



**BUREAU TOWN AND COUNTRY INS. CO. OF MO.**  
**P.O. Box 658, 701 S. Country Club Drive**  
**Jefferson City, MO 65102**  
**(573) 893-1400**

**INSURED COPY**

**PROTECTOR POLICY**

Membership Number	Policy Number	Policy Period
XXXXXX	XXXXXXXX	X/X/XX to X/X/XX

**OPTION AL – FARM AND FARM-RELATED BUSINESS INCOME AND/OR EXTRA EXPENSE COVERAGE**

When Option AL - FARM AND FARM-RELATED BUSINESS INCOME AND/OR EXTRA EXPENSE COVERAGE is shown on the Information Page(s) of **your** policy, the following applies:

**DEFINED WORDS**

The following defined words are added to **your** PROTECTOR insurance policy:

**Business Income** means the sum of:

- a. **Net Income** (Net Profit or Loss before income taxes) that would have been earned or incurred from **your operations** described on the Information Page(s); and
- b. Continuing normal operating expenses incurred, including payroll and interest, necessary to resume **operations** with the same quality of service and efficiency that existed just before the direct physical loss or damage; had the covered loss not occurred. **Business income** includes **rental value**.

**Extra Expense** means actual and necessary expenses **you** incur during the **period of restoration** that **you** would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a covered peril. **Extra expense** includes expenses to resume normal **operations** at the **insured premises**, at a replacement premises or at a temporary location including relocation expenses and costs to equip and operate the replacement location or temporary location. **Extra expense** includes costs to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under **business income** loss.

**Finished Stock** means stock **you** have manufactured. **Finished stock** also includes whiskey and alcoholic products being aged.

**Net Income** means net profit or loss before income taxes.

**Operations** means **your** farm and farm-related **business** activities shown for Option AL – Farm and Farm-Related Business Income and/or Option AL – Farm and Farm-Related Extra Expense on **your** Information Page(s) and occurring at the **insured premises**.

**Period of Restoration** means the period of time that:

- a. Begins on the date of direct physical loss or damage to covered property caused by or resulting from a covered peril at the **insured premises**; and
- b. Ends on the earlier of:
  - 1. The date when **we** deem the damaged property can be expected, with reasonable speed, to be repaired, rebuilt or replaced with property of similar kind and quality; or
  - 2. The date when business is resumed at a new permanent location; or
  - 3. Twelve (12) months from the date of loss

**Period of restoration** does not include any increased period required due to the enforcement of any ordinance or law that:

- 1. Regulates the construction, use or repair of any property; or
- 2. Requires the tearing down of any property; or
- 3. Requires any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**.
- 4. Requires any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of
  - a. dust, noise, or unsightliness arising from farming;
  - b. odor from **livestock** or **livestock** waste; or
  - c. **livestock** waste run off or spills.

The expiration date of this policy will not cut short the **period of restoration**.

**Rental Value** means the amount of rent **you** would have received from tenant occupancy of an Other Structure described in the Description of Structures section of the Information Page(s), less the charges and expenses that do not continue during the **period of restoration**.

#### A. COVERAGE

1. If the Information Page(s) shows Option AL – FARM OR FARM-RELATED BUSINESS INCOME, **we** will, on losses covered by **your** policy, pay for the actual loss of **business income you** sustain due to the necessary suspension of **your operations** during the **period of restoration**. The suspension must be caused by a covered peril which causes direct physical loss of or damage to property covered under Coverage B or Coverage E – Farm Personal Property **machinery of your** policy.

**We** will not pay the **rental value** for any Coverage B structure or that portion of a structure held for rental if it has not been occupied within 180 days prior to the loss.

2. If the Information Page(s) shows Option AL – FARM OR FARM-RELATED BUSINESS EXTRA EXPENSE, **we** will, on losses covered by **your** policy, pay for the actual and necessary **extra expense you** incur during the **period of restoration**. The **extra expense** must be caused by a covered peril which causes direct physical loss or damage to property covered under Coverage B or Coverage E – Farm Personal Property **machinery of your** policy.

#### B. ADDITIONAL COVERAGES

These Additional Coverages do not increase the Amount of Insurance shown on the Information Page for Option AL – Farm and Farm-Related Business Income and/or Extra Expense.

##### 1. Civil Authority

**We** will pay for the actual loss of **business income** or **extra expense you** sustain caused by action of civil authority that prohibits access to the **insured premises** due to direct physical loss of or damage to property at a neighboring premises, caused by or resulting from a covered peril under this policy.

