

## Filing at a Glance

Company: American Association of Insurance Services

Product Name: Farmowners	SERFF Tr Num: AMAX-125227738	State: Arkansas
TOI: 03.0 Personal Farmowners	SERFF Status: Closed	State Tr Num: AR-PC-07-025401
Sub-TOI: 03.0000 Personal Farmowners	Co Tr Num: AAIS-2007-54R	State Status:
Filing Type: Rule	Co Status:	Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
	Author: SPI AAIS	Disposition Date: 07-11-2007
	Date Submitted: 07-09-2007	Disposition Status: Filed
Effective Date Requested (New): 10-01-2007		Effective Date (New): 10-01-2007
Effective Date Requested (Renewal):		Effective Date (Renewal):

## General Information

Project Name: CW FO Equipment Breakdown Endt's & Suppl AAIS-2007-54	Status of Filing in Domicile: Pending
Project Number: AAIS-2007-54R	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 07-11-2007	
State Status Changed: 07-11-2007	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
SENT VIA SERFF	

Re: AAIS-2007-54R  
Farmowners Program - Equipment Breakdown Coverage  
Revised Optional Manual Supplement Rev 06 07

Dear Sir or Madam:

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing changes to the AAIS Farmowners Program. A new option for covering dwelling-related equipment breakdown exposures is being submitted on a first-time basis under the AAIS Farmowners Program. Our filing consists of a revised optional manual Supplement Rev 06 07.

The Filing Memorandum provides a detailed description of the changes and additions being proposed at this time. Copies of the manual supplement are enclosed.

We propose that the rules described in this filing become effective October 1, 2007 and only companies that choose not to adopt these materials on that date will be required to notify the Insurance Department. Once approved, we also ask that companies that choose to adopt these materials on an earlier date may do so by notifying the Insurance Department.

In a separate companion filing identified as "AAIS-2007-54F", we have submitted the new optional endorsements to be used with this supplement.

Please be advised that, upon approval, the materials that are the subject of this filing may also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same materials electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

The required filing fee has been submitted via regular mail.

## Company and Contact

### Filing Contact Information

Pallavi Shah, Senior Filing Specialist  
1745 South Naperville Road  
Wheaton, IL 60187-8132

PallaviS@aisonline.com  
(630) 681-8347 [Phone]  
(630) 681-8356[FAX]

### Filing Company Information

American Association of Insurance Services  
1745 S. Naperville Road  
Wheaton, IL 60187-8132  
(630) 681-8347 ext. [Phone]

CoCode: 31400  
Group Code:  
Group Name:  
FEIN Number: 36-2021360  
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State of Domicile: Delaware  
Company Type:  
State ID Number:

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

# Correspondence Summary

## Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07-11-2007	07-11-2007

## Disposition

Disposition Date: 07-11-2007

Effective Date (New): 10-01-2007

Effective Date (Renewal):

Status: Filed

Comment:

<b>Company Name:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Premium:</b>	<b>Maximum % Change (where required):</b>	<b>Minimum % Change (where required):</b>	<b>Overall % Indicated Change:</b>
American Association of Insurance Services	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty		No
<b>Supporting Document</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
<b>Supporting Document</b>	FO Equipment Breakdown Rules Filing Memo	Filed	Yes
<b>Supporting Document</b>	FO Equipment Breakdown Supplement SXS	Filed	Yes
<b>Rate</b>	Equipment Breakdown Coverage Options	Filed	Yes

## Rate Information

Rate data applies to filing.

