

Farmers Personal Liability Personal Liability (FCPL/CPL)

Manual Pages

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Farmers Personal Liability Personal Liability (FCPL/CPL)

Introduction

The FCPL and the CPL coverages use a single common policy, the FCPL-1A.

The farmers personal liability (FCPL) coverage is designed to provide liability protection for an insured when a farm exposure exists. This policy may be attached to the Farm Partner (FP) policy, the homeowners policies (PH and DH), or the Dwelling Fire (DF).

Farm liability (FCPL) is required when:

1. there are more than 80 acres of land;
2. the insured is engaged in farming operations except when farming as an employee for others;
3. there are horses or livestock;
4. the insured owns farm ground rented/used by others regardless of acreage;
5. there are farm buildings rented/used by the insured or others; or
6. the insured owns or operates farm equipment for farming/business use.

The personal liability (CPL) coverage may be endorsed to the Farm Partner policy when a farm exposure does not exist.

RAM requires supporting coverage when writing FCPL/CPL coverage.

Operating Procedures

Packaged Policies

Refer to the Operating Procedures of the supporting Farm Partner or homeowners program.

Binding Authority

Agents have written binding authority when writing FCPL/CPL except for ineligible risks, Family Medical Payments (L6123), and recreational vehicles in excess of 700 ccs.

Deductible

A \$100 deductible will apply to Family Medical Payments (L6123) insurance for each occurrence. A \$1,000 deductible will apply to accidental spillage of agricultural chemicals.

Annual Aggregate

An annual aggregate limit of \$100,000 will apply to spray drift of agricultural or lawn chemicals and accidental spillage of agricultural chemicals.

Underwriting Requirements/Guidelines

1. The applicant/insured must disclose:
 - a. total acres whether owned, leased, or rented;
 - b. all legal locations with dwellings/buildings whether owned, leased, or rented;
 - c. the payroll of farm employees;
 - d. the type of custom farming and the receipts; and
 - e. any incidental business or office exposures.
2. RAM Mutual runs a public record search on all new applications. Any application where a household member has been convicted of a felony may be declined in its entirety.

Increased Hazards

A completed supplemental application for each increased hazard is required unless noted differently below.

Swimming Pools (above- and below-ground)

1. Risks must have an enclosed fence with a locking gate.
2. Risks with diving boards or slides are ineligible.
3. Risks with unsupervised use are ineligible.
4. Risks with daycare are ineligible.

Trampolines (no supplemental application required)

1. Risks in town must have an enclosed fence with a locking gate.
2. Risks with unsupervised use are ineligible.
3. Risks with daycare are ineligible.

Limited Non-Owned Horse Coverage (Boarded Horses of Others On Premises)

1. This is not a Commercial Equine Liability (CEL) policy.
2. This is not a care, custody, or control policy. Property damage to others (horses and tack) is excluded.
3. Coverage cannot be provided on a PH, DH or DF policy (even if FCPL is added).
4. FCPL coverage is required for horses. A charge is made per horse. The total number of horses (owned or non-owned) in the care, custody, or control of the insured cannot exceed 10. No stand-alone coverage will be provided.

The following are ineligible under limited non-owned horse coverage:

1. risks that maintain more than 10 horses;
2. risks involving leasing of horses, riding lessons, horse training, horse shows, schools, or clinics;
3. risks with fences that are not maintained or of proper construction. A four-strand barbed wire fence is preferred; and
4. risks in which the insured allows the owners of the horses on the premises without the insured present.

Adult Foster Homes (No supplemental application required)

Do not bind adult foster care exposure. Call the RAM office for prior approval.

