

FARM POLLUTION HAZARD POLICY
(ONLY FOR USE WITH Insureds' scheduled farm operations)
CLAIMS MADE POLICY

I. PREAMBLE

A. Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, obligations and what is covered or not covered.

B. Words and phrases that appear in **bold** type have special meanings as defined in this policy.

C. We will not provide coverage for you or your agents who have concealed or misrepresented any material fact relating to this policy, whether in the application or the renewal of the policy or submission of a claim.

II. Insuring Agreement

A. We will pay on your behalf those amounts you become legally obligated to pay as **damages** up to our limit of liability as shown on the schedule in any one **policy period** because of a **claim** for **property damage** or **bodily injury** directly caused by a **pollution hazard** arising out of your **farm business**.

B. We will also defend you against **claims** that are covered, however, we have no obligation to defend you against any **claim** for **property damage** or **bodily injury** not directly caused by a **pollution hazard** arising out of your **farm business**. Our obligation to defend and indemnify you is fully discharged when the limit of liability as shown on the schedule, subject always to the **aggregate limit**, has been exhausted by the payment of defense costs and payments of judgements or settlements, or by tendering the limits of indemnity to the claimant(s) or to the court in which any **claim** against the **Insured** is pending.

C. We will reimburse you up to the limits as shown in the schedule for any one **pollution hazard** and in the aggregate during the **policy period** for expenses incurred in investigating and remediating your own property that has suffered a **pollution hazard** arising out of your **farm business**. Any amounts paid shall reduce the limit of liability as shown on the schedule and the **aggregate limit**.

III. Definitions

Throughout this policy, 'we', 'us', and 'our' refer to the Underwriters who subscribe to this policy of insurance. 'You' and 'your' refer to the named **Insured** in the declarations.

- A. **Aggregate Limit**, as shown on the schedule, is the most we will pay for defense and indemnity in any one **policy period** regardless of the number of:
- **Pollution Hazards**
 - **Insured;**
 - **Claims** made or
 - Persons or entities making **claims**.
- B. **Agricultural chemicals** means pesticides, herbicides, fungicides, fertilizer, plant amendments, soil amendments, animal or bird wastes and petroleum products used in farm operations.
- C. **Bodily Injury** means all physical injury to persons who are not **insureds** as a result of a **pollution hazard** and mental injury directly caused by such physical injury.
- D. **Claim** means either a first receipt of a request or a lawsuit for compensation during the policy period from a party who is not an **insured** as a result of a **pollution hazard** directly causing **bodily injury** or **property damage**.
- E. **Damages** means money payable as compensation to others as required by law, but does not include punitive or exemplary damages, fines, penalties or other regulatory charges allocated to you.
- F. **Farm Business** means your activities and operations necessary to prepare, plant, grow and harvest plants and raise livestock intended for commercial profit. **Farm Business** includes off-site transportation of **agricultural chemicals** by the **insured**, but does not include the disposal, dumping or abandonment of these. A **farm business** insured under this policy is warranted to be less than or equal to the acreage of owned and leased property as listed in the schedule.
- G. **Insured** means you, your relatives who work in your **farm business** or **custom applicators** and **farm employees**. **Farm employee** means someone employed by your farm business whose primary duties are farming for you, including the maintenance and use of farm equipment. A bailee can never be an **insured** under this policy.
- H. **Pollution Hazard** means an abrupt, unexpected and unintended discharge, dispersal, spill, release or escape of **agricultural chemicals** for use in your normal and usual farming operations, which happens at a discrete and identifiable time and place during the **policy period** within the state boundaries of those states specifically listed in the schedule.
- I. **Policy period** means any consecutive 12-month period beginning with the inception or effective date of this policy.
- J. **Property Damage** means physical injury to or destruction of third party, tangible personal and real property, including loss of use of such property.

IV. Exclusions

This policy does not cover:

- A. **Pollution hazards** caused by crop dusting or other aerial application of **agricultural chemicals**.
- B. Any liability assumed by any **Insured** under contract or by agreement for **pollution hazards**.

