

For your **making the** **right choice side.**

A guide to helping you understand
farm insurance and AgriChoice®.



For your many sides, there's Nationwide.
insurance | banking | retirement



Nationwide®
is on your side

Protection for the many sides of your farm or ranch.

With over 100 years of experience protecting agriculture, we've learned a lot about how to protect farms and ranches. With this guide in hand, we can help you better understand farm insurance and learn about our premier policy, AgriChoice®.

An introduction to farm insurance.

A farm insurance policy protects your property and offers liability protection for your home and farm or ranch operation.

Before getting started with this guide, we recommend reviewing the valuation options and coverage choices below. This will give you a baseline understanding of the five main protection areas we discuss.

A typical farm policy covers five main areas of protection:

1. Home and contents
2. Farm personal property
3. Farm structures
4. Liability
5. Additional coverages

Valuation definitions

Discuss valuation options with your agent. Eligibility for the following options is determined by underwriting:

Replacement cost — Replaces the damaged property with materials of like kind and quality, without deducting for depreciation. Payment is capped at the limit of insurance shown for the property.

Actual cash value — Cost to replace the property at the time of loss and is reduced to reflect depreciation.

Coinsurance — You agree to insure the property for a minimum amount. If you are insured for a lower amount, the company pays only a percentage of the loss, which is determined by dividing the limit of insurance purchased by the amount that should have been purchased to comply with the minimum.

History you can trust.



¹ 2016 SNL Financial Report. Based on statutory data.

² Fortune Magazine, 2016.

³ A.M. Best, 2016

Coverage choices

It's important to understand what your policy covers. AgriChoice lets you choose coverage levels for your home, contents and farm structures:

Basic coverage

- Fire and lightning
- Windstorm and hail
- Collision*
- Damage in course of transit*
- Explosion
- Riot and civil commotion
- Sinkhole collapse
- Smoke
- Theft
- Vandalism
- Vehicles
- Volcanic action

Broad coverage

All basic coverages plus:

- Accidental discharge and leakage of water system
- Accidental shooting of livestock
- Artificially generated electrical current**
- Attacks on livestock (except sheep) by dogs or wild animals
- Earthquake loss to livestock
- Glass breakage in a building or structure
- Bursting of heating or water systems
- Collapse
- Electrocuting of livestock
- Falling objects
- Flood loss to livestock
- Freezing of plumbing, heating, AC, automatic fire protection system components and household appliances
- Loading and unloading accidents
- Sudden and accidental collision damage causing death of livestock
- Sudden and accidental tearing apart of heating, AC or water system
- Weight of ice, snow and sleet

Special coverage

Coverage for risks of direct physical loss to eligible property, unless excluded by the policy.

* Applies only to farm personal property.

** Applies only to household personal property.



Home and contents

Typical farm policy coverages include:

- Home and tenant dwellings
- Household personal property or contents
- Detached garages and other non-farm structures, including in-ground pools, outdoor radio and tv antennas and satellite dishes
- Materials for constructing or repairing buildings, outdoor equipment, the home, grounds and attached structures

Points to consider:

Single deductible — This endorsement automatically applies when you have both your farm and farm auto insured with Nationwide. The single deductible would apply to all claims out of a single accident. For example, if your covered truck, farm equipment, and barn are all hit by a hail storm, you would only pay one deductible.

Farm home equipment breakdown — This AgriChoice coverage helps pay for repairs or replacement for breakdown of farm home systems and equipment. It covers central air conditioning, heating, water and home security systems. It also covers kitchen and laundry appliances, home entertainment equipment, computers, wireless devices and more. (See equipment breakdown under “Farm structures” for further coverage information.)

Inflation protection — Building costs continue to increase, so it's important to protect yourself from the effects of inflation. If you haven't had your agent adjust the values your buildings are insured for recently, chances are you may be underinsured. To ensure you have adequate coverage, ask your agent to conduct an updated valuation review. With AgriChoice, an automatic construction cost adjustment applies to the valuation of all dwellings, keeping you current with actual building cost rates within your zip code.

Scheduled personal property — Review the special limits applicable to certain categories of household personal property to be sure they meet your needs. High-value property should be scheduled for the required amount.

Landlord furnishings — If you have a tenant dwelling for rent, you'll want coverage for your own contents within that dwelling, such as appliances or furniture. AgriChoice provides \$5,000 for landlord furnishings, with higher limits available by endorsement.

Fire extinguisher recharge — AgriChoice covers fire extinguisher recharge when the extinguisher is used to put out a covered fire.

Ask your agent about additional coverages available:

- Credit card theft
- Debris removal
- ID theft
- Loss of use
- Damage to trees, shrubs, plants and lawns



Farm personal property

Coverage includes items used in your farming operations:

- Farm machinery and equipment (special coverage)
- Livestock (broad coverage)
- Farm products, including harvested grain, silage, feed, pesticides and fertilizers (basic coverage)

Our AgriChoice policy allows you to insure on either a scheduled or a blanket basis:

- Scheduled property is listed by item on your policy declarations page with separate limits for each piece
- Blanket coverage covers all farm personal property at insured's location(s), other than what's excluded in the policy

Points to consider:

Borrowed farm equipment — Many farm policies provide coverage on an excess basis, so your coverage won't pay until the owner has filed a claim against their own policy. AgriChoice offers primary coverage up to \$75,000 for equipment borrowed for up to 30 days.

Farm equipment rental reimbursement — AgriChoice offers up to \$1,000 per day and up to \$10,000 per covered loss for rental costs to replace equipment.