**Filing Method:**

**Rate Change Type:**

**Overall Percentage of Last Rate Revision:**

0.000%

**Effective Date of Last Rate Revision:**

**Filing Method of Last Filing:**

## Company Rate Information

<b>Company Name:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Premium:</b>	<b>Maximum % Change (where required):</b>	<b>Minimum % Change (where required):</b>	<b>Overall % Indicated Change:</b>
American Association of Insurance Services	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

## Rate/Rule Schedule

<b>Review Status:</b>	<b>Exhibit Name:</b>	<b>Rule # or Page #:</b>	<b>Rate Action</b>	<b>Previous State Filing Attachments Number:</b>
Filed	Equipment Breakdown Farmowners Coverage Options	Farmowners Manual	Replacement	Farmowners Manual.PDF

# AMERICAN ASSOCIATION OF INSURANCE SERVICES SUPPLEMENT TO FARMOWNERS MANUAL

## EQUIPMENT BREAKDOWN COVERAGE OPTIONS

Refer to Rule 1 of this Supplement for a description of the equipment breakdown coverage option primarily available for property covered under Coverage A or Coverage B. Refer to Rule 2 of this Supplement for a description of the equipment breakdown coverage option primarily available for property covered under Coverage E, Coverage F, or Coverage G.

### **RULE 1 -- DWELLING COVERAGES**

Coverage can be added for direct physical loss to covered equipment caused by an accident.

Covered equipment means property covered under Coverage A or Coverage B that generates, transmits, or utilizes energy or that, during normal usage, operates under vacuum or pressure. Covered equipment also means well pumps and outdoor electrical wiring, switch boxes, fuse boxes, and other outdoor electrical equipment mounted on panels or poles.

Covered equipment does not include supporting structures, cabinets, or compartments; most types of piping; electronic entertainment or computer equipment; or kitchen or laundry appliances. At the option of the company, however, covered equipment may include permanently installed kitchen or laundry appliances. Refer to the terms of the endorsements for a complete description of covered equipment.

An accident means sudden and accidental:

- mechanical or electrical breakdown; or
- tearing apart, cracking, burning, or bulging of a steam or hot water heating system or an air conditioning system;

that results in direct physical damage to covered equipment.

Equipment breakdown coverage is subject to the policy limits that apply to the covered property, unless a separate equipment breakdown limit for any one accident is shown in the endorsement schedule. However, when equipment breakdown coverage is not subject to a separate limit, equipment breakdown coverage for well pumps and outdoor electrical wiring, switch boxes, fuse boxes, and other outdoor electrical equipment mounted on panels or poles is subject to the Coverage A limit, rather than to the policy limits that apply to well pumps and private power and light poles.

When a separate equipment breakdown limit is shown in the endorsement schedule, that limit does not increase the limits that apply to the property covered, except with respect to well pumps and outdoor electrical wiring, switch boxes, fuse boxes, and other outdoor electrical equipment mounted on panels or poles.

The deductible that applies to equipment breakdown coverage is the same as the deductible that applies to property covered under Coverage A or Coverage B for loss caused by the peril of Fire, unless a different equipment breakdown deductible amount is shown in the endorsement schedule.

# AMERICAN ASSOCIATION OF INSURANCE SERVICES MANUAL SUPPLEMENT

## EQUIPMENT BREAKDOWN COVERAGE

The following coverages are also provided when the policy is endorsed to include equipment breakdown coverage. These coverages do not increase the equipment breakdown limit when a separate equipment breakdown limit is shown in the endorsement schedule.

### Additional Living Costs and Loss of Rent

Coverage D is extended to include coverage for additional living costs and loss of rent if the covered property is made unfit for use because of loss to covered equipment caused by an accident. Such coverage is limited to \$200 per day for no more than five consecutive days, subject to a maximum limit of \$1,000 for any one accident, unless a higher limit for Additional Living Costs and Loss of Rent is shown in the endorsement schedule.

### Refrigerated Farm Personal Property Coverage

Coverage is provided for direct physical loss to farm personal property covered under Coverage F or Coverage G and stored in a freezer or refrigerated unit in the residence covered under Coverage A. The loss must be caused by mechanical or electrical breakdown not otherwise excluded by the endorsement. Coverage does not apply to property intended for an insured's personal use. Such coverage is limited to \$500 for any one accident, unless a higher limit is shown in the endorsement schedule. This coverage is not subject to the deductible.

