LIABILITY COVERAGE SECTION-FARM

DEFINITIONS-The following additional definitions apply to the Liability Coverage Section.

1. ***Farming*** means the ownership, maintenance or use of premises for the production of crops or the raising or care of ***livestock***, including all necessary operations. ***Farming*** also includes the operations of roadside stands and ***farm*** markets maintained principally for the sale of the ***insured's*** own ***farm*** products.
2. ***Farm employee*** means an employee of any ***insured*** whose duties are in connection with the ***farming*** operations of the ***insured.***

The definitions of ***insured, insured premises*** and ***business*** are modified when used in connection with the Liability Coverage Section.

3. ***Insured premises*** also mean the ***farm*** premises described in the Declarations, other land ***you*** use for ***farming*** purposes and new ***farm*** premises acquired during the policy period.
4. ***Business*** means a trade, profession or occupation including rental of property to others, all whether full or part time. ***Business*** does not include ***farming***.
5. A person while performing duties as an employee of an ***insured*** is an ***insured*** with respect to ***farm*** implements and other vehicles covered under this policy.

PRINCIPAL LIABILITY AND MEDICAL PAYMENTS COVERAGES

Coverage L-Personal Liability

We pay, up to ***our*** limit of liability, all sums for which any ***insured*** is legally liable because of ***bodily injury*** *or* ***property damage*** caused by an ***occurrence*** to which this coverage applies.

We will defend (with counsel of ***our*** own choice) any suit seeking damages, provided the suit resulted from ***bodily injury*** or ***property damage*** not excluded under this coverage. ***We*** may make any investigation and settle any claim or suit that ***we*** decide is appropriate. ***We*** are not obligated to provide a defense after ***we*** have paid, either by judgment or settlement, an amount equal to ***our*** limit of liability.

Coverage M-Medical Payments To Others

We pay the necessary ***medical expenses*** incurred or medically determined within three years from the date of an accident causing ***bodily injury*** to which this coverage applies. This coverage applies only:

1. to a person on the ***insured premises*** with the permission of any ***insured****;* or
2. to a person away from the ***insured premises*** if the ***bodily injury****:*
   a. results from a condition on the ***insured premises****;*
   b. is caused by the activities of any ***insured****;*
   c. is caused by a person while performing duties as a ***domestic employee*** of any ***insured****;*
   d. is caused by an animal owned by or in the care of an ***insured****;* or
   e. is suffered by a ***domestic employee*** and arises out of and in the course of employment by any ***insured****.*

INCIDENTAL LIABILITY AND MEDICAL PAYMENTS COVERAGES

This policy provides the following Incidental Liability and Medical Payments Coverages. These incidental coverages are subject to the ***terms*** of the Principal Liability and Medical Payments Coverages. These incidental coverages do not increase the limit of liability stated for the principal coverages except: Claims and Defense Expense Coverage and First Aid Expense Coverage.

1. ***Damage to Property of Others***-Regardless of an ***insured's*** legal liability, ***we*** either pay for property of others damaged or destroyed by an ***insured*** or ***we*** repair or replace the property, to the extent practicable, with property of equivalent kind and quality. ***Our*** limit of liability for this coverage is $500 per ***occurrence****.*
   We do not pay for damage to property:
   a. owned by, rented to or leased to any ***insured****,* any other resident of ***your*** household, or tenant of any ***insured****;*
   b. caused intentionally by any ***insured*** who has attained the age of 13;
   c. covered under this policy under Property Coverages; or
   d. resulting in whole or in part from:

1) activities in connection with an ***insured's business****;*
2) premises owned, rented or controlled by an ***insured****,* other than the ***insured premises****;* or
3) the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading of ***motorized vehicles****,* aircraft or watercraft.

