



FARMERS ALLIANCE COMPANIES

Equipment Breakdown Coverage for your Farm

* There is a separate coverage available for the **homes** on your farm, ask your agent for details!

FARMERS ALLIANCE AGRI-RANGE POLICYHOLDERS NEED EQUIPMENT BREAKDOWN COVERAGE.

Today, equipment keeps all kinds of farms going... and income flowing. When equipment breaks down, it can bring farm operations and income to a halt.

Most equipment now contains highly sensitive technology that can be badly damaged by something as common, simple and sudden as a power surge.

Most property coverage excludes equipment breakdown losses, leaving farm owners with a big exposure. Unbudgeted losses from a breakdown can be extremely costly, and in many cases, greatly impact the bottom line.

NOTE: A deductible applies to this coverage; it varies depending on the equipment covered in the loss.
Questions? Ask your Farmers Alliance agent or refer to your policy form.

Why do you need Farmowners Equipment Breakdown coverage?

All farms have equipment breakdown exposures. When surveying your farm, look around: grain augers, grain dryers, emergency generators, power panels, pumps, motors and ventilating fans and systems.

Equipment Breakdown coverage provides protection from damage by:

- Short circuits/electrical arcing • Utility power surges
- Mechanical breakdown • Motor burnout • Centrifugal force

Equipment Breakdown insurance from Farmers Alliance covers more than just the cost of repair.

It protects insureds from the cost associated with losses to their farm's equipment.

It pays for:

- Direct property loss -- the cost to repair or replace the damaged equipment
- Loss of business income and extra expense, if included in the base policy
- Spoilage as a result of breakdown to covered equipment
- Other expenses incurred to limit the loss or speed restoration of operations

Exposures

Types of covered equipment:

Electrical Distribution Systems
Heating and Cooling Systems
Refrigeration and Controlled Environments
Boilers and Pressure Vessels
Computers & Electronic Equipment
Mechanical Equipment
Irrigation Equipment - including center pivots, wheels, drive mechanisms, motors and gears
Vehicle Mounted GPS Equipment

Please Note: Coverage does NOT apply to certain vehicles, such as: cars, trucks, trailers, tractors, harvesters or other self propelled vehicles.

Include Equipment Breakdown coverage for pennies a day and protect yourself from the high costs of mechanical and electrical breakdown of your critical FARM equipment.

See the other side of this informational flyer for examples of typical Equipment Breakdown losses.

Farmers Alliance
Insuring Rural America Since 1888



Equipment Breakdown Coverage Typical Losses on the Farm

ELECTRICAL

A farmer's co-op had to replace a utility transformer shorted out by a power surge. A rental generator was also needed.

Cost: \$78,234

Underground electrical cables serving a farm shorted out, cutting off power to several buildings. A rental generator was installed and operated for several days until the cables could be replaced.

Equipment loss: \$112,806

Extra expense for rental equipment: \$45,726

Total Cost: \$158,532



MECHANICAL

The compressor on the bulk milk tank kept going on and off causing the insured to lose a load of milk. The damage to the compressor and the resulting loss of milk were covered losses.

Total Cost: \$6,062

A well pump motor was burned out as a result of a voltage problem. The pump was a 1hp submersible unit.

Cost to replace pump: \$3,090

On a corn farm the limit switches on the pivot irrigation system failed, and the units were damaged as the segments moved out of sequence.

Cost: \$11,278

These examples are from actual customers. Remember, each claim must be evaluated based on your specific policy.

BOILERS AND PRESSURE VESSELS

A boiler used to heat a mushroom farm's growing room overheated due to lack of water, resulting in extensive repairs.

Cost: \$18,768

A hot water heater at a dairy farm cracked due to excessive scale build-up and lack of maintenance.

Cost to replace water heater: \$10,029



COMPUTERS AND RELATED BUSINESS EQUIPMENT

The insured had a power surge that caused damage to computers and other business personal property. In addition there was resultant loss of data.

Total paid loss: \$7,406

Circuit board failure caused controls for automatic dispensing pumps to fail and release more than 483,000 lbs. of liquid cattle feed.

Cost: \$31,506



AIR CONDITIONING AND REFRIGERATION

A fruit farmer lost about 825 lbs. of refrigerant when a failed piston rod caused a compressor breakdown.

Cost: \$14,548

A cattle farm cooler used to store vaccines for the farm animals was found not working. The start relay for the compressor had burned out, not allowing the compressor to run. The contents of the cooler spoiled as a result of the lack of refrigeration. The compressor on an air conditioning system seized up due to lack of lubrication and needed to be replaced. The cost to repair the refrigeration unit was \$208, and the remainder of the loss was for spoilage.

Total cost: \$10,003

For additional information, contact your Farmers Alliance Agent

Farmers Alliance

Insuring Rural America Since 1888

1122 N Main, PO Box 1401, McPherson, KS 67460
620.241.2200 • www.fami.com