Refer to the company for the equipment breakdown rating information filed by the company with the insurance department.

Attach endorsement FO 0430 to exclude equipment breakdown coverage for all kitchen and laundry appliances. Attach endorsement FO 0435 when equipment breakdown coverage is provided for permanently installed kitchen and laundry appliances.

Make an entry in the endorsement schedule to indicate the separate equipment breakdown limit when equipment breakdown coverage is not subject to the policy limits. Make the corresponding schedule entry if a higher equipment breakdown limit applies to Additional Living Costs and Loss of Rent and/or Refrigerated Farm Personal Property Coverage. Also make an entry in the endorsement schedule if equipment breakdown coverage is not subject to the deductible that applies to property covered under Coverage A or Coverage B for loss caused by the peril of Fire.

## RULE 2 -- FARM COVERAGES

Coverage can be added for direct physical loss to property covered under Coverage E, Coverage F, or Coverage G caused by an accident to covered equipment.

Covered equipment means covered property that generates, transmits, or utilizes energy, or which operates under vacuum or pressure. Refer to the terms of the endorsement for a complete description of covered equipment.

# AMERICAN ASSOCIATION OF INSURANCE SERVICES MANUAL SUPPLEMENT

## EQUIPMENT BREAKDOWN COVERAGE

An accident includes the following:

- mechanical breakdown;
- rupturing or bursting of moving parts of machinery caused by centrifugal force;
- damage caused by arcing or electrical currents other than lightning;
- explosion of steam boilers, steam pipes, steam turbines, or steam engines or damage caused by an occurrence or condition within such equipment; and
- damage caused by an occurrence or condition within hot water boilers or heaters.

Equipment breakdown coverage is subject to the policy limits that apply to the covered property, unless an equipment breakdown limit is shown in the Equipment Breakdown Schedule.

Equipment breakdown coverage is subject to a condition that allows the suspension of coverage for loss caused by an accident to covered equipment that is discovered to be in or exposed to a dangerous situation or condition. Coverage can be reinstated by endorsement.

When the policy is endorsed to include equipment breakdown coverage, coverage for farm income, extra expense, and or farm rents, if such coverage is also provided by the policy, includes loss that occurs when covered property is damaged by an accident to covered equipment. The policy limits that apply to farm income, extra expense, and farm rents apply to such loss when caused by equipment breakdown, unless different limits are shown in the Equipment Breakdown Schedule.

The following extensions of coverage for loss caused by or resulting from an accident are also provided when the policy is endorsed to include equipment breakdown coverage. The limits shown below apply unless different limits are shown in the Equipment Breakdown Schedule. The extensions of coverage do not provide additional insurance.

**Expediting Expenses -- \$25,000**

Covers the reasonable extra cost to make temporary repairs to covered property or to expedite permanent repairs or permanent replacement of covered property.

**Pollutants -- \$25,000**

Covers the additional cost to repair or replace covered property damaged by contamination caused by a pollutant. The limit also applies to loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

**Spoilage -- \$25,000**

Covers physical damage to perishable stock due to spoilage or contamination from the release of a refrigerant, including necessary expenses incurred to reduce the loss. Perishable stock means covered property that is subject to deterioration or impairment caused by change in conditions such as temperature, humidity, or pressure.

# AMERICAN ASSOCIATION OF INSURANCE SERVICES MANUAL SUPPLEMENT

## EQUIPMENT BREAKDOWN COVERAGE

### Computers in the Dwelling -- \$25,000

Covers damage to computers that are covered under Coverage C -- Personal Property and that are used in connection with farming. This coverage also applies to related equipment, commercially purchased software, and media that are covered under Coverage C -- Personal Property and used in connection with farming. The limit includes loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

### Data Restoration -- \$25,000

Covers the cost to research, replace, and restore lost data. The limit includes loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

### Utility Service Interruption - \$25,000

Extends coverage for spoilage or loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy, to include loss, damage, or expense caused by accident to equipment owned by a utility, landlord, or other supplier who provides the following services under contract to the insured:

- compressed air, electrical power, natural gas, steam, or water;
- air conditioning, heating; refrigeration, waste disposal; or
- data transmission, Internet access, telecommunications services, or wide area networks.

