

EQUIPMENT BREAKDOWN AGRICULTURAL BUSINESSES

CONSEQUENTIAL DAMAGE

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Endorsement; these titles have only been inserted for ease of reading.

INSURING AGREEMENT

1. We agree that if the **specified property**, is damaged due to spoilage resulting solely from a **breakdown** to an **equipment**, while said **equipment** is on the **premises** and in use or connected ready for use, we will pay you, up to the amount of insurance stated in the Declaration Page(s):
 - 1.1. the amount of loss or damage on your **specified property**;
 - 1.2. the amount of loss or damage on **specified property** of others which you become obligated to pay by reason of your liability for such loss or damage;
 - 1.3. the amount of expense which is reasonable, incurred by you or us, to reduce or avert the loss or damage, but only to the extent that the total amount that otherwise would have been paid under coverages 1.1. and 1.2. above is thereby reduced.

EXCLUSIONS

This Form does not cover any loss or damage:

1. resulting from types of **breakdowns** that we do not cover;
2. resulting from a **breakdown** or aggravation of a **breakdown** occurring when you omit or that you do not permit us to take necessary measures to protect the **specified property** against loss or damage;
3. to **livestock**.

SPECIAL PROVISIONS

1. AMOUNT OF INSURANCE

Our total liability under this Endorsement for loss from **any one breakdown** shall not exceed the Amount of Insurance stated in the Declaration Page(s) for this Endorsement. If more than one Insured is named, we shall not be liable under this Endorsement for any payment in excess of that for which it would have been liable if only one Insured had been named.

Our liability under this Endorsement shall not be limited by the expiration of this Policy.

2. DEDUCTIBLE

For any loss or damage caused by **any one breakdown**, you shall bear that part of the loss corresponding to the applicable deductible specified in the Declaration Page(s).

If more than one deductible is specified and is applicable to covered loss under this Policy from **any one breakdown**, only one deductible shall be applied and that shall be the highest of the applicable deductibles as specified in the Declaration Page(s).

3. BASIS OF VALUATION

We agree to pay for **specified property** which is damaged as follows:

- 3.1. with regards to unsold **specified property**, their **actual cash value** at the time and place of loss or damage, but not exceeding what it would cost to repair or replace with material of like kind and quality;
- 3.2. with regards to sold **specified property**, the selling price after allowance for discounts.

4. CO-INSURANCE

If, at the time of a **breakdown**, the amount of insurance is less than the amount obtained by multiplying the percentage specified in the Declaration Page(s) to the **actual cash value** of the **specified property** also stated in the Declaration Page(s), the amount that we will pay is reduced in the same proportion.

5. REDUCTION OF AMOUNT PAID

As soon as possible after a **breakdown**, you must continue or resume business, in whole or in part, and utilize every available means, including surplus machinery, duplicate parts, equipment supplies and surplus or reserve stock which might reduce the amount for which we would otherwise be liable under this endorsement. We may take such means as will in our opinion reduce or avert the loss or damage, including the disposition or salvage of **specified property**.

6. RESUMING FARM BUSINESS AT A NEW LOCATION

If your farm business can be resumed, after the **breakdown**, at a location not insured, either by you or by others acting on your behalf, we will take it into account in the calculation of the amount of loss.

DEFINITIONS

For the purpose of this Endorsement only:

1. **Specified property** means the property covered for the purpose of this Endorsement only and described on the Declaration Page(s). **Specified property** does not include **livestock**.

All other terms and conditions of the Policy to which this Endorsement applies remain unchanged.