Ineligible Risks

The following are ineligible risks for liability coverage:

1. property with poor housekeeping inside or outside or where the general physical condition of the dwelling/building(s) is below average;
2. risks which are vacant, unoccupied, unattended, or not maintained;
3. risks with vicious or exotic animals or pets;
4. risks with a Pit Bull, American Staffordshire Terrier, Rottweiler, exotic guard dog breed, wolf, or **any** dog with a mix of the above and any dog with a history of biting or aggressive behavior. Underwriting may request a photo of the dog and reserves the right to deny liability based on any dog;
5. risks with a commercial dog kennel;
6. risks that race horses or risks that have more than 10 horses;
7. risks that have a business exposure (exceptions can be made for incidental business exposures but need the approval of underwriting);
8. risks with unusual hazards or exposures;
9. risks employing transient labor;
10. risks with substantial custom farming operations, any type of custom spraying, chemical applications, or off-premises custom feeding;
11. logging, saw mills, sand pits, or gravel pits;
12. risks involving public attractions or activities;
13. risks with daycare exposure of five children or more and/or daycare risks with a trampoline, swimming

pool, or lakeshore exposure;

- * 14. three-wheel ATVs, mini-bikes, dirt bikes, and go-carts. Jet driven watercraft on a tenants policy; and
- 15. swimming pools or lakeshore exposures with diving boards and/or slides.

Premium Credits (One credit available per policy.)

Hobby Farm Credit

This credit is designed for an applicant/policyholder whose farming interest is pursued outside of their regular work and engaged in primarily for pleasure.

The reduction in premium applies only to the liability portion of the premium. This credit does not apply to stand-alone policies. The following underwriting guidelines must be met:

1. The minimum value for Coverage A is \$60,000.
2. The farm buildings must be owner-occupied.
3. Tillable acres, rented or owned, cannot exceed 80 acres. Tillable acres means ground that can be broken on an annual basis or on a rotational basis such as an alfalfa field. CRP acres, permanent grassland, waterways, or sloughs will not be considered tillable acres even though they may be mowed and baled.
4. Total acres, rented or owned, cannot exceed 320 acres.
5. Livestock must be raised for personal use. However, the sale of livestock is permitted if the number raised does not exceed 20 head. Only four horses (owned only) will be allowed. A non-owned horse exposure is ineligible.
6. Farm machinery must be for personal use only. Custom farming is not allowed.
7. The hobby farm must provide only incidental income.
8. Total payroll to farm employees cannot exceed \$2,000.

Inactive Farmer Credit

The inactive farmer credit is designed for the applicant/policyholder who once was active in farming, who still owns the farm ground and/or buildings, but is now totally removed from all activities of the farming operation. In addition, this credit is designed for the landowner who owns more than 80 acres of non-tillable farmland making it ineligible for our standard CPL coverage. If the insured is working as an employee for another farmer, then the other farmer's FCPL should provide coverage for our insured.

The reduction in premium affects only the liability portion of the premium. This credit does not apply to stand-alone policies. The following underwriting guidelines must be met:

1. The insured may not own farm machinery other than equipment used to service the premises (snow removal, mowing, etc.).
2. The insured may not own livestock.

FCPL/CPL Forms and Coverage Descriptions

The following coverages may be offered either with FCPL and/or CPL. Please refer to the policy for terms and conditions. All coverages are provided by RAM.

Additional Acreage Charge - FCPL (9016 and 9017)

An additional acreage charge is applied when the acreage is 321 to 1,000 acres (9016) or over 1,000 acres (9017). Only one charge will be made.

Additional Acreage Charge - CPL (9015)

An additional acreage charge is applied when the total acreage is 41-80 acres. Any risk exceeding 80 acres requires FCPL coverage.

Additional Named Insured - Premises Only Liability (L9105)

The definition of insured is extended to a person(s) or organization(s) when listed as showing this coverage with respect to Personal Liability Coverage L and Medical Payments to Others Coverage M. Coverage is extended only to the premises as described on the declarations, and a premium charge will be made. If the named insured is a partnership or corporation, all corporate members and partners are automatically insured under the

basic FCPL when performing duties as a member/partner. Coverage will extend off-premises as long as the individual is doing business on behalf of the partnership or corporation. EXAMPLE: An additional named insured is covered while driving a tractor from one field to the next even though the driver is not physically on the described premises.