Unless otherwise shown in the Equipment Breakdown Schedule, coverage for utility service interruption is subject to a waiting period of 24 hours immediately following the accident.

The deductible amount applicable to other covered loss also applies to loss caused by equipment breakdown, unless a separate deductible is shown in the Equipment Breakdown Schedule.

A separate equipment breakdown deductible may apply to all coverages or multiple deductibles may apply by type of equipment or type of coverage. Make the appropriate entry or entries in the Equipment Breakdown Schedule when separate equipment breakdown deductibles apply.

Equipment breakdown coverage may be subject to a coinsurance percentage. Make the appropriate entry or entries in the Equipment Breakdown Schedule when coinsurance applies.

Attach endorsement FO 0420. Use endorsement FO 0425 when equipment breakdown limits are scheduled or modified or when separate equipment breakdown deductibles or coinsurance provisions apply.

Use endorsement CL 0342 to reinstate coverage that has been suspended for covered equipment that was in or exposed to a dangerous situation.

Refer to the company for the equipment breakdown rating information filed by the company with the insurance department.

## Supporting Document Schedules

**Satisfied -Name:** FO Equipment Breakdown Rules  
Filing Memo

**Review Status:**  
Filed 07-11-2007

**Comments:**

**Attachment:**

FO Equipment Breakdown Rules Filing Memo.PDF

**Satisfied -Name:** FO Equipment Breakdown  
Supplement SXS

**Review Status:**  
Filed 07-11-2007

**Comments:**

**Attachment:**

FO Equipment Breakdown Supplement SXS.PDF

**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
RULES FILING MEMORANDUM  
FARMOWNERS PROGRAM**

A new option for covering dwelling-related equipment breakdown exposures is being submitted on a first-time basis under the AAIS Farmowners Program. This filing memo describes the manual supplement being submitted in conjunction with that option. A separate companion filing addresses the forms component of this new option.

The coverage option described in this memorandum will apply in addition to the current Farmowners equipment breakdown coverage option, which applies primarily to farm property covered under Coverages E, F, or G. The new option described in this memorandum applies primarily to dwelling property covered under Coverages A or B.

The manual supplement described in this memorandum addresses both the existing equipment breakdown coverage option and the proposed equipment breakdown option. Accordingly, the supplement described in this memorandum is intended to replace the Equipment Breakdown Supplement currently filed under the Farmowners Program. A separate exhibit that compares the content of the current and proposed Supplements is provided as a component of this filing.

The AAIS manual supplement does not include rating information. Each affiliated company must file the appropriate rating information with the insurance department. The content of the supplement is further described below.

**SUPPLEMENT TO FARMOWNERS MANUAL - EQUIPMENT BREAKDOWN  
COVERAGE OPTIONS**

The opening paragraph of the Supplement explains that Rule 1 addresses the equipment breakdown coverage option primarily available for property covered under Coverages A and B and that Rule 2 addresses the equipment breakdown coverage option primarily available for property covered under Coverages E, F, and G. Other than minor editorial changes made to reflect the fact that the Supplement now addresses two different equipment breakdown coverage options, the content of Rule 2 is unchanged.

Rule 1 of the Supplement explains the terms 'covered equipment' and 'accident', which form the basis of the equipment breakdown coverage provided under endorsements FO 0430 and FO 0435.

Rule 1 explains that equipment breakdown coverage is subject to the policy limit that applies to the damaged property, unless a separate equipment breakdown limit is shown in the endorsement schedule.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
RULES FILING MEMORANDUM  
FARMOWNERS PROGRAM**

Rule 1 also explains that equipment breakdown coverage is subject to the deductible amount that applies to fire loss covered under Coverages A and B, unless a different deductible amount is shown on the endorsement schedule.

