

Farm & Ranch Agent Underwriting Guidelines

Program Accessibility

Britt/Paulk reserves the right to control access to the Farm & Ranch Program to certain agencies in various markets. The first “complete submission” by an appointed agency is deemed to secure our market for quoting purposes. A “complete submission” means sufficient information/data to qualify the account as a viable opportunity from an authorized producing agent. It does not include phone calls, emails or unchanged copies of a previous application attempting to reserve a market.

Broker of Record procedures are in place should authorized competing agencies submit the same account. The BOR letter must be issued on the client’s letterhead, dated and signed by an authorized representative. We operate within industry standards regarding acceptance and rescission of Broker of Records letters. The mere tender of a Broker of Record by an agency does not require Britt/Paulk to contract with that agency or grant access to our FRO program.

We accept new submissions 90 days in advance of the normal anniversary date. Our quotes are valid for 30 days in most cases. Agencies have no authority to bind and must request coverage to be bound prior to the inception date. Please note that during periods of severe weather, Britt/Paulk may impose moratoriums on binding new business.

General Submission Requirements

We prefer the ACORD 125 and Britt/Paulk Supplemental 1 and Supplemental 2 applications. Producers should provide diagram and digital photos. If there are horses present, please include ACORD 408 Equine Supplement. While we can provide indications based off other carriers’ applications, the differences in format and requested information may delay processing.

Please use the ACORD 127 Business Auto Section and appropriate supplements for your respective state. We ask that agencies supply MVRs where possible, but the complete drivers list must accompany each submission.

For Umbrella/Excess use the ACORD 131 Umbrella/Excess Section for commercial umbrella submissions.

Our quotes are good for 30 days and we prefer to have a firm anniversary date. If there is a specific due date, please note in your subject line or cover memo. We only accept submissions 90 days from the normal anniversary.

Target Operations & Classes

The program targets family and commercial farms which are truly in the business of “farming”. “Farming” means operations performed in connection with the planting growing and harvesting of crops and the breeding, raising and feeding of livestock, poultry, and other animals. It also includes the management, operation and maintenance of a farm enterprise.

We also consider farming to include all operations in the raising and preparation of farm products for market to the extent that such preparation does not alter the form of the products. This includes washing, sorting, grading or field packing, but does not include mechanized processing.

Farming includes the operation of stands on the farm premises which the insured maintains for sale of their farm products. Other retail activity which is outside the scope of farming must be identified.

Incidental custom farming is permitted, but the eligibility and coverage is determined by the annual receipts from custom farming declared on the application. Consult your underwriter for details.

Examples of Eligible Classes include:

Poultry/Swine Producers & Growers
Cattle Ranches & Other Livestock
Vegetables, Fruits & Nuts
Row crops

Dairies
Ornamental trees, flower and shrubs
Vineyards – no wineries
Orchards

Restricted Operations and Classes

Risks which substantially fall outside the definition of “farming” are outside the scope of the program. We have the ability to exclude or include certain incidental business operations conducted from a farm premises, but it is important to review carefully with your underwriter.

At this time the following exposures should be avoided:

Commercial agricultural processing - any mechanized processing, conversion or mfg.
Poultry -products liability for egg producers
Poultry – houses over 25 years of age
Poultry & Swine - not contracted with an approved integrator.

Horse farms – breeding, riding instruction, boarding sales and training.
Agri-tourism & guest lodging
Dormitories or multi-family dwellings (4 or more)
Coverage for aerial spraying or crop dusting.

Property & Inland Marine Highlights

Based upon the AAIS Agribusiness Property and Income Coverage Part (AGOPS), both property and inland marine exposures can be addressed through a flexible platform, reducing the potential for coverage gaps that exist when property forms are packaged with inland marine floaters.

- Covered property can be arranged by specific limits or blanket. For certain accounts both options may be offered under the same policy depending upon the type of property insured. This allows for differences in valuation, coinsurance and deductibles.
- Perils Covered – Coverage is provided on a “open perils” or risks-not-excluded basis. The policy covers risk of direct physical loss unless the loss is limited or cause by an excluded peril.

- Many coverage options are built in as coverage extensions or as additional and supplemental coverages, eliminating the need to add multiple endorsements. Coverage and limits are activated by the entry on the Declarations.
- Britt/Paulk has also expanded the AAIS form in conjunction with our carrier:
 - **Coverage Expansion**
 - Trees, Shrubs, Plants & Lawns – Vandalism added as covered peril
 - Expediting Expenses – Increased to \$10,000
 - Rewards – Increased to \$10,000
 - Underground Pipes, Pilings, Bridges and Roadways - \$250,000
 - **Dairy Farms – Additional Supplemental Coverages**
 - Milk Contamination Coverage - \$10,000
 - Theft Loss of Livestock - \$1,000 per animal; \$5,000 per occurrence
 - Livestock Collision – ACV up to \$2,000
 - **Primary Residence Coverage**
 - 10% Adjacent Private Structures; 50% Personal Property; 20% Loss of Use are the standard allowances when writing the primary home.
 - Extended Replacement Cost – Residence or Dwelling - provides up to 125% of the limit show for the residence or dwelling.
 - **Residential Property Extension**
 - Expands definition of “perishable stock” to include household goods.
 - Automatic limit of \$5,000 for Fine Arts, Furs, Guns, Jewelry and Metals
 - Money and Securities - \$5,000 automatic limit
 - Loss Assessment - \$1,500 automatic limit
 - **Equipment Breakdown Option**
 - Various options available for Property Damage and Income
 - Spoilage coverage available

