

# EQUIPMENT DEALERS FORM

## PROPERTY COVERED

1. Mobile agricultural and construction equipment, consisting principally of binders, reapers, harvesters, plows, harrows and tedders, and bulldozers, road scrapers, tractors, pneumatic tools, and compressors, including accessories therefore, attached or otherwise, the property of the Insured and the property of others in the custody or control of the Insured, for sale, display, demonstration, storage, service, repairs or for the purpose of performing work thereon including stock of parts and accessories usual to a Farm Equipment Dealer.

This Policy insures only while the property is at locations within or is in transit within and between the states of the Continental United States, the District of Columbia, Puerto Rico or Canada but subject always to the limitations, conditions, exclusions and exceptions stated herein.

## PROPERTY EXCLUDED

2. This Policy does not cover:
  - (a) Automobiles, motor trucks, motorcycles, aircraft or watercraft;
  - (b) Property sold by or under encumbrance to the Insured or property leased or rented by the Insured to others after it leaves the custody of the Insured or an employee of the Insured (but this exclusion shall not apply to property in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured);
  - (c) Property while in course of manufacture;
  - (d) Property shipped via the Panama Canal.

## PERILS INSURED

3. This Policy insures against all risks of direct physical loss of or damage to the Insured property from any external cause, except as hereinafter excluded.

## PERILS EXCLUDED

4. This Policy does not insure against:
  - (a) Delay, loss of market, indirect or consequential loss of any kind;
  - (b) Loss or shortage disclosed upon taking inventory;
  - (c) Loss, damage or expense caused by or resulting from wear and tear, mechanical breakdown, inherent vice, latent defect, gradual deterioration, or depreciation, insect, vermin, or by processing or any work upon the property unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion;
  - (d) Loss or damage caused by corrosion, rust, dampness of atmosphere, freezing or extremes of temperature;
  - (e) Loss or damage to tires or tubes unless the loss or damage is caused by fire, windstorm or theft or is coincident with other loss or damage insured by this Policy;
  - (f) Loss or damage to electrical appliances or devices of any kind, including wiring, arising from electrical injury or disturbance to the said electrical appliances or devices or wiring, from artificial causes, unless fire ensues and then only for direct loss or damage caused by such ensuing fire;
  - (g) Loss, damage or expense caused by or resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents or any person or persons to whom the property may be entrusted (carriers for hire excepted);
  - (h) Loss or damage caused by, resulting from, contributed to or aggravated by flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not, unless loss by fire or explosion ensues and the Company shall then be liable only for such ensuing loss; but this exclusion (h) shall not apply to property in due course of transit or to loss arising from theft;
  - (i) Loss or damage caused by or resulting from :
    - (1) War Risks named in the Policy to which this form is attached.
    - (2) Any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.
5. This insurance does not cover loss, damage or expense caused by or resulting from the neglect of the Insured to use reasonable means to save and preserve the property at the time of and after any loss or damage.

**LIMITS OF LIABILITY**

6. The liability of this Company shall not exceed \$ \_\_\_\_\_ in any one loss, casualty or disaster, including salvage charges or other expenses or all combined subject to the following limits:
- (a) While in transit: \_\_\_\_\_ \$ \_\_\_\_\_
  - (b) 1. While at the following locations(s) owned, rented, under control of or used, in whole or in part, by the Insured.

	In Building	Outside Building
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

- 2. In the event, after attachment of this Policy, the Insured shall acquire an additional locations(s) within the territorial limits of this Policy by ownership, rental, control, or use, in whole or in part, coverage is afforded under this Policy for a period of 30 days after date of acquisition, or until this Policy is endorsed to cover property at such acquired locations, whichever first occurs. The Company's limit of liability shall not exceed, in any one loss, casualty or disaster, at each such location  
\$ \_\_\_\_\_

- (c) While located elsewhere within the territorial limits of the Policy except as described in (a) and (b)  
\$ \_\_\_\_\_

**VALUATION**

- 7. (a) On unsold property – This Company shall not be liable for more than the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality, nor the amount for which the Insured may be liable;
- (b) On sold property – This Company shall not be liable for more than the net selling price of the Insured after all allowances and discounts;
- (c) On property of others in the custody or control of the Insured for the purpose of performing work thereon – This Company shall not be liable for more than the amount for which the Insured is liable but in no event to exceed that actual cash value at time and place of loss. In addition this Company shall be liable for labor and materials expended to the time of loss.