Rule 1 indicates that when the policy has been endorsed to include equipment breakdown coverage:

- coverage is also provided for direct physical loss to farm personal property stored in a freezer or refrigerated unit in the residence. The loss must be caused by mechanical or electrical breakdown that is not otherwise excluded and the farm personal property must be covered under Coverage F, Scheduled Farm Personal Property, or Coverage G, Unscheduled Farm Personal Property. Such coverage is limited to \$500 for any one accident unless a higher limit for Refrigerated Farm Personal Property is shown in the endorsement schedule.
- Coverage D, Additional Living Costs And Loss Of Rent, is extended to include coverage for additional living costs and loss of rent if covered property is made unfit for use because of loss to covered equipment caused by an accident. Such coverage is limited to \$200 per day for no more than five consecutive days, subject to a maximum limit of \$1,000 for any one accident unless a higher limit is shown in the endorsement schedule.

Rule 1 explains that endorsement FO 0430 is to be used when coverage for kitchen or laundry appliances is to be excluded and that endorsement FO 0435 is to be used when coverage for permanently installed kitchen or laundry appliances is to be provided.

Rule 1 includes additional instructions for the use of the referenced endorsements, specifically with respect to entries that can be used to establish a separate equipment breakdown limit and/or deductible amount and/or set forth higher equipment breakdown limits for Refrigerated Farm Personal Property coverage or Additional Living Costs and Loss of Rent.

**PROPOSED  
SUPPLEMENT TO FARMOWNERS MANUAL  
EQUIPMENT BREAKDOWN COVERAGE OPTIONS**

**CURRENT  
SUPPLEMENT  
and COMMENTS**

**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
SUPPLEMENT TO FARMOWNERS MANUAL**

**EQUIPMENT BREAKDOWN COVERAGE OPTIONS**

Refer to Rule 1 of this Supplement for a description of the equipment breakdown coverage option primarily available for property covered under Coverage A or Coverage B. Refer to Rule 2 of this Supplement for a description of the equipment breakdown coverage option primarily available for property covered under Coverage E, Coverage F, or Coverage G.

**RULE 1 -- DWELLING COVERAGES**

Coverage can be added for direct physical loss to covered equipment caused by an accident.

Covered equipment means property covered under Coverage A or Coverage B that generates, transmits, or utilizes energy or that, during normal usage, operates under vacuum or pressure. Covered equipment also means well pumps and outdoor electrical wiring, switch boxes, fuse boxes, and other outdoor electrical equipment mounted on panels or poles.

Covered equipment does not include supporting structures, cabinets, or compartments; most types of piping; electronic entertainment or computer equipment; or kitchen or laundry appliances. At the option of the company, however, covered equipment may include permanently installed kitchen or laundry appliances. Refer to the terms of the endorsements for a complete description of covered equipment.

An accident means sudden and accidental:

- mechanical or electrical breakdown; or
- tearing apart, cracking, burning, or bulging of a steam or hot water heating system or an air conditioning system;

that results in direct physical damage to covered equipment.

Equipment breakdown coverage is subject to the policy limits that apply to the covered property, unless a separate equipment breakdown limit for any one accident is shown in the endorsement schedule. However, when equipment breakdown coverage is not subject to a separate limit, equipment breakdown coverage for well pumps and outdoor electrical wiring, switch boxes, fuse boxes, and other outdoor electrical equipment mounted on panels or poles is subject to the Coverage A limit, rather than to the policy limits that apply to well pumps and private power and light poles.

When a separate equipment breakdown limit is shown in the endorsement schedule, that limit does not increase the limits that apply to the property covered, except with respect to well pumps and outdoor electrical wiring, switch boxes, fuse boxes, and other outdoor electrical equipment mounted on panels or poles.

The deductible that applies to equipment breakdown coverage is the same as the deductible that applies to property covered under Coverage A or Coverage B for loss caused by the peril of Fire, unless a different equipment breakdown deductible amount is shown in the endorsement schedule.

