

# Loudoun Mutual Insurance Company

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## Loudoun Mutual Changes

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

**PLEASE READ IT CAREFULLY**

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The following applies to coverages provided by forms FO-1, FO-2, FO-3, FO-4 or FO 0005.

### **I. Coverage C – Personal Property**

#### **Limitations on Certain Property**

The special “limits” for loss by theft applicable to item f. 2) silverware, etc. is deleted.

The special “limits” of \$2,500 on “motorized vehicles” used to service the “insured premises” and not designed or licensed for use on public roads is amended to \$7,500.

### **II. Incidental Property Coverages**

The modification below is item 10. for FO – 1; item 11. for FO – 2, FO – 3, and FO - 5; and does not apply to FO – 4.

**Well Pumps** – “We” pay for direct physical loss to well pumps caused by a peril that applies to Coverage C if the well pump services a building insured under Coverage A or Coverage B. This includes pump switch boxes, fuse boxes, control boards, and any other equipment attached to the pump for its operation.

Subject to the “terms” shown under How Much We Pay for Loss or Claim, “we” pay the lesser of:

- a. the cost to repair or replace the motor with a new motor of equivalent kind and quality to the extent practicable without deduction for depreciation;
- b. four times the actual cash value of the property at the time of loss; or
- c. \$10,000.

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

### **IV. Farm Coverage**

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

Items 8. Hay in Barns and 9. Hay in the Open are deleted.

Items 12. Hay on the Farm and 13. Contents of a Farm Barn, Building or Structure are added.

12. Hay on the Farm. When a “limit” is shown on the “declarations” for Hay on the Farm, “we” cover hay, straw, and fodder while it is on the “insured premises”. Hay, straw and fodder in stacks, windrows, and bales in the open is considered one stack if separated by a clear space of 100 feet or more from any other hay, straw or fodder in the open. If no specific “limit” is shown on the “declarations” for any one stack, the most “we” pay for hay, straw, or fodder in the open is \$10,000 per stack.

13. Contents of a Farm Barn, Building or Structure. When a “limit” is shown on the “declarations” for Contents of a Farm Barn, Building or Structure, “we” cover farm personal property while in the farm building or structure. This coverage does not apply to:

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- a. property covered by this or other insurance;
- b. tobacco, cotton, vegetables, root crops, bulbs, fruit, or nursery stock;
- c. livestock, poultry or animals other than livestock;
- d. fences, windmills, windchargers, or their towers;
- e. “non-farm vehicles”;
- f. bulk milk tanks, bulk feed tanks, barn cleaners, pasteurizers, boilers, silo unloaders, and any permanent fixtures attached to or within the building;
- g. farm operations records;
- h. irrigation equipment; or
- i. sawmill equipment.

## 2. **Incidental Property Coverages**

The following Incidental Property Coverages are added:

10. **Well Pumps** – “We” pay for direct physical loss to well pumps caused by a peril that applies to Coverage C if the well pump services the farm premises. This includes pump switch boxes, fuse boxes, control boards, and any other equipment attached to the pump for its operation.

Subject to the “terms” shown under How Much We Pay for Loss or Claim, “we” pay the lesser of:

- a. the cost to repair or replace the motor with a new motor of equivalent kind and quality to the extent practicable without deduction for depreciation;
- d. four times the actual cash value of the property at the time of loss; or
- e. \$10,000.

11. **Loss of Rent Coverage** – this coverage applies to Additional Farm Dwellings that are rented to others or held for rental to others and insured under Coverage E. “We” pay for any loss of rents actually sustained by “you” if the part of the dwelling rented to others is made unfit for occupancy due to damage by a peril insured against that applies to the respective dwelling. “We” pay no more than 10% of the Coverage E amount of the insurance for each applicable dwelling.

“We” pay only for the period of time reasonably required to make the dwelling fit for occupancy. Loss of rents is the amount “you” would have received less the charges and expenses that do not continue while the dwelling is unfit for occupancy. The period of time is not limited by the policy expiration date.

“We” do not pay for loss of rents due to the cancellation of a lease or agreement.

12. **Related Private Structures** – “We” pay for direct physical loss caused by a peril that applies to Coverage E to Related Private Structures used to service Additional Farm Dwellings insured under Coverage E. “We” cover related private structures which are not attached to the applicable Additional Farm Dwelling insured under Coverage E. Structures that are connected to the dwelling by only a fence, a utility line, or a similar connection are not considered attached. “We” do not cover structures located over 250 feet from the covered Additional Farm Dwelling. “We” do not cover barns or other structures designed or used for farming. “We” do not cover other structures designed or used for “business” purposes unless used solely as a private garage. “We” do not cover

land, including the land on which covered property is located, underground water, or surface water. "We" do not cover trees, plants, shrubs, or lawns; private power; light or electric poles; wells or well pumps; irrigation systems; or outdoor antennas, except as provided under Incidental Property Coverages. "We" cover fences, driveways, sidewalks, and other permanently installed outdoor fixtures that are located within 250 feet of the Additional Farm Dwelling. "We" cover building materials and supplies for use in construction or a related private structure to the applicable Additional Farm Dwelling. "We" pay no more than 10% of the Coverage E amount of the insurance for each applicable dwelling.