Britt/Paulk provides these standard limits under the AGOPS coverage form:

Property Additional Coverages

Consequential Loss
 Additional Debris Removal Expense - \$10,000
 Emergency Removal Expense - \$10,000
 Fire Department Service Charge - \$10,000
 Inventory and Appraisal Expense - \$50,000
 Pollutant Clean Up and Removal - \$50,000
 Recharge of Fire Extinguishing Equipment - \$10,000

Property Coverage Extension

Fraud or Deceit - \$5,000
 Newly Acquired Computers - \$1,000
 Newly Acquired or Constructed Buildings - \$250,000
 Personal Effects - \$1,000
 Personal Property – Acquired Locations - \$100,000

Property Away from a Covered Location - \$10,000
Trees, Shrubs, Lawns and Plants - \$500

Property Supplemental Coverages

Accounts Receivable - \$5,000
Brands or Labels Expense - \$5,000
Carrier Liability - \$5,000
Fine Arts, Furs, Guns , Jewelry, Metals - \$5,000
Money & Securities - \$10,000
Ordinance or Law – Increased Costs - \$10,000
Overseas Transit and Location - \$5,000
Sales Representative Samples - \$5,000
Sewer Back Up & Water Below the Surface - \$1,000
Spoilage - \$5,000
Surface Water Runoff - \$5,000
Tank Leakage - \$5,000
Utility Services Interruption - \$5,000
Valuable Papers - \$5,000
Watercraft - \$5,000
Wrongful Delivery of Liquid Product - \$5,000

Catastrophe Underwriting Position

We are not a primary Flood market under this program. Earthquake in lower hazard areas may be available for specific classes of buildings. Wind deductibles may be structured as a percentage or flat dollar and in some states offered on a Named Storm basis. Windstorm is not targeted in high-hazard coastal hurricane zones.

Farm Inland Marine

We do not target monoline farm inland marine equipment or transportation coverage within the FRO Department. A separate policy may be issued for an existing policyholder until they can be combined. Requests for monoline farm equipment coverage should be sent to Britt/Paulk's Equipment Department.

Liability Highlights

The AAIS Farm Commercial Liability Coverage Form (AL 0001) provides liability coverage under the package. We are not a market for monoline liability coverage, but will write it for a property policyholder until the two lines can be packaged together. Most farm classifications desired by the program are rated as a flat charge based upon acreage, but other exposures may have different rating bases.

Agents should review the coverage form as there are key definitions that impact coverage. This form is not a “comprehensive” CGL form and a number of exclusions that previously existed as endorsements have been incorporated into the form. The definition of “farming” is critical since “operations” other than “farming” are specifically excluded.

We offer standard Occurrence Limits of \$100,000, \$300,000, \$500,000 and \$1,000,000. The General Aggregate and Products/Completed Aggregate are twice the Occurrence amount. Farm Chemical Liability is provided with a standard limit of \$25,000, which can be increased. Custom Farming is also defined and we include coverage for all farms with \$5,000 in receipts. Farms with greater custom farming exposure can be covered upon underwriter approval.

Other endorsement for various additional exposures can be included and there are a variety of class-specific exclusions and coverage amendments available.

Equipment Breakdown

Britt/Paulk presently writes this coverage with Travelers Boiler & Machinery for all types of farming operations. We have binding authority for most exposures, but certain coverage requests and all requests for animal mortality are referrals.

At some point in the future, we shall make this coverage available under FRO package by using the AAIS coverage options, so that the property and equipment breakdown are insured by the same.

Commercial Auto

Standard ISO Commercial Auto program is utilized. We do not offer a Personal Auto Policy. We will insure standard private passenger types provided all household drivers meet the Britt/Paulk underwriting guidelines. When auto coverage is split between personal lines and commercial lines, we typically offer symbol 7,8 and 9 for covered vehicles.

Our carrier now offers three rating tiers depending upon the state. We will only offer up to \$1,000,000 CSL for liability. In states where UM/UIM stacking is permitted we will not write fleets where the combined UM/UIM limit exceeds \$1,000,000.

We are not a market for monoline auto of any sort, produce haulers similar or agricultural product transportation fleets. This includes any farmers who back-haul with their own trucks. The auto line of business should complement the account and not exceed more the 10-20% of the agent's book of FRO business.

Commercial Umbrella

The excess liability needs may be address by a Follow-Form Excess Liability form or a Commercial Umbrella form, depending upon the operations submitted. The carrier requires the Farm Liability, but may write over other Auto and Employers Liability carriers; provided the risk meets our requirements and the ratings of the companies are approved. Minimum primary limits of \$1,000,000 on Liability and Auto Liability are required, with \$500K/\$500K/\$500K on Employers Liability.

Personal Umbrella

The FRO program is designed for the business of farming. Personal liability may be extended in the underlying coverage of the AL 0001 up to \$1,000,000. For most farmers this is sufficient. Presently if personal umbrella coverage is needed, Britt/Paulk has arrangements with two different carriers for a separate Personal Umbrella policy.

Long-term, our plans are to make this coverage more compatible with the Commercial Umbrella.

Workers Compensation/Employers Liability

At this writing, Britt/Paulk has limited WC markets for Farm accounts. Because we are regularly negotiating with our carriers, agents should contact their underwriter for state and class availability. Workers Compensation is handled through a dedicated underwriting team.