This coverage will apply for a period of up to three consecutive weeks from the date on which the coverage begins but only while access is actually prohibited.

##### 2. Extended Business Income

###### a. Business Income Other Than Rental Value

If the necessary suspension of **your operations** produces a **business income** loss payable under this Option AL – Farm and Farm-Related Business Income, **we** will pay for the actual loss of **business income you** incur during the period that:

- (1) Begins on the date property (except **finished stock**) is actually repaired, rebuilt or replaced and **operations** are resumed; and
- (2) Ends on the earlier of:
  - (i) The date **we** deem **you** could restore **your operations**, with reasonable speed, to the condition that would have existed if no direct physical loss or damage had occurred; or
  - (ii) Thirty (30) consecutive days after the date determined in a.(1) above; or
  - (iii) Twelve (12) months after the date of loss.

However, Extended Business Income does not apply to loss of **business income** incurred as a result of unfavorable business conditions caused by the impact of the covered loss in the area where the **insured premises** are located. Loss of **business income** must be caused by direct physical loss or damage to covered property at an **insured premise** caused by or resulting from a covered peril.

###### b. Rental Value

If the necessary suspension of **your operations** produces a **rental value** loss payable under this Option AL – Farm and Farm-Related Business Income, **we** will pay for the actual loss of **rental value you** incur during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (2) Ends on the earlier of:
  - (i) The date **we** deem **you** could restore tenant occupancy, with reasonable speed, to the level which would have generated the **rental value** that would have existed if no direct physical loss or damage had occurred; or
  - (ii) Thirty (30) consecutive days after the date determined in b.(1) above; or
  - (iii) Twelve (12) months after the date of loss.

However, Extended Business Income does not apply to loss of **rental value** incurred as a result of unfavorable business conditions caused by the impact of the covered loss in the area where the **insured premises** are located. Loss of **rental value** must be caused by direct physical loss or damage to covered property at an **insured premise** caused by or resulting from a covered peril.

#### C. ADDITIONAL EXCLUSIONS

For purposes of coverage under this Option only, the following exclusions are in addition to those found in the SECTION I – GENERAL EXCLUSIONS – APPLICABLE TO ALL LEVELS OF PROTECTION section of **your** PROTECTOR insurance policy. **We** will not pay under this Option AL – Farm and Farm-Related Business Income and/or Extra

Expense for any loss directly or indirectly caused by, arising out of, contributed to, or aggravated by any of the following regardless of any other causes or events that contribute concurrently or in any other sequence to the loss:

- o Volcanic eruption, explosion or effusion, unless it results in a peril **we** insure against
- o Failure of utility or communication services, unless the failure results in a peril **we** insure against.
- o Waterborne material carried or otherwise moved by any means of water.
- o Electrical breakdown, or loss from electrical, magnetic or electromagnetic energy that interferes with any electrical or electronic wire, board, device appliance, system or network utilizing electrical, cellular or satellite technology, except loss resulting from fire following is covered.
- o Delay to, loss of use of, or loss of, market.
- o Dampness or dryness of the atmosphere, or any other weather conditions not otherwise covered by **your** policy.
- o Changes in, or extremes of, temperature.
- o Voluntary parting with any property by **you** or anyone **you** have entrusted the property whether induced to do so by any fraudulent scheme, trick or false pretense.
- o Water damage to any personal property, farm personal property, or business personal property, in the open.
- o Damage or destruction of **finished stock** or the time required to reproduce **finished stock**.
- o Increase in loss due to interference by strikers or other persons at the **insured premises** which delays rebuilding, repairing or replacing damaged property or which delays resuming **your operations**.
- o Increase in loss due to suspension, lapse or cancellation of any license, lease, or contract.
- o Expenses to extinguish a fire.
- o Any loss arising out of the exposure of any farm building, machinery, equipment, or supplies to contamination by disease.
- o Business income loss arising out of direct physical loss of or damage to **livestock, grain and feed**, or growing crops.
- o **Business income** loss arising out of suspension, lapse, or cancellation of leases, licenses, contracts or orders beyond the **period of restoration**.

#### D. LIMITS OF INSURANCE

The most **we** will pay for **business income** loss in any one **occurrence** from a covered peril is the actual loss sustained, not to exceed 12 months, up to the applicable Amount of Insurance shown on the Information Page(s) for Option AL – Farm and Farm-Related Business Income.