13. Fences, Corrals, and Portable Fencing/Corrals - "We" pay for direct physical loss caused by a peril that applies to Coverage E for fences used to service the premises and not insured elsewhere in this policy. "We" pay no more than \$25,000.

#### **V. Farm Machinery (Applicable to endorsement FO – 360 if attached)**

1. Under Perils Excluded, item 1.d. is deleted.

#### **VI. Conditions (Applicable to all forms)**

1. Under Additional policy Conditions Applicable To All Coverages, the Cancellation and Nonrenewal condition is deleted and replaced by:

Cancellation and Nonrenewal – "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy by delivering or mailing written notice to "you" at the address shown on the "declarations". "Our" notice will include the reason for cancellation or nonrenewal.

During the first 60 days this policy is in effect, "we may cancel for any reason.

If this policy has been in effect 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel or nonrenew only at the anniversary date or for one or more of the following reasons:

- a. failure to pay the premium when due;
- b. conviction of a crime arising out of acts increasing the probability that a peril insured against will occur;
- c. discovery of fraud or material misrepresentation;
- d. willful or reckless acts or omissions increasing the probability that a peril insured against will occur as determined from a physical inspection of the "insured premises"; or
- e. physical changes in the property which result in the property becoming uninsurable as determined from a physical inspection of the "insured premises".

If the premium has not been paid when due, "we" will give "you" notice at least 10 days before cancellation or nonrenewal is effective. Otherwise, "we" will give "you" notice at least 30 days in advance of cancellation or nonrenewal.

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“Your” return premium, if any, will be refunded on a pro rata basis at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

2. Under What You Must Do In Case Of Loss, the Notice provision is deleted and replaced by:

Notice – In case of a loss, “you” must give “us” or “our” agent prompt notice including a description of the property involved. (“We” may request written notice.)

3. Under What You Must Do In Case Of Loss, item b. of the Other Duties provision is deleted and replaced by:

b. submit to examination under oath in matters that relate to the loss or claim as often as “we” reasonably request.

4. Under How Much We Pay For Loss Or Claim, items c. and d. are added to 2. Deductible:

c. covered Livestock losses.

d. Glass Breakage in Cabs for property insured by Form FO – 360.

5. Under Payment of Loss or Claim, item b. of Our Options provision is deleted and replaced by:

b. rebuild, repair, or replace the property using material of like kind and quality. “We” must give “you” notice of “our” intent to do so within 30 days after “we” receive an acceptable proof of loss.

6. Under Other Conditions, the Misrepresentation, Concealment, or Fraud condition is deleted and replaced by:

Misrepresentation, Concealment, or Fraud – This policy is void if proven material facts or circumstances concerning the risk, when assumed, have been misrepresented or concealed.

7. Under Other Conditions, the Appraisal condition is deleted and replaced by:

Appraisal – If “you” and “we” do not agree as to the value of the property or the amount of the loss, “you” and “we” will each select a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will select an umpire. If they do not agree on an umpire within 15 days, the two appraisers will ask a judge of a court of record of the state in which the appraisal is pending to make the selection.

The written agreement of any two of these three will set the amount of the loss. “You” will pay the expense of “your” appraiser and “we” will pay for “ours”. “You” and “we” will share equally the expense of the umpire and the other expenses of the appraisal.

If “we” make the written request for an appraisal, “we” will the reasonable cost of “your” appraiser and “your” share of the cost of the umpire.

The following provisions amend the Farm Coverage “terms”, if applicable:

9. Under Coverage G – Unscheduled Farm Personal Property, item o. of the Property Not Covered provision is deleted.

The following provisions amend the Dwelling Coverage “terms”, if applicable:

10. Under Loss Settlement Provisions, item c. of Replacement Cost Terms is deleted and replaced by:

- c. When the cost to repair or replace exceeds the lesser of \$2,500 or 5% of the “limit” on the damaged building, “we” do not pay for more than the actual cash value until the actual repair or replacement is completed.

“You” may make a claim for the actual cash value of the loss before repairs are made. A claim for an additional amount payable under these “terms” must be made within six months of whichever is latest:

- 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.

The following provisions amend the Liability Coverage “terms”, if applicable:

11. Under Exclusions, Exclusions that Apply To Coverages L and M, item l. is deleted and replaced by:

- l. “bodily injury” or “property damage” which results from the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” into or upon land, water, or air, except if such discharge, dispersal, seepage, migration, release, or escape is sudden and accidental.

However, this exclusion does not apply to “bodily injury” or “property damage” that results from the heat, smoke, or fumes of a fire on the “insured premises” that:

- 1) becomes uncontrollable or breaks out from where it was intended to be; or
- 2) is set by the “insured” for the purpose of burning off crop stubble or other vegetation consistent with normal and usual farming practices, and is not a violation of any ordinances or laws.

12. Under Conditions, the Misrepresentation, Concealment, or Fraud condition is deleted and replaced by:

Misrepresentation, Concealment, or Fraud – This policy is void if proven material facts or circumstances concerning the risk, when assumed, have been misrepresented or concealed.