**REPORTS AND PREMIUMS**

- 8. (a) The Insured shall keep an accurate record of all property insured hereunder and the values thereof (including the property of others covered by this Policy), and report to the Company on or before the fifteenth (15) day of each month the total of all such values at risk hereunder at each location specified in Clause 6(b), segregated as to values inside and outside building together with the total values under Clause 6(c), as of the last day of the preceding month and pay premium at the monthly rate(s) of:
  - \_\_\_\_\_ cents per \$100. for the first \$250,000. of total values at risk at all locations
  - \_\_\_\_\_ cents per \$100. for the next \$250,000. of total values at risk at all locations
  - \_\_\_\_\_ cents per \$100. of the excess of \$500,000. of total values at risk at all locations;
- (b) This Policy is issued in consideration of a deposit premium of \$ \_\_\_\_\_, all monthly earned premiums shall be applied against the deposit premium until such time as it shall have been fully earned by the Company, after which earned premium shall be due and payable as of the date of report. In no event will the minimum annual premium be less than \$150.;
- (c) Any loss in excess of the limits of liability stated in this Policy shall be borne by the Insured, notwithstanding the requirement that premium is to be adjusted on the basis of full values reported;
- (d) At the time of any loss, if the Insured has failed to file with the Company reports of values as above required, this Policy, subject otherwise to all its terms and conditions, shall cover for not more than the amounts included in the last report of values filed prior to the loss, and further, if such delinquent report is the first report of values herein required to be filed, liability shall be limited to 90% of the amount for which the Company would otherwise be liable;
- (e) Liability under this Policy shall not in any case exceed that proportion of any loss hereunder which the last value reported prior to the loss, bears to the total actual cash value on the date for which such report was made;
- (f) This Policy is subject to annual re-rating as of its anniversary date at the then current rate in effect. The amended rate, if any, shall be made a part of this Policy by endorsement. The Insured agrees to maintain records as required by this Policy and forward such information to the Company on forms as required within thirty (30) days after each anniversary date of this Policy for re-rating purposes;
- (g) In the event of cancellation, the Insured shall report all values at risk hereunder up to and including the date of cancellation and premium shall be adjust on a pro rata basis.

**PRIVILEGE TO ADJUST WITH OWNER**

9. In the event of loss of or damage to property of others held by the Insured for which claim is made upon the Company, the right to adjust such loss or damage with the owner or owners of the property is reserved to the Company and the receipt of such owner or owners in satisfaction thereof shall be in full satisfaction of any claim of the Insured for which such payment has been made. If legal proceedings be taken to enforce a claim against the Insured as respects any such loss or damage, the Company reserves the right at its option without expense to the Insured, to conduct and control the defense of behalf of and in the name of the Insured. No action of the Company in such regard shall increase the liability of the Company under this Policy, nor increase the limits of liability specified in the Policy.

**PREMISES DAMAGE**

10. This Company will pay for damage (except by fire) to that part of the building occupied by the Insured directly resulting from theft or any attempt thereat, provided the Insured is the owner of such premises, or is liable for such damage; but in no event shall this clause apply to glass or any lettering or ornamentation thereon, nor shall this Company's combined liability exceed the amount of insurance under this Policy for the premises at which such loss or damage occurs.

**EXAMINATION OF RECORDS**

11. The Insured shall, as often as may be reasonably required during the term of this Policy and for one year thereafter, produce for examination by the Company or its duly authorized representative all the books and records, inventories and accounts relating to the property covered hereunder.

**OTHER INSURANCE**

12. In case other valid and collectible insurance exists on any property hereby insured at the time and place of loss, the insurance under this Policy shall be considered as excess insurance and shall not apply or contribute to the payment of any loss until the amount of such other insurance shall have been exhausted; it being understood and agreed that under this Policy the Insured is to be reimbursed to the extent of the difference between the amount collectible from such other insurance and the amount of actual loss otherwise collectible hereunder.
13. Any loss hereunder shall not reduce the amount of this Policy, except in the event of payment of claim for total loss of an item specifically scheduled hereon. If claims is paid for total loss of one or more scheduled items, the unearned premium applicable to such items will be refunded to the Insured or applied to the premium due on item(s) replacing those on which the claim was paid.

**DEDUCTIBLE CLAUSE**

14. Each claim for loss or damage (separately occurring) shall be adjusted separately and from the amount of each such adjusted claim or the applicable limit of liability, whichever is less, the sum of \$\_\_\_\_\_ shall be deducted.

All other terms and conditions of the Policy not in conflict herewith remain unchanged.