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**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
MANUAL SUPPLEMENT**

**EQUIPMENT BREAKDOWN COVERAGE**

The original Equipment Breakdown Coverage Manual Supplement addressed only the initial equipment breakdown option, which primarily applies to property covered under Coverages E, F, or G. The revised Supplement includes rules that address two separate equipment breakdown coverage options. Rule 1 addresses the new option that primarily applies to dwelling property covered under Coverages A or B. Rule 2 addresses the original option for farm property covered under Coverages E, F, or G.

The content of Rule 1 is entirely new.

**PROPOSED  
SUPPLEMENT TO FARMOWNERS MANUAL  
EQUIPMENT BREAKDOWN COVERAGE OPTIONS**

**CURRENT  
SUPPLEMENT  
and COMMENTS**

The following coverages are also provided when the policy is endorsed to include equipment breakdown coverage. These coverages do not increase the equipment breakdown limit when a separate equipment breakdown limit is shown in the endorsement schedule.

**Additional Living Costs and Loss of Rent**

Coverage D is extended to include coverage for additional living costs and loss of rent if the covered property is made unfit for use because of loss to covered equipment caused by an accident. Such coverage is limited to \$200 per day for no more than five consecutive days, subject to a maximum limit of \$1,000 for any one accident, unless a higher limit for Additional Living Costs and Loss of Rent is shown in the endorsement schedule.

**Refrigerated Farm Personal Property Coverage**

Coverage is provided for direct physical loss to farm personal property covered under Coverage F or Coverage G and stored in a freezer or refrigerated unit in the residence covered under Coverage A. The loss must be caused by mechanical or electrical breakdown not otherwise excluded by the endorsement. Coverage does not apply to property intended for an insured's personal use. Such coverage is limited to \$500 for any one accident, unless a higher limit is shown in the endorsement schedule. This coverage is not subject to the deductible.

Refer to the company for the equipment breakdown rating information filed by the company with the insurance department.

Attach endorsement FO 0430 to exclude equipment breakdown coverage for all kitchen and laundry appliances. Attach endorsement FO 0435 when equipment breakdown coverage is provided for permanently installed kitchen and laundry appliances.

Make an entry in the endorsement schedule to indicate the separate equipment breakdown limit when equipment breakdown coverage is not subject to the policy limits. Make the corresponding schedule entry if a higher equipment breakdown limit applies to Additional Living Costs and Loss of Rent and/or Refrigerated Farm Personal Property Coverage. Also make an entry in the endorsement schedule if equipment breakdown coverage is not subject to the deductible that applies to property covered under Coverage A or Coverage B for loss caused by the peril of Fire.

**RULE 2 -- FARM COVERAGES**

Coverage can be added for direct physical loss to property covered under Coverage E, Coverage F, or Coverage G caused by an accident to covered equipment.

Covered equipment means covered property that generates, transmits, or utilizes energy, or which operates under vacuum or pressure. Refer to the terms of the endorsement for a complete description of covered equipment.

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The Supplement does not include equipment breakdown rating information. Instead, companies must rely on rating information independently filed with the insurance department.

Aside from the slight editorial changes made in conjunction with the introduction of Rule 1, the content what is now identified as Rule 2 remains unchanged.

Equipment breakdown coverage insures loss to covered property caused by an accident to covered equipment.

Coverage for direct physical loss caused by equipment breakdown can be added for property covered under Coverages E, F, and G.

With respect to such coverage, covered equipment means covered property that generates, transmits, or utilizes energy, or which operates under vacuum or pressure; and

**PROPOSED  
SUPPLEMENT TO FARMOWNERS MANUAL  
EQUIPMENT BREAKDOWN COVERAGE OPTIONS**

**CURRENT  
SUPPLEMENT  
and COMMENTS**

An accident includes the following:

- mechanical breakdown;
- rupturing or bursting of moving parts of machinery caused by centrifugal force;
- damage caused by arcing or electrical currents other than lightning;
- explosion of steam boilers, steam pipes, steam turbines, or steam engines or damage caused by an occurrence or condition within such equipment; and
- damage caused by an occurrence or condition within hot water boilers or heaters.

