

Optional Coverage SDFM-20 (09-2004)

FOREIGN OBJECTS COVERAGE

Covered Items: _____

This endorsement applies only to the items listed above or as indicated on the declarations page. For those items, this endorsement applies to the "FARM PERILS" section of form SDFM-1. In addition to the perils listed, the following is added:

This policy is extended to cover direct physical damage to the interior of the covered item when caused by the ingestion of a **Foreign Object**. **Foreign Objects** include, but are not limited to, stones, stumps, and metal objects. **Foreign Objects** do not include any part of the covered item, the crop being harvested, or any other weed or plant material growing with the crop being harvested.

1. All losses involving the intake of **Foreign Objects** by harvesting or forage equipment must be reported to **us** immediately. **We** must have the opportunity to inspect the damage prior to repairs being made. Any loss reported more than thirty (30) days following the **occurrence** will not be honored.
2. The following are specifically excluded:
 - a) Any loss caused by the failure of any engine, transmission, electrical, hydraulic, cooling, lubricating or filtering system or to any loss due to the intake of any foreign material or object into such a system;
 - b) Loss caused by birds, vermin, rodents, insects or domestic animals;
 - c) Consequential loss;
 - d) Loss caused by process to repair, adjust, service or maintain the covered item;
 - e) Loss to tubes or tires;
 - f) Normal wear and tear.
3. **Depreciation** – **We** will depreciate the damaged property to its **Actual Cash Value (ACV)**.
4. **Deductible** – **We** will subtract a sum from the depreciated amount of loss or damage in any **occurrence**. The sum **we** subtract will be the larger of:
 - a) 25% of the **Actual Cash Value** of the loss; or
 - b) the policy **deductible** shown on the Declarations.

Example 1:

When: The policy deductible is \$250
The **Foreign Objects** deductible is 25%
The **ACV** of a covered loss is \$2500

Step 1: $\$2500 \times 25\% = \625
Step 2: Compare \$250 and \$625
Select the larger amount = \$625
Step 3: $\$2500 - \$625 = \$1875$

The most we will pay is \$1875. The remaining \$625 is not covered because of the deductible.

Example 2:

When: The policy deductible is \$1000
The **Foreign Objects** deductible is 25%
The **ACV** of a covered loss is \$2500

Step 1: $\$2500 \times 25\% = \625
Step 2: Compare \$1000 and \$625
Select the larger amount = \$1000
Step 3: $\$2500 - \$1000 = \$1500$

The most we will pay is \$1500. The remaining \$1000 is not covered because of the deductible.

All **terms** not specifically changed by this endorsement remain the same.