecasting done by "you" or on "your" behalf; and
 - b. "advertising injury" arising out of an offense committed in the course of advertising "your" goods, products, or services.
2. The "personal injury" or "advertising injury" offense must be committed during the policy period.

The following definitions are added:

1. "Advertising injury" means injury (other than "bodily injury", "property damage", or "personal injury") arising out of one or more of the following offenses:
 - a. oral or written publication of material:
 - 1) that slanders or libels a person or organization;
 - 2) that disparages a person's or organization's goods, products, or services; or
 - 3) that violates a person's right of privacy;
 - b. misappropriation of advertising ideas or style of doing business; or
 - c. infringement of copyright, title, slogan, trademark, or trade name.

2. "Personal injury" means injury (other than "bodily injury", "property damage", or "advertising injury") arising out of one or more of the following offenses:
 - 1) oral or written publication of material:
 - 2) that slanders or libels a person or organization;
 - 3) that disparages a person's or an organization's goods, products, or services; or
 - 4) that violates a person's right of privacy;
 - b. false arrest, detention, or imprisonment;
 - c. malicious prosecution; or
 - d. wrongful entry into, wrongful eviction from, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies. This offense must be committed by or on behalf of the owner, landlord, or lessor of the room, dwelling, or premises.

The second paragraph under item 1. of Defense Coverage is replaced by the following:

Suit includes any alternative dispute resolution proceeding involving "bodily injury", "property damage", "personal injury", or "advertising injury" to which:

1. "you" must submit; or
2. "you" submit with "our" consent.

The following exclusions are added:

1. "We" do not pay for "personal injury" or "advertising injury" liability which is assumed by the "insured" under a contractor agreement. This exclusion does not apply to liability that an "insured" would have in the absence of the contractor agreement.
2. "We" do not pay for "personal injury" or "advertising injury" that arises out of the rendering or the failure to render a professional service.
3. "We" do not pay for "personal injury" or "advertising injury" that arises out of the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, "loading or unloading" of:
 - a. an aircraft;
 - b. a "motorized vehicle"; or
 - c. a watercraft.
4. "We" do not pay for "personal injury" or "advertising injury" for which any "insured" may be held liable by reason of:
 - a. causing or contributing to the intoxication of a person;
 - b. the furnishing of alcoholic beverages to a person under the influence of alcohol or under the legal drinking age; or

c. a law or regulation relating to the sale, gift, distribution, or use of alcoholic beverages.

This exclusion applies if "you" are in the business of manufacturing, distributing, selling, or serving alcoholic beverages.

5. "We" do not pay for "personal injury" or "advertising injury" that arises out of war. War includes undeclared war, civil war, insurrection, rebellion or revolution, or an act or a condition of war.
6. "We" do not pay for:
 - a. "personal injury" to an employee of an "insured" if it occurs in the course of employment by the "insured";
or
 - b. consequential injury to a spouse, child, parent, brother, or sister of such injured employee.

This exclusion applies where:

- a. the "insured" is liable either as an employer or in any other capacity; or
- b. there is an obligation to fully or partially reimburse a third party for "damages" arising out of paragraph 6.a. or 6.b. above.

This exclusion does not apply to liability assumed by the "insured" under a contract covered by Incidental Contractual Liability Coverage.

7. "We" do not pay for "personal injury" if benefits are provided or are required to be provided by the "insured" under a workers' compensation, disability benefits, occupational disease, unemployment compensation, or like law.
8. "We" do not pay for "personal injury" that arises out of any:
 - a. refusal to employ;
 - b. termination of employment;
 - c. coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, sexual misconduct, or other employment-related practices, policies, acts, or omissions; or
 - d. consequential "personal injury" as a result of 8.a., 8.b., and 8.c. above.

This exclusion applies where:

- a. the "insured" is liable either as an employer or in any other capacity; or
 - b. there is an obligation to fully or partially reimburse a third party for "damages" arising out of paragraph 8.a., 8.b., 8.c., or 8.d. above.
9. "We" do not pay for "personal" or "advertising injury" arising out of willful violation of an ordinance, statute, or regulation by an "insured" or with the "insured's" consent.

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10. "We" do not pay for "personal" or "advertising injury" arising out of:
 - a. oral or written publication of material done by or at the direction of an "insured" who knew it was false; or
 - b. oral or written publication of the same or similar material by or on behalf of an "insured" that took place prior to the policy.
11. "We" do not pay for "advertising injury" arising out of breach of contract, other than misappropriation of advertising ideas under an implied contract.
12. "We" do not pay for "advertising injury" arising out of the failure of goods, products, or services to conform with advertised quality or performance.
13. "We" do not pay for "advertising injury" arising from an offense committed by an "insured" whose business is advertising, broadcasting, publishing, or telecasting.
14. "We" do not pay for "advertising injury" arising out of wrong descriptions of the price of an "insured's" goods, products, or services.
15. "We" do not pay for:
 - a. "personal injury" or "advertising injury" arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants" at any time; or
 - b. any loss, cost, or expense arising out of any:
 - 1) request, demand, or order 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 "pollutants"; or
 - 2) claim or suit by or on behalf of any governmental authority relating to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of "pollutants".