Equipment breakdown coverage is subject to the policy limits that apply to the covered property, unless an equipment breakdown limit is shown in the Equipment Breakdown Schedule.

Equipment breakdown coverage is subject to a condition that allows the suspension of coverage for loss caused by an accident to covered equipment that is discovered to be in or exposed to a dangerous situation or condition. Coverage can be reinstated by endorsement.

When the policy is endorsed to include equipment breakdown coverage, coverage for farm income, extra expense, and or farm rents, if such coverage is also provided by the policy, includes loss that occurs when covered property is damaged by an accident to covered equipment. The policy limits that apply to farm income, extra expense, and farm rents apply to such loss when caused by equipment breakdown, unless different limits are shown in the Equipment Breakdown Schedule.

The following extensions of coverage for loss caused by or resulting from an accident are also provided when the policy is endorsed to include equipment breakdown coverage. The limits shown below apply unless different limits are shown in the Equipment Breakdown Schedule. The extensions of coverage do not provide additional insurance.

Expediting Expenses -- \$25,000

Covers the reasonable extra cost to make temporary repairs to covered property or to expedite permanent repairs or permanent replacement of covered property.

Pollutants -- \$25,000

Covers the additional cost to repair or replace covered property damaged by contamination caused by a pollutant. The limit also applies to loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

Spoilage -- \$25,000

Covers physical damage to perishable stock due to spoilage or contamination from the release of a refrigerant, including necessary expenses incurred to reduce the loss. Perishable stock means covered property that is subject to deterioration or impairment caused by change in conditions such as temperature, humidity, or pressure.

an accident includes the following.

- mechanical breakdown;
- rupturing or bursting of moving parts of machinery caused by centrifugal force;
- damage caused by arcing or electrical currents other than lightning;
- explosion of steam boilers, steam pipes, steam turbines, or steam engines or damage caused by an occurrence or condition within such equipment; and
- damage caused by an occurrence or condition within hot water boilers or heaters.

Equipment breakdown coverage is subject to the policy limits that apply to the covered property, unless an Equipment Breakdown Limit is shown on the Equipment Breakdown Schedule.

Equipment breakdown coverage is subject to a condition that allows the suspension of coverage for loss caused an accident to covered equipment that is discovered to be in or exposed to a dangerous situation or condition. Coverage can be reinstated by endorsement.

When the policy is endorsed to include equipment breakdown coverage, coverage for farm income, extra expense, and or farm rents, if such coverage is also provided by the policy, includes loss that occurs when covered property is damaged by an accident to covered equipment. The policy limits that apply to farm income, extra expense, and farm rents apply to such loss when caused by equipment breakdown, unless different limits are shown on the Equipment Breakdown Schedule.

The following extensions of coverage for loss caused by or resulting from an accident, as described above, are also provided under the Equipment Breakdown Coverage endorsement. The limits shown below apply unless different limits are shown on the Equipment Breakdown Schedule. The extensions of coverage do not provide additional insurance.

Expediting Expenses -- \$25,000

Covers the reasonable extra cost to make temporary repairs to covered property or to expedite permanent repairs or permanent replacement of covered property.

Pollutants -- \$25,000

Covers the additional cost to repair or replace covered property damaged by contamination caused by a pollutant. The limit also applies to loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

Spoilage -- \$25,000

Covers physical damage to perishable stock due to spoilage or contamination from the release of a refrigerant, including necessary expenses incurred to reduce the loss. With respect to equipment breakdown coverage, perishable stock means covered property that is subject to deterioration or impairment caused by change in conditions such as temperature, humidity, or pressure.