Additional Named Insured - Personal Liability (L9106)

The definition of insured is extended to a person(s) when listed as showing this coverage with respect to Personal Liability Coverage L and Medical Payments to Others Coverage M. When the purpose of a policy is to insure a corporation or a partnership, the corporation or partnership will be listed as the named insured. EXAMPLE: The named insured would read: ABC Hog Farm, Inc. RAM will not issue DBA (doing business as) policies such as: Bill Smith, DBA - ABC Hog Farm, Inc. We can list Bill Smith as "c/o Bill Smith" if requested. All correspondence will be mailed to Bill Smith. All corporate members or partners are automatically insured under the basic FCPL when performing duties as a member/partner. If Bill Smith elects personal coverage, he needs to be listed with Personal Liability (L9106). He will be listed on the declarations, and a premium charge will be made.

A requirement to write Personal Liability (L9106) is that RAM must acquire all liability for the member/partner and their supporting coverage. The additional named insured charge will include the "home place" dwelling and farm buildings.

Additional Residence Premises - Rented to Others (CF108)

When the insured has a rental dwelling on land that is in their care, custody, and control, a premium charge will be made for the Additional Residence Premises - Rented to Others (CF108). No premium charge will be made for a set of farm buildings if they are located on the same site.

Additional Sets of Buildings (9225)

If an additional set of farm buildings is located away from the dwelling (a quarter mile or further), or at a separate location, the Additional Set of Buildings (9225) premium charge will be made.

Additional Residence Premises (CF109)

Personal Liability Coverage L and Medical Payments to Others Coverage M are extended when the insured owns a seasonal or secondary dwelling. A premium charge will be made.

Business Activities (CF71)

Incidental business liability may be extended if the business is an acceptable risk with receipts below \$10,000. A premium charge will be made. If you are not certain that the risk you are quoting would be acceptable, please contact RAM for underwriting approval prior to binding coverages. (See Ineligible Risks in this section of your manual.)

Custom Farming (L9186)

Personal Liability Coverage L and Medical Payments to Others Coverage M are extended to include custom farming activities. Receipts up to \$1,000 are automatically included in the policy. If receipts exceed \$1,000, the rate applies to all receipts. Custom spraying, chemical application of any kind, and off-premises custom feeding are ineligible risks.

Damage to the Property of Others (L9996)

This endorsement increases coverages under Incidental Coverage N. Regardless of an insured's legal liability, RAM will pay for property of others damaged by an insured up to the limit listed on the declarations. A premium charge will be made.

Employers' Liability (L9300)

Employers' liability is included in the policy with the limits of \$300,000 liability and \$5,000 medical payments. If the insured's payroll exceeds the amount required by Minnesota Compensation Law for workers' compensation, then a separate workers' compensation must be purchased. RAM will provide agents the updated workers' compensation figures each year. **It is important that the insured understands there are major differences in the protection and payments provided under workers' compensation as compared to employers' liability.**

Family Medical Payments Insurance (L6123)

Family members can elect this farm-related injury coverage if they are between 12 and 65 years of age. The Family Medical Payments Questionnaire (6124) must be completed in its entirety. A premium charge will be made. A \$100 deductible applies per occurrence. There is no binding authority.

Hobby Farm Credit (9024)

This credit may be applied to the FCPL premium if it meets the criteria in the Premium Credits section of this manual.

Inactive Farmer Credit (9023)

This credit may be applied to the FCPL premium if it meets the criteria in the Premium Credits section of this manual.

Owned Horse Exposure Charge (9231, 9232, and 9233)

If an insured owns horses, the following rate classes apply:

9231	1-2 Horses
9232	3-5 Horses
9233	6-10 Horses

Total number of horses (owned plus limited non-owned) cannot exceed 10. The Livestock Exposure (9020) charge does not apply for horse-only exposures.