Cab glass coverage — AgriChoice will cover cab glass replacement on covered equipment with no deductible.

Foreign object damage — Coverage for equipment damaged by intake of a foreign object (for example, a rock) is included in an AgriChoice policy.

Accidental livestock death — For death caused by accidental shooting or roadway collision, coverage is provided up to \$1,000 per insured animal and \$5,000 per occurrence with no deductible. Higher limits are available by endorsement.

Newly acquired property and livestock — Most of our policies provide an automatic extension of valuations on farm personal property to cover newly acquired equipment and/or livestock and have requirements for reporting within specified time frames.

Unharvested crops — Farm policies usually do not cover growing crops, as crop insurance is a specialized type of insurance. However, AgriChoice provides an extension of \$10,000 for grain and \$5,000 for other crops. Covered causes of loss are fire, lightning or vehicle damage.

Cargo coverage — AgriChoice provides a coverage extension of \$10,000 for owned property in the course of transit. Coverage endorsements are available to increase this limit.

Damage during towing and hitching — Damage to equipment while hitched to another piece of equipment is included in an AgriChoice policy.

Ask your agent about elite endorsements available:

- AgriChoice Elite
- Livestock
- Equine



Farm liability covers expenses you are legally liable to pay, due to bodily injury or property damage. AgriChoice includes attorney fees and costs to defend.

Points to consider:

Agritourism — Corn mazes, hay rides and petting zoos are not typically covered by farm policies. We can package a commercial liability policy with your AgriChoice policy to provide coverage for many of these activities.

Unwarranted animal cruelty protection — Reimbursement coverage up to \$20,000 for help defending against unwarranted allegations of animal cruelty is included in an AgriChoice policy. This applies to civil or criminal claims in which the insured prevails without a finding of liability or guilt (not available in CT, MO, NY, TX or VA).

Employment practices liability — Additional insurance protection may be needed for lawsuits for wrongful dismissal, breach of employment contract, employment-related misrepresentation, or violation of discrimination or workplace harassment laws. Employment practices coverage is also available as a no-cost addition to an AgriChoice policy for producers with employees. It provides reimbursement for defense costs incurred in defending employment practices.

Off-premises use of farm equipment — Liability coverage for use of farm machinery and equipment is generally provided both on and off your premises.

ATV/recreational vehicles — Most policies will not cover off-premises recreational use of an ATV, but a coverage endorsement is available if needed. We recommend adding this coverage if your operation uses ATVs.

Products liability — Farm policies typically extend liability coverage only for produce grown on the farm and sold in an unprocessed condition. If processing farm products, discuss the scope of your activities with your agent, as a commercial liability package policy may offer the additional coverage needed if you've expanded into commercial risks.

Equine operations — Liability arising from equine operations is not typically included in a base farm policy. AgriChoice offers an endorsement to cover some types of boarding, breeding and training of horses. An endorsement is also available for loss of horses left in your care, custody and control (for example, boarding).

Custom farming — AgriChoice extends liability coverage for some limited amount of custom farming. Coverage is determined by the amount of receipts generated

Pollution — AgriChoice offers a pollution endorsement to cover liability arising out of certain pollution events and costs associated with cleanup.

Ask your agent about additional liability coverages available:

- Livestock care, custody and control
- Orchard and row crop U-pick
- Commercial general liability — for incidental commercial exposures



Your farm policy should cover loss or damage to buildings and structures used in your farming operations. This includes barns, confinement facilities, dairy parlors, silos, portable buildings, pens, chutes and corral fencing, building materials used on farm buildings, private telephone and electric apparatus and fixed irrigation equipment.

Points to consider:

Equipment breakdown — This coverage is designed to help pay for repair or replacement of broken equipment due to mechanical breakdown, electrical arcing, short circuits, power surges and more. It can also cover lost farm income and extra expenses to keep operations running.

New construction — If you add a building, during construction AgriChoice extends coverage of up to \$250,000 for 60 days or until the next renewal date.

Additional coverages

These coverage options allow you to customize your farm policy to meet your protection needs.

Business auto — Coverage for commercial farm trucks and personal automobiles can be added to an AgriChoice policy. Coverage provides physical damage such as comprehensive and collision, as well as bodily injury and property damage liability coverage.

Umbrella liability — We offer a policy that extends your liability protection. This option is available with AgriChoice, and with other liability policies (for example, personal auto, boat and recreational vehicle).

Countrychoice® — A small farm policy tailored to include coverages that best fit your rural acreage needs.

Disruption of farm income — If you have a covered loss which disrupts your income, this endorsement may provide for the resulting income loss. AgriChoice offers an endorsement that packages coverage for income disruption with extra expenses incurred.

Peak season endorsement — If your inventory of farm products fluctuates throughout the year, this endorsement allows you to indicate the periods when you have higher volumes.

Dwelling ordinance and law — Replacement cost on your home or farm structures allows you to rebuild with like kind or quality construction. If there are ordinances in your area that apply different standards, this endorsement provides coverage for additional costs required to conform to local laws.

Temperature-sensitive farm personal property — This endorsement broadens coverage on refrigerated farm products and supplies. These include damage caused by spoilage due to a change in temperature resulting from electrical interruption or mechanical or electrical breakdown of a refrigeration system.

Ask your agent about these specialized endorsements:

- Beekeepers
- Dairy
- Fruit and berry
- Vineyards and wineries
- Orchards



To learn more about how we can help protect your farm or ranch, visit nationwideagribusiness.com.





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