**PROPOSED  
SUPPLEMENT TO FARMOWNERS MANUAL  
EQUIPMENT BREAKDOWN COVERAGE OPTIONS**

**CURRENT  
SUPPLEMENT  
and COMMENTS**

Computers in the Dwelling -- \$25,000

Covers damage to computers that are covered under Coverage C -- Personal Property and that are used in connection with farming. This coverage also applies to related equipment, commercially purchased software, and media that are covered under Coverage C -- Personal Property and used in connection with farming. The limit includes loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

Data Restoration -- \$25,000

Covers the cost to research, replace, and restore lost data. The limit includes loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

Utility Service Interruption - \$25,000

Extends coverage for spoilage or loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy, to include loss, damage, or expense caused by accident to equipment owned by a utility, landlord, or other supplier who provides the following services under contract to the insured:

- compressed air, electrical power, natural gas, steam, or water;
- air conditioning, heating; refrigeration, waste disposal; or
- data transmission, Internet access, telecommunications services, or wide area networks.

Unless otherwise shown in the Equipment Breakdown Schedule, coverage for utility service interruption is subject to a waiting period of 24 hours immediately following the accident.

The deductible amount applicable to other covered loss also applies to loss caused by equipment breakdown, unless a separate deductible is shown in the Equipment Breakdown Schedule.

A separate equipment breakdown deductible may apply to all coverages or multiple deductibles may apply by type of equipment or type of coverage. Make the appropriate entry or entries in the Equipment Breakdown Schedule when separate equipment breakdown deductibles apply.

Equipment breakdown coverage may be subject to a coinsurance percentage. Make the appropriate entry or entries in the Equipment Breakdown Schedule when coinsurance applies.

Attach endorsement FO 0420. Use endorsement FO 0425 when equipment breakdown limits are scheduled or modified or when separate equipment breakdown deductibles or coinsurance provisions apply.

Use endorsement CL 0342 to reinstate coverage that has been suspended for covered equipment that was in or exposed to a dangerous situation.

Refer to the company for the equipment breakdown rating information filed by the company with the insurance department.

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Computers in the Dwelling -- \$25,000

Covers damage to computers that are covered under Coverage C -- Personal Property and that are used in connection with farming. This coverage also applies to related equipment, commercially purchased software, and media that are covered under Coverage C -- Personal Property and used in connection with farming. The limit includes loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

Data Restoration -- \$25,000

Covers the cost to research, replace, and restore lost data. The limit includes loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy.

Utility Service Interruption - \$25,000

Extends coverage for spoilage or loss of farm income, extra expense, and or farm rents, if such coverage is also provided by the policy, to include loss, damage, or expense caused by accident to equipment owned by a utility, landlord, or other supplier who provides the following services under contract to the insured:

- compressed air, electrical power, natural gas, steam, or water;
- air conditioning, heating; refrigeration, waste disposal; or
- data transmission, Internet access, telecommunications services, or wide area networks.

Unless otherwise shown in the Equipment Breakdown Schedule, coverage for utility service interruption is subject to a waiting period of 24 hours immediately following the accident.

The deductible amount applicable to other covered loss also applies to loss caused by equipment breakdown, unless a separate deductible is shown on the Equipment Breakdown Schedule.

A separate equipment breakdown deductible may apply to all coverages or multiple deductibles may apply by type of equipment or type of coverage. Make the appropriate entry or entries in the Equipment Breakdown Schedule when separate equipment breakdown deductibles apply.

Equipment breakdown coverage may be subject to a coinsurance percentage. Make the appropriate entry or entries in the Equipment Breakdown Schedule when coinsurance applies.

Attach endorsement FO 0420. Use endorsement FO 0425 when equipment breakdown limits are scheduled or modified or when separate equipment breakdown deductibles or coinsurance provisions apply.

Use endorsement CL 0342 to reinstate coverage that has been suspended for covered equipment that was in or exposed to a dangerous situation.

Refer to the company for equipment breakdown rating information filed by the company with the insurance department.