Limited Non-Owned Horse Charge (9235)

Coverage can only be provided on an FP policy. Coverage is for non-owned horses that are boarded on the insured premises. Coverage cannot be provided on the PH, DH, or DF policy even if FCPL is added. The rate charged is per horse. Total number of horses (owned plus limited non-owned) cannot exceed 10.

Livestock Exposure (9020)

A premium charge is made if the insured owns livestock or if livestock are on the premises. Do not apply for horse-only exposures.

Office, Professional, Private School, or Studio Use (CF107)

Applies to incidental business which is conducted by the insured on the premises described on the declarations. A premium charge will be made.

Personal Injury Endorsement (CF106)

Personal Liability Coverage L is extended to include coverage for personal injury for each insured. A premium charge will be made.

Property in Control of Insured (L9125)

Personal Liability Coverage L is extended to cover property damage to a residence and buildings used, rented, or operated by the insured as a farm premises. A \$10,000 limit is included in the policy. A premium charge is made for increased limits. Please contact the RAM office for underwriting approval prior to binding coverages over \$50,000.

Recreational Vehicles (CF105)

Personal Liability Coverage L and Medical Payments to Others Coverage M apply to bodily injury or property damage arising out of the ownership, maintenance, use, loading, or unloading of the recreational motor vehicles while off the insured premises. A flat fee is charged for 1-6 units. For 7 or more units, contact the RAM office for approval/rates.

Snow Removal Endorsement (CF121)

Personal Liability Coverage L and Medical Payments to Others Coverage M apply to bodily injury or property damage arising out of incidental snow removal activities of the insured. This coverage will not apply if receipts in the last 365 days preceding the date of occurrence exceed \$5,000. (Receipts means the gross amount of money received in connection with snow removal operations.)

Watercraft Liability (CF110) and Jet-Driven Watercraft Liability (CF110J)

Extends liability to watercraft excluded under the policy. This endorsement extends coverage for watercraft including boats with motors over 100 hp or twin motors totaling more than 100 hp (CF110) and all jet-driven watercraft (CF110J). There is a charge for these optional coverages.

Special Events Coverage (L9001)

The special events coverage is provided when the duration of the event is one or more days and is out of the scope of what the FCPL/CPL policy can properly cover. The type of event, the date the event is being held, and the location are the specific information required. (Host liquor liability is provided by the base policy.) The premium is fully earned. EXAMPLES: Renting of a municipal building for a graduation party or wedding reception, on-premises craft sale or farm auction, or driving a tractor in a parade.

Trampoline Liability Charge (L9002)

A liability charge is made when there is a trampoline on premises.

Wind Generators (L9003)

A liability charge is made when there is a wind generator on the premises for personal use only. Details of the generating system must be provided along with current, clear, color photographs of the system. Coverage is not intended for systems that produce electricity for commercial purposes.

Schedule of Annual Liability Rates

The basic premium charge below includes: Personal Liability in the amount listed, **\$1,000** Medical Payments, **\$1,000** Damage to Property of Others, Custom Farming to **\$1,000** of receipts annually, exchange labor, Employers' Liability, **\$10,000** for Property in Control of Insured (Fire Legal Liability), **\$100,000** Spray Drift Coverage, milk contamination, and boat motors totaling up to 100 hp.