V. Conditions

- A. You must cooperate with us in the handling and resolving of a **claim** under this policy. This includes, but is not limited to, sending us copies of your insurance documentation that may provide coverage for a **pollution hazard** when we request it and permitting us (but not obligating us) to inspect your **farm business** and records, whether held by you, your agent or your farm co-operative.
- B. This policy is excess to any other insurance you have that may cover a **pollution hazard** or the amount(s) set out in the schedule, whichever is greater. It is also excess to any amounts available from or through any local state or federal agency.
- C. We have the sole authority to defend or settle any and all **claims** made under this policy. We are entitled to full rights of subrogation, which you may neither waive nor relinquish without prior written consent from us.
- D. As a condition precedent to our obligations, you must strictly comply with your farm co-operative's rules and regulations for handling, transporting, applying and disposing of **agricultural chemicals**, as well as those relevant laws and rules required by Federal, State and Local government.
- E. As a condition precedent to our obligations, you must notify your farm co-operative immediately and us within 3 business days if there is a possibility of a **pollution hazard** potentially covered by this policy or any other policy or indemnification agreement that applies to your **farm business**. You must also notify us immediately if you receive a **claim** or lawsuit alleging a **claim**. To notify us, you must contact the person/company identified on the schedule and give them details of the **pollution hazard** incident, **claim** or lawsuit; the names and addresses of potentially injured parties and witnesses; and your involvement.
- F. Either party may terminate this policy by giving the other party written notice 45 calendar days in advance. In the event we give you notice, you are entitled to a pro-rata return of premium. If you cancel this policy for any reason, no premium will be refunded.
- G. If we pay amounts that include your deductible as shown in the schedule, we reserve the right to claim that deductible amount back from you and you will be obligated to pay our full expenses for pursuing repayment by legal means, should that become necessary.

H. Any controversy or claim arising out of or relating to this contract or its alleged breach shall be settled by arbitration administered by the American Arbitration Association (AAA) under its Commercial Arbitration Rules. As amended below, and judgement on the award rendered by the arbitrator may be entered in any court having proper jurisdiction.

The AAA Expedited Procedures shall be used in all cases. Only one neutral arbitrator shall be appointed, unless the parties agree otherwise. The arbitrator shall decide the dispute under the substantive laws, in which the insured is domiciled, shall be legally qualified with substantial experience in insurance coverage disputes and shall be in good standing with his or her state bar association. The arbitrator shall render a reasoned written decision. At all times, the arbitrator shall minimize delay and expense in reaching a fair resolution.

SERVICE OF SUIT CLAUSE (USA)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Assured will submit to the jurisdiction of a Court of competent jurisdiction within the United States of America. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of any competent jurisdiction within the United States, to remove an action to a United States District Court or to seek a transfer of a case to another Court as permitted by the laws of the United States of America or of any State of the United States. It is further agreed that service of process in such suit may be made upon Mendes and Mount 750 7th Avenue, New York, NY 10019-6829 U.S.A. and, that in any suit instituted against any one of them upon this policy, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of any appeal.

The above named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf In the event such suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this Policy of Insurance and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA 1998
01/08/01

SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE

Notwithstanding anything to the contrary contained herein and in consideration of the premium for which this insurance is written, it is understood and agreed that whenever an additional or return premium of USD2.00 or less becomes due from or to the insured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the insured will be waived or the return of such premium to the insured will not be made, as the case may be.

NMA 1168

01/08/01

**RAIDOACTIVE CONTAMINATION EXCLUSION CLAUSE-
PHYSICAL DAMAGE – DIRECT**

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination, however, such nuclear reaction, nuclear radiation or radioactive contamination may have been caused; nevertheless, if fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination, any loss or damage arising directly from that Fire damage caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

- Note: If Fire is not an insured peril under this Policy the words from “nevertheless” to the end of the Clause do not apply and should be disregarded.

NMA 1191
01/08/01

SEVERAL LIABILITY NOTICE

“The subscribing insurers” obligations under policies to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscriptions of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

LSW 1001 (Insurance)
01/08/01

**NUCLEAR INCIDENT EXCLUSION CLAUSE
LIABILITY –DIRECT (BROAD) (USA)**

For attachment to insurance of the following classifications in the U.S.A., its Territories and Possessions, Puerto Rico and the Canal Zone;

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability),

Not being insurance of the classifications to which the Nuclear Incident Exclusion Clause-Liability-Direct (Limited) applies.