The provision describing the General Aggregate Limit is replaced by the following:

The General Aggregate Limit is the most "we" will pay during a policy period for the sum of:

- a. all "damages" under Coverage L, except "damages" due to "bodily injury" or "property damage" included in the "products/completed work hazard";
 - b. all medical expenses under Coverage M;
 - c. all "damages" under Coverage O; and
 - d. all "damages" under Coverage P.
2. The following provision is added:

The Coverage P Limit, subject to the General Aggregate Limit, is the most "we" pay due to all "personal

injury" and "advertising injury" sustained by one person or organization.

The following applies to coverages provided by form FO-6.

IV. Farm Coverage

1. Coverage F Scheduled Farm Personal Property is amended as follows:

3. Rented or Borrowed Equipment – Unless shown otherwise on the “declarations”, the “limit” is \$50,000.

2. Coverage G – Unscheduled Farm Personal Property

Unless shown otherwise on the “declarations”, the “limit” is \$5,000.

3. Property in the Open – item d. is amended to:

The most “we” pay for loss to property in the open as listed in 3.a. and 3.c. above is 10% of the Coverage G “limit”.

The most “we” pay for loss or damage to any one stack of hay, straw, or fodder is \$10,000. A stack means hay, straw, or fodder in one area separated by a clear space of 100 feet or more from any other hay, straw, or fodder in the open.

3. Incidental Property Coverages – item 9. Extra Expense is deleted and replaced by:

10. Farm Earnings and Extra Expense

“We” cover the actual loss of “earnings” from normal farm operations following damage by the perils insured against to property covered under Coverages E, F, and G or form FO-360. This coverage applies only during the necessary and reasonable time required to resume the level of production that would have existed had no loss occurred.

“Earnings” means monetary income from farming operations less the cost of:

1. supplies, feeds, and other material which are used in the production of farm products;
2. property purchased by “you” for resale;
3. service purchased from outsiders (not “your” employees) which do not continue under contract; and
4. payroll which does not necessarily continue.

“We” cover the necessary extra or additional expense incurred by an “insured” to continue normal farm operations followings damage by the perils insured against to property covered under Coverages E, F, and G or form FO-360. This coverage applies only during the necessary and reasonable time required to repair, rebuild, or replace the damaged property. “We” do not cover extra costs “you” would normally have incurred during the same period had no damage occurred.

This coverage does not include loss caused by or resulting from the enforcement of any ordinance or law which requires “you” or others to test for, monitor, clean up, remove, contain,

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treat, detoxify, neutralize, or in any way respond to or assess the effects of “pollutants”.

Unless shown otherwise on the “declarations”, the “limit” for Farm Earnings and Extra Expense is \$50,000 for the combined coverages described by this endorsement. “We” pay no more than one third of the “limit” for each 30 consecutive days that coverage applies.

4. Loss Settlement Provisions – with respect to Coverage F, the Actual Cash Value Terms of the Farm Coverage are replaced by the following:

1. This provision applies only to scheduled farm machinery and equipment shown on the “Declarations”, including accessories, batteries, belts, canvas, chains, filters, tubes, tires, tools, and spare parts. Tools and spare parts must be designed for use in operating and maintaining the farm machinery and equipment. Replacement Items and Newly Acquired Property, as defined in the policy and associated with covered machinery and equipment, shall also be covered according to the terms of this provision.

2. The loss to covered machinery and equipment must occur during a policy period that begins when the covered item is 5 model years old or less. The model year age of the item will be determined by subtracting the model year of the item from the year of inception of the current policy period to which the coverage applies.

3. Subject to the “terms” of How Much We Pay for Loss or Claim, “we” settle losses according to the following:

a. If the “limit” on the damaged property is less than 80% of its replacement cost at the time of loss, the larger of the following amounts is used in applying the “terms” under Our Limit:

- 1) the actual cash value of the damaged property; or
- 2) that proportion of the replacement cost of the damaged property which “our” “limit” on the property bears to 80% of the full current replacement cost of the property.

b. If the “limit” on the damaged property is at least 80% of its replacement cost at the time of loss, the smaller of the following amounts is used in applying the “terms” under Our Limit:

- 1) the cost to repair or replace the damaged property using materials of like kind and quality, to the extent practical; or
- 2) the amount spent to repair or replace the damaged property.

4. “We” do not pay for more than the actual cash value of the loss, until actual repair or replacement is completed.

5. “You” may make a claim for the actual cash value amount of the loss before repairs are made or replacement is completed. A claim for any additional amount payable under these “terms” must be made within 180 days of the occurrence of the loss or whichever is the latest:

- a. the last date on which “you” received a payment for the actual cash value; or
- b. the date of entry of a final order by a court declaring “your” right to full replacement cost.

6. Once a policy renews and the covered item is older than 5 model years as of that renewal

effective date, the replacement cost coverage on this item and any applicable charge shall be removed from the policy at that time.

V. Conditions (Applicable to all forms)

Should insurance apply to a loss under more than one endorsement of this policy, coverage under this endorsement shall be excess. In no event shall “we” pay more than the actual loss. All other terms of the policy apply.