
Loudoun Mutual Insurance Company

Farm MasterGuard

(Applicable to Form FO 0005 only)

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

PLEASE READ IT CAREFULLY

I. Expanded Replacement Cost Terms

This endorsement applies only to the “residence” covered under Coverage A.

When a covered loss exceeds the Coverage A “limit” shown on the “declarations” and “you” elect to repair or replace the “residence”, under How Much We Pay For Loss or Claim, Property Coverages:

1. Our Limit is deleted and replaced by:
 - a. Our Limit – Subject to the deductible or other limitations that applies, “we” pay the lesser of:
 - 1) 130% of the Coverage A “limit” shown on the “declarations”;
 - 2) “your” interest in the property; or
 - 3) the amount determined under the applicable Loss Settlement Terms.
2. Loss Settlement Terms 1.e. 1)d) and 1.e. 1)e) are deleted and replaced by:
 - d) The smaller of the following amounts is used in applying the “terms” under Our Limit:
 - 1) the cost to repair or replace the damage on the same premises using materials of like kind and quality, to the extent practical; or
 - 2) the amount actually and necessarily spent to repair or replace the damage.

The terms shown above only apply if “you” have:

- 1) notified “us” within 45 days of completion of any additions or alterations to or remodeling of the “residence” covered under Coverage A that increase its replacement cost by \$50,000 or more; and
- 2) permitted “us” to adjust the Coverage A “limit” during the policy period in accordance with:
 - a. any property evaluations made by “us” or on “our” behalf;
 - b. any increase in construction costs due to inflation; and
 - c. any increase in replacement cost resulting from any additions or alterations to or remodeling of the “residence”.

“You” must pay any additional premium due for any adjustment to the Coverage A “limit”.

OPTIONAL LOSS SETTLEMENT

At “your” option, if the dwelling insured is furnished and occupied as “your” primary residence at the time of loss, the policy provisions for “How Much We Pay for Loss” is replaced by the following:

“We” will pay 160% of the Coverage A “limit” as shown on the “Declarations” in the event the “residence” is destroyed by a covered peril to the extent that the repair or rebuilding costs meets 90% of the Coverage A “limit”. This 160% payment would include all losses for Coverage A, C, D, Incidental Property Coverages and all additional property coverage. This would void all policy requirements to rebuild the dwelling at the same location and all requirements to provide proof of loss for personal property and additional living expenses.

All other provisions of the policy apply. Property that is scheduled is excluded from this settlement.

This option must be exercised no later than 60 days from the date of loss.

II. Coverage C – Personal Property

Limitations on Certain Property

The special “limits” applicable to the following are amended as follows:

- a. \$500 on money, bank notes, bullion, gold other than goldware and gold-plated ware, silver other than silverware and silver-plated ware, platinum, and numismatic property.
- f. For loss by theft:
 - 1) \$5,000 (\$2,500 for any individual item) on jewelry, watches, precious and semiprecious stones, gems, and furs; and
 - 2) \$5,000 (\$2,500 for any individual item) on guns.

III. Incidental Property Coverages

The following Incidental Property Coverages are modified as follows:

- 2. Debris Removal- “We” pay for the cost to remove the debris of covered property after a loss. The loss must be caused by a peril that applies to the damaged property. We” also pay for the cost to remove volcanic ash, dust, or particulate matter that causes direct physical loss to property covered under Coverages A,B, or C.

“We” will not pay more for the direct physical loss to property and debris removal combined than the “limit” that applies to the damaged property. However, when the covered loss plus the cost of debris removal is more than the applicable “limit”, “we” will pay an extra 10% of the applicable “limit” to cover the cost of debris removal.

This coverage does not include any cost or expense to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of pollutants.

“We” also pay:

- a. the cost to remove fallen trees which cause damage to covered property; and
 - b. up to \$1,000 to remove fallen trees on the “insured premises”, if the falling of the tree is caused by a peril insured against under Coverage C and coverage is not provided elsewhere by this policy. This “limit” is the most “we” will pay per occurrence regardless of the number of fallen trees.
- 6. Trees, Plants, Shrubs, or Lawns – “We” pay for the direct physical loss to trees, plants, shrubs, or lawns on the “insured premises” caused by:
 - a. fire or lightning, explosion, riot, or civil commotion, aircraft;
 - b. vehicles if not owned or operated by an occupant of the “insured premises”, or c. vandalism or theft.

“You” may apply up to 10% of the Coverage A “limit”, to cover trees, plants, shrubs, or lawns. “We” do not pay more than \$1,000 for each tree, plant, or shrub. This includes the cost to remove the debris of the covered item.

“We” do not cover trees, plants, shrubs, or lawns grown for “business”.

“We” do not cover trees, plants, shrubs, or lawns located more than 250 feet from the “residence” insured under Coverage A.

The following Incidental Property Coverages are added as follows:

- 15. 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.

16. 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.
17. 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.

18. Earthquake Coverage – “We” pay for direct physical loss to property covered under Coverages A and B caused by earthquake. This includes land shock waves or tremors before, during, or after a volcanic eruption, explosion, or effusion. One or more earthquake shocks that occur within a 168-hour period constitute a single occurrence.

This coverage does not increase the “limits” stated on the “declarations” of this policy. Under the Earth

Movement exclusion, the references to earthquake and volcanic eruption, explosion, or effusion are deleted with respect to the coverage provided by this endorsement. With respect to the coverage provided by this endorsement, the following exclusions are added:

- a. “We” do not pay for loss caused directly or indirectly by flood of any nature or tidal wave, whether caused by, resulting from, contributed to, or aggravated by earthquake.
- b. “We” do not pay for loss caused directly or indirectly by landslide, subsidence, erosion, or mudflow or the rising, sinking, shifting, expanding, or contracting of the earth, unless such loss occurs as a result of an earthquake.
- c. “We” do not pay for the cost of filling land.

“We” pay only that part of the loss in each occurrence which is more than 2% of the “limit” that applies. The deductible applies separately to loss under Coverage A, B, and D.

IV. 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:

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:

- a. oral or written publication of material:
 - 1) that slanders or libels a person or organization;
 - 2) that disparages a person's or an organization's goods, products, or services; or
 - 3) 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 contract or an agreement. This exclusion does not apply to liability that an "insured" would have in the absence of the contract or 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.
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.

V. **Farm Coverages.** The following applies to coverages provided by form FO-6.

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:

9. 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. 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. 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, 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:

- a. 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.
- b. 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.
- c. Subject to the “terms” of How Much We Pay for Loss or Claim, “we” settle losses according to the following:
 - 1) 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:
 - a) the actual cash value of the damaged property; or
 - b) 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.
 - 2) 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:
 - a) the cost to repair or replace the damaged property using materials of like kind and quality, to the extent practical; or
 - b) the amount spent to repair or replace the damaged property.
- d. “We” do not pay for more than the actual cash value of the loss, until actual repair or replacement is completed.
- e. “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:
 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.
- f. 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.

VI. 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.