

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

BUSINESS INCOME, EXTRA EXPENSE, AND SERVICE INTERRUPTION

This endorsement modifies insurance provided under the following coverage form:

Equipment Breakdown Coverage Part Farmowners

SCHEDULE		
Business Income Limit	Extra Expense Limit	Business Income and Extra Expense Limit <i>(If a single limit applies to Business Income and Extra Expense)</i>

(The information required above may be shown in the Equipment Breakdown section of the Declarations.)

A. COVERAGE

The following coverages are added under **A.2.a. Farm Business Accident**:

1. Business Income Coverage

If a limit for income loss is shown in the Schedule or in the Declarations, that limit is extended to provide coverage as follows:

- (a)** "We" will pay "your" actual loss of "business income" that results directly from the necessary total or partial interruption of "your" "farm operation".
- (b)** "We" will also pay any necessary expenses "you" incur to reduce the amount of loss under this coverage. "We" will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (c)** "We" will consider the actual experience of "your" "farm operation" before the "farm business accident" and the probable experience "you" would have had without the "farm business accident" in determining the amount of "our" payment.
- (d)** This coverage continues until the date the damaged property is repaired or replaced.

2. Extra Expense Coverage

If a limit for "extra expense" is shown in the Schedule or in the Declarations, that limit is extended to provide coverage as follows:

"We" will pay the reasonable and necessary "extra expense" to operate "your" "farm operation" during a total or partial interruption of "your" "farm operation".

3. Service Interruption Additional Coverage

The following additional coverage is added to "your" policy if either Business Income or Extra Expense is stated in "your" Declarations:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

- (a) "We" will pay for "your" loss and expense as defined under Business Income Coverage and Extra Expense Coverage caused by a "farm business accident" to equipment that is owned by a utility, landlord, or other supplier with whom "you" have a contract to supply "you" with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, or data transmission.
- (b) Unless otherwise shown in the policy, the failure or disruption of service must exceed 24 hours immediately following the "farm business accident" in order for this coverage to apply. However, once this waiting period is met, coverage will commence at the initial time of the failure or disruption of service and will be subject to all applicable deductibles.

B. EXCLUSIONS:

The following **Business Income, Extra Expense, and Service Interruption** exclusion is added:

- 1. "We" will not pay for:
 - a. Loss associated with "your" "farm operation" that would not or could not have been carried on if the "farm business accident" had not occurred;
 - b. Loss caused by "your" failure to use due diligence and dispatch all reasonable means to resume "your" "farm operation" at the described location;
 - c. That part of any loss that is due solely to the suspension, lapse, or cancellation of a contract following a "farm business accident" extending beyond the time Business Income is applicable; or
 - d. Any increase in loss resulting from an agreement between "you" and "your" customer or supplier. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges, and liquidated damages.

C. LIMITS OF INSURANCE

The following Limits of Insurance are added:

3. Business Income

The Business Income limit shown under the farm property section of the Declarations is extended to apply unless a different Business Income limit is stated in this endorsement or under the Equipment Breakdown section of the Declarations.

4. Extra Expense

The Extra Expense limit shown under the farm property section of the Declarations is extended to apply unless a different Extra Expense limit is stated in this endorsement or under the Equipment Breakdown section of the Declarations.

5. Business Income and Extra Expense

The Business Income and Extra Expense limit shown under the farm property section of the Declarations is extended to apply unless a different Business Income and Extra Expense limit is stated in this endorsement or under the Equipment Breakdown section of the Declarations.

6. Service Interruption

- a. If a limit is shown for Business Income in the Declarations, that limit is the most "we" will pay for the Service Interruption Additional Coverage if the Service Interruption results in a loss of "business income".
- b. If a limit is shown for Extra Expense in the Declarations, that limit is the most "we" will pay for the Service Interruption Additional Coverage if "you" incur "extra expense" as a result of the service interruption.
- c. If a limit for Business Income and Extra Expense is shown in the Declarations, that limit is the most "we" will pay for the Service Interruption Additional Coverage.

D. DEDUCTIBLES

The following provisions are added to **D.2.c.**:

Time Deductibles – If a time deductible is shown in the Declarations, "we" will not be liable for any loss occurring during the specified number of hours or days immediately following the "farm business accident". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Multiple of Average Daily Value (ADV) Deductibles – If a deductible is expressed in the Declarations as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the “business income” that would have been earned during the period of interruption had no “farm business accident” occurred, divided by the number of working days in that period. The ADV applies to the “business income” value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations.

For purposes of this calculation, the period of interruption may not extend beyond the date on which the physical damage to “covered farm equipment” could have been repaired or replaced with the exercise of due diligence and dispatch.

The number indicated in the Declarations will be multiplied by the ADV as determined above. The result will be used as the applicable deductible.

G. DEFINITIONS

The following definitions are added:

1. **“Business Income”** means the sum of:
 - a. The Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal operating expenses incurred, including employee payroll.
2. **“Extra Expense”** means the additional cost “you” incur to operate “your” “farm operation” during the interruption over and above the cost that normally would have been incurred to operate the “farm operation” during the same period had no “farm business accident” occurred.
3. **“Farm Operation”** means “your” farm activities, including rental of farm buildings.