Payments under the following Additional Coverages will not increase the Amount of Insurance shown on the Information Page for this Option AL – Farm and Farm-Related Business Income:

1. Civil Authority
2. Extended Business Income

The most **we** will pay for **extra expense** loss in any one **occurrence** from a covered peril is the actual and necessary **extra expense you** incur during the **period of restoration** up to the applicable Amount of Insurance shown on the Information Page(s) for Option AL – Farm and Farm-Related Business Extra Expense. Payments under the following Additional Coverages will not increase the Amount of Insurance shown on the Information Page for this Option AL – Farm and Farm-Related Extra Expense:

1. Civil Authority

#### E. LOSS CONDITIONS

The following conditions apply in addition to all other terms and conditions in **your** policy:

- If **you** intend to continue **your operations** and make a claim under this coverage Option AL – Farm and Farm-Related Business Income and/or Extra Expense, **you** must resume all or part of **your operations** as quickly as possible.
- Limitation – Electronic Media And Records  
**We** will not pay for any loss of **business income** caused by direct physical loss of or damage to Electronic Media and Records after sixty (60) consecutive days from the date of direct physical loss or damage to covered property. Electronic Media and Records are:
  1. Electronic data processing, recording or storage media includes, but is not limited to, films, tapes, discs, drums or cells;
  2. Data stored on such media; or
  3. Programming records used for electronic data processing or electronically controlled equipment.
- Loss Determination
  1. The amount of **business income** loss will be determined based on:
    - a. The **net income** of the business before the direct physical loss or damage occurred;
    - b. The likely **net income** of the business, as determined or agreed by **us**, if no physical loss or damage had occurred, but not including any **net income** that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the covered loss on customers or on other businesses;
    - c. The operating expenses as determined or agreed by **us**, including payroll expenses, deemed necessary to resume **operations** with the same quality of service and degree of efficiency that existed just before the direct physical loss or damage occurred; and

- d. **We** will reduce the amount of **your business income** loss to the extent **you** can resume **your operations**, in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the **insured premises** or elsewhere.
2. The amount of Extra Expense loss will be determined based on:
- Expenses that exceed the normal operating expenses that **you** would have incurred by **your operations** during the **period of restoration** if no direct physical loss or damage had occurred. Upon resumption of **operations**, **we** will deduct from the total of such expense, the salvage value that remains of any property bought for temporary use during the **period of restoration**.
  - Expenses that reduce the **business income** loss that **you** would otherwise have sustained.
  - We** will reduce the amount of **your** Extra Expense loss to the extent that **you** can return **operations** to normal and discontinue such expenses.
3. Applicable to all loss and expense determinations described in a. and b., the amount payable under this option will also be determined based on other relevant sources of information **we** deem necessary or appropriate, including but not limited to:
- Your** financial records and accounting procedures;
  - Bills, invoices and other vouchers; and
  - Deeds, liens or contracts.
4. If **you** do not resume **operations**, or do not resume **operations** as quickly as **we** deem possible, **we** will pay based on the length of time **we** determine it should have taken to resume **operations** as quickly as possible.
- **Coinsurance**  
Subject to other terms, conditions and exclusions, **we** will pay only a part of a covered **business income** loss if the applicable Amount of Insurance shown on the Information Page(s) for Option AL – Farm and Farm-Related Business Income is less than 80% times the sum of:
    - The **net income** (Net Profit or Loss before income taxes), and
    - All operating expenses, including payroll and interest, that would have been earned, had no loss occurred, by **your** operation(s) at the **insured premises** for the 12 months following the inception date of this coverage, or last anniversary date of this policy, whichever is later.Instead, **we** will determine the most **we** will pay using the following steps:
    - Multiply the **net income** and operating expenses for the 12 months following the inception date of this coverage or last anniversary date of this policy, whichever is later, by 80%
    - Divide the Amount of Insurance as shown on the Information Page(s) for Option AL – Farm and Farm-Related Business Income by the figure determined in Step 1.; and
    - Multiply the total amount of loss by the figure determined in Step 2.**We** will pay the amount determined in Step 3. or the applicable Amount of Insurance shown on the Information Page(s) for Option AL – Farm and Farm-Related Business Income, whichever is less.
- Subject to other terms, conditions and exclusions, **we** will pay the full amount of the covered **business income** loss if the applicable Amount of Insurance shown on the Information Page(s) for Option AL – Farm and Farm-Related Business Income is greater than or equal to 80% times the sum of
- The **net income** (Net Profit or Loss before income taxes), and
  - All operating expenses, including payroll and interest, that would have been earned, had no loss occurred, by **your** operation(s) at the **insured premises** for the 12 months following the inception date of this coverage, or last anniversary date of this policy, whichever is later.