

# Farm Personal Property

Because no two farms are identical, farm policies are written with a great deal of flexibility to cover the property insurance needs of individual farm owners. For this reason, there is no automatic farm personal property coverage afforded under the typical farm policy. This gives you the ability to purchase just the coverages you need, and update them as your needs change.

Farm Personal Property coverages include items used in your farming operations, generally in four categories:

- Farm machinery and equipment
- Livestock
- Farm products (such as grain, silage, animal feed, pesticides, fertilizers, etc.)
- Miscellaneous equipment

## **Blanket or Scheduled**

Most farm policies allow you to insure your Farm Personal Property on either a scheduled or a blanket basis:

- Scheduled property is listed by item on your policy's declarations page, with a separate limit stated for each piece.
- Blanket coverages covers all farm personal property at the insured location (subject to inclusions) other than those listed as "not covered".

Work with your agent to determine which method is best for you. There are several factors to consider:

- An insurer's underwriting guidelines may require certain items to be scheduled.
- Scheduling higher valued items (such as a combine) can assure that you have adequate limits in place.
- Lenders often require scheduled coverage for an item under lien.
- Because co-insurance applies to Farm Personal Property, ensure that you have adequate limits in place.

## **Farm Machinery and Equipment**

Coverage is typically provided for your farm machinery and equipment, including tractors, combines and cotton pickers just to name a few. It also covers farm office equipment, portable irrigation equipment, portable fences and structures, as well as tools and supplies..

## **Livestock**

Coverage is available to cover livestock under your farm policy. Most farm policies offer broad causes of loss for livestock. They may also offer an extension that covers death by accidental shooting or by being struck by a train or a vehicle.

Farm policies do **not** provide coverage for losses caused by livestock disease or from old age or natural death. Farm policies typically provide a special limitation on the value of any one animal (higher limits may be available).

Specialized coverage, known as Livestock Mortality, protects against livestock disease, old age, or death by natural causes. This usually requires your agent to acquire a separate policy.

## **Farm Products**

It is important to consider the causes of loss that apply to different items of Farm Personal Property. For example, check your policy to determine if it covers grain stored in the open. While some policies provide this coverage with limits as to the applicable causes of loss, others may not. Check your policy for special limits that apply to farm products.

## **Be prepared if you have to file an insurance claim**

Think about how long accumulating your farm equipment took, and about the money you spent on each piece. If a disaster – such as a fire, flood or tornado – strikes your farm or ranch, would you be able to make a list of all of the damaged or destroyed equipment for your insurer?

Having a detailed record of each piece of equipment, including purchase date and purchase price, helps ensure your insurance company can fairly and quickly reimburse you according to your policy provisions. Many farm management software packages include inventory tools that help make the job easier - but a notebook and a file box of organized receipts can also work.

Store your inventory in a safe, off-site location, such as a safe deposit box. If your home is damaged, your records could be damaged, too. After a disaster, it's very chaotic and may be hard to think clearly. The last thing you need is to scramble around looking for essential information that's required to file a claim.

## **Other ways taking inventory may help**

Additional benefits of conducting an annual equipment inventory include:

- Determining if equipment may need to be repaired
- Ensuring that your existing equipment is adequately covered when your policy renews
- Adding new equipment to your policy when it renews

While taking inventory, consider marking each piece with a permanent identification number. If your equipment is stolen, an ID number would aid law enforcement in its recovery. Use a metal engraver or stamping tool, and place the number in an inconspicuous spot.

## **What you need to do**

Record or file the following information for each piece:

- Type of machinery and brand
- Model number
- Serial number
- Model year
- ID number
- Cost when purchased
- Receipt showing where item was purchased
- Estimated replacement value

Be sure to inventory all pieces of equipment essential to your operation, such as:

- Tractors, trucks, ATVs
- Combines, corn pickers
- Backhoes, hay balers, wagons
- Disks, cultivators
- Seeders and planters
- Fertilizer spreaders, sprayers
- Milking machines, air compressors
- Pumps, irrigation equipment
- Post hole diggers, manure spreaders
- Mowers, snow throwers, motors