CODE #	DESCRIPTION	50,000	100,000	300,000	500,000	1,000,000	Medical Payments	
							Add for each 1,000	Add'l \$1,000 (Max \$5,000)
FCPL-1A	Farmers CPL (FCPL)							
	1 dwelling, 1 set of buildings and up to 320 acres	115	137	185	227	319	Incl.	4
	Additional Acreage Charge							
9016	321 to 1,000 acres	18	22	29	36	53	Incl.	4
9017	Over 1,000 acres	32	37	46	59	89	Incl.	4
	- or -							
CPL-1A	Personal Liability (CPL) Up to 40 non-farm acres	53	62	85	105	126	Incl.	4
	Additional Acreage Charge							
9015	41 to 80 non-farm acres	11	13	17	21	32	Incl.	4
L9105	Additional Named Insured - Premises Only Liability	13	17	20	26	38	Incl.	4
L9106	Additional Named Insured - Personal Liability	30	36	47	59	89	Incl.	4
CF108	Additional Residence Premises - Rented to Others (max. 4 units)							
	1 family	19	23	30	37	55	Incl.	4
	2 family	29	35	45	56	85	Incl.	4
	3 or 4 family	35	42	50	66	99	Incl.	4
CF109	Additional Residence Premises	13	17	20	26	38	Incl.	4
9225	Additional Set of Buildings	18	22	28	35	52	Incl.	4
CF71	Business Activities							
	-1 Clerical office employees	7	8	9	12	17	Incl.	4
	-2 Daycare or babysitting - Per child (max 4 children)	N/A	N/A	15	18	N/A	Incl.	4
	-3 Salespersons - No installation	7	8	9	12	17	Incl.	4
	-4 Salespersons - With installation	9	11	15	18	26	Incl.	4
	-5 Teachers (sports, lab)	17	19	26	31	45	Incl.	4
	-6 Teachers (all others)	8	9	12	15	23	Incl.	4
	-7 Teachers (liability for corporal punishment)	9	11	15	18	26	Incl.	4
	-9 Not otherwise classified (N.O.C.)	17	19	26	31	45	Incl.	4
L9186	Custom Farming Rates per \$100 of receipts							
	Apply only if receipts exceed \$1,000; rate then applies to all receipts	1.00	1.19	1.59	1.99	2.99	Incl.	.12
L9996	Damage to Property of Others							
	\$1000 included in policy - Each additional \$1,000 is \$10 (max. amount of coverage - \$10,000)						N/A	N/A
L9300	Employers' Liability							
	Coverage is included with special limits of \$300,000 liability and \$5,000 medical payments	N/A	N/A	N/A	N/A	N/A		N/A
L6123	Family Medical Payments Ages 12-65 only (\$100 deductible) DO NOT BIND COVERAGE	N/A	N/A	N/A	N/A	N/A	27	16
9024	Hobby Farm Credit - N/A with CPL	(39)	(46)	(60)	(77)	(114)	N/A	N/A
9023	Inactive Farmer Credit - N/A with CPL	(59)	(66)	(81)	(97)	(134)	N/A	N/A
	Owned Horse Exposure Charge							
9231	1-2 horses	15	20	30	42	70	Incl.	Incl.
9232	3-5 horses	43	53	73	97	153	Incl.	4
9233	6-10 horses	70	86	116	151	233	Incl.	4
9235	Limited Non-Owned Horse Exposure Charge (on premises) 1-10 horses (FP policy only) Rate applies to each horse.	38	43	65	81	108	Incl.	4
9020	Livestock Exposure Charge	47	54	61	67	101	Incl.	6
CF107	Office, Professional, Private School, or Studio Use	13	17	20	26	38	Incl.	4
CF106	Personal Injury (No Medical)	15	18	23	29	43	N/A	N/A
L9125	Property in Control of Insured (Fire legal liability - Farm premises)							
	\$10,000 included in policy							
	Each additional \$5,000 is \$2							
CF105	Recreational Vehicles (Off-premises)							
	Flat charge up to 6 units	51	56	66	75	100	Incl.	4
	(Over 6 units, contact RAM's office for eligibility)							
CF121	Snow Removal \$5,000 max. receipts	36	43	56	71	106	Incl.	4
	Watercraft Liability							
CF110	Boats with motors over 100 hp	26	31	41	50	74	Incl.	4
CF110J	Jet-driven watercraft - Rate for each unit	73	84	110	140	208	Incl.	13
L9001	Special Events Coverage (Fully earned)							
	\$30 flat charge							
L9002	Liability for Trampolines	26	31	41	50	74	Incl.	4
L9003	Liability for Wind Generators							
	\$100 flat charge							