This Policy* does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction:
 - (a) With respect to which an insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) Resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

- III. Under any Liability Coverage to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
 - (a) The nuclear material (1) is at any nuclear facility owned by or operated by on behalf of, an insured or (2) has been discharged or dispersed therefrom;

 - (b) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

WAR AND CIVIL WAR EXCLUSION CLAUSE
(Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

1/1/38
NMA 464
01/08/01

PROCEDURES CLAIMS LETTER

**USA Agencies, Inc. and
Performance Insurance Services, Inc.
11611 North Meridian Street, Suite 230
Carmel IN 46032
1-800-965-5580**

**Claims-Net, LLC.
PO Box 652
Lebanon IN 46052
1-765-482-3000**

Thank you for permitting us to serve your needs with this Farm Pollution Hazard Policy. In the event of a possible claim or incident, we feel it necessary to advise you of the procedure imperative to the clean-up process.

Please follow the checklist below:

1. Contain the nature of the spill/contamination to the immediate area. Cut off access to all water sources. Dyke the area if possible. Use materials available to absorb any spill and keep it from spreading. Remove as much material as possible, or remove and apply to land at the recommended rates. Be continually aware of any resources needed in the event that this becomes necessary, plan to have available equipment or materials (straw, hay, sand bags, pump, etc) in the area you are working in.
2. Immediately (within 2 hours) notify your Department of Environmental Management AND your Local Department of Natural Resources Office, have these numbers at your disposal in a moment's notice.
3. Immediately notify us at the above listed numbers.

Have these numbers available either in or on your equipment used in the handling, transporting applying and disposing of agricultural chemicals.

CANCELLATION CLAUSE

Notwithstanding anything contained in this Policy to the contrary, this Policy may be cancelled by the Assured at any time by written notice or by the surrendering of this Policy of Insurance. This Policy may also be cancelled by or on behalf of Underwriters by Delivering to the Assured or by mailing to the Assured, by registered, certified, or other first class mail, at the Assured's address as shown in this Policy, written notice stating when, not less than ten (10) days thereafter, the cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

If this Policy shall be cancelled by the Assured, the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Policy is on an adjustable basis the Underwriters shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein whichever is the greater.

If this Policy shall be cancelled by or on behalf of the Underwriters, the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Policy is on an adjustable basis the Underwriters shall receive the earned premium hereon or the pro rata proportion of any minimum premium stipulated herein whichever is the greater.

Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

NMA 1331

01/08/01

LLOYD'S PRIVACY POLICY STATEMENT

UNDERWRITERS AT LLOYD'S, LONDON

We, the Certain Underwriters at Lloyd's, London that have underwritten this insurance want you to understand how we protect the confidentiality of nonpublic personal information we collect about you.

INFORMATION WE COLLECT

We collect nonpublic personal information about you from the following sources:

- (a) Information we receive from you on applications or other forms;
- (b) Information about your transactions with our affiliates, others or us; and
- (c) Information we receive from a consumer-reporting agency.

INFORMATION WE DISCLOSE

We do not disclose any nonpublic personal information about you to anyone except as is necessary in order to provide our products or services to you or otherwise as we are required or permitted by law (e.g., a subpoena, fraud investigation, regulatory reporting, etc.)

CONFIDENTIALITY AND SECURITY

We restrict access to nonpublic personal information about you to our employees, our affiliates' employees or others who need to know that information to service your account. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.

CONTACTING US

If you have any questions about this privacy statement or would like to learn more about how we protect your privacy, please contact the agent/broker who handled this insurance.

NOTICE TO POLICYHOLDERS

We are here to serve you. As a valued policyholder, your satisfaction is very important to us. If you have questions about your policy or have any concerns regarding a claim, do not hesitate to contact us or your agent. You may contact us at the following:

USA Agencies, Inc. and Performance Insurance Services, Inc.
11611 North Meridian Street, Suite 230
Carmel IN 46032

1-800-965-5580

If you contact us or your agent with concerns regarding a claim and feel you are not being treated fairly, you may contact the state department or agency in the state where you reside to register a complaint. You can register a complaint at the following:

INDIANA

Consumer Services Division
Indiana Department of Insurance
311 W. Washington Street, Suite 300
Indianapolis, IN 46204-2787

Phone 317-232-2396 or 800-622-4461