2. ***Contracts and Agreements Coverage-We*** pay for damages for ***bodily injury*** or ***property damage*** resulting from liability assumed by an ***insured*** under a written contract made before the loss or a warranty of goods and products. This coverage does not apply to a contract or warranty in connection with ***business*** activities of an ***insured***.
3. ***Claims and Defense Expense Coverage-We*** pay the following expenses incurred in connection with a suit defended by ***us*** under the Personal Liability coverage;
   a. costs taxed to the ***insured****;*
   b. expenses incurred by ***us***;
   c. actual loss of earnings by an ***insured****,* up to $50 per day, for time spent away from work at ***our*** request;
   d. other necessary expenses incurred at ***our*** request;
   e. interest accruing after entry of a judgment but ending when ***we*** tender or pay up to the applicable limit of liability;
   f. prejudgment interest awarded against the ***insured*** on that part of the judgment that ***we*** pay. If ***we*** make an offer to pay the applicable limit of liability, ***we*** will not pay any prejudgment interest based on that period of time after the offer;
   g. premiums on appeal bonds or bonds to release attachments up to ***our*** limit of liability; (***We*** are not required to apply for or furnish any bonds) and
   h. premiums up to $500 per bail bond required of any ***insured*** because of an accident or traffic law violation arising out of the use of any vehicle to which this policy applies. (***We*** are not required to apply for or furnish any bonds.)

   We do not pay for punitive or exemplary damages, or defense costs related thereto. This exclusion applies regardless of any other provisions of this policy or endorsements attached to the policy.
4. ***First Aid Expense Coverage***-Regardless of an ***insured****'s* legal liability, ***we*** pay expenses incurred by an ***insured*** for first aid to persons, other than ***insureds****,* for ***bodily injury*** covered by this policy.
5. ***Incidental Motorized Vehicle Coverage-We*** pay for ***bodily injury*** and ***property damage*** which:
   a. occurs on the ***insured premises*** and results from the ownership, maintenance, use, loading or unloading of:
      1) ***motorized vehicles*** not subject to ***motor vehicle*** registration because of their type or use; or
      2) ***recreational motor vehicles****;*
   b. occurs anywhere and results from:
      1) golf carts while used for golfing purposes;
      2) utility, boat, camp or mobile home trailers except when the trailer is carried on, towed by or attached to a ***motor vehicle*** or ***recreational motor vehicle****;* or
      3) ***motorized vehicles*** designed exclusively for use off public roads and used principally to service the ***insured premises****;* or
      4) ***motorized vehicles*** designed and used for assisting the handicapped and not subject to motor vehicle registration;
   c. results from the **insured**'s use of a recreational motor vehicle not owned by an **insured**.
6. ***Watercraft***.
   a. ***We*** pay for ***bodily injury*** and ***property damage*** resulting from the maintenance, use, loading or unloading of watercraft:
      1) while on the ***insured premises****;* or
      2) not owned by or rented to an ***insured*** if the ***bodily injury*** or ***property damage*** results from the activities of an ***insured***.
   b. ***We*** pay for ***bodily injury*** *and* ***property damage*** resulting from the maintenance, use, loading or unloading of:
      1) watercraft owned by or rented to any ***insured*** and powered by inboard or inboard/outboard motors totaling 50 horsepower or less; or
      2) sailing vessels with or without auxiliary power owned by or rented to any ***insured*** and less than 26 feet in overall length.
   c. ***We*** pay for ***bodily injury*** or ***property damage*** resulting from the maintenance, use, loading or unloading of watercraft powered by outboard motors totaling 50 horsepower or less.
   d. Under the following circumstances, ***we*** pay for ***bodily injury*** *and* ***property damage*** resulting from the maintenance, use, loading or unloading of watercraft powered by outboard motors totaling more than 50 horsepower:

1) the motors are insured for Personal Liability coverage and shown on the Declarations or any endorsement;
2) the motors are reported to ***us*** and Personal Liability coverage is requested within 45 days after acquisition by any ***insured****;* or
3) the motors are not owned by any ***insured****.*

7. ***Incidental Business Coverage-We*** pay for ***bodily injury*** and ***property damage*** resulting from:
   a. the occasional rental of the portion of the ***insured premises*** normally occupied by ***you***, exclusively for residential purposes;
   b. the rental of any other portion of the ***insured premises*** for residential purposes; (No family unit may include more than two roomers or boarders)
   c. the rental of a portion of the ***insured premises*** as a school, studio, office or private garage;
   d. incidental activities normally performed by minors; and
   e. activities in conjunction with ***business*** pursuits which are ordinarily considered ***nonbusiness*** in nature.

EXCLUSIONS

1. ***Exclusions that Apply to Both Personal Liability and Medical Payments To Others***-This policy does not apply to liability:
   a. caused directly or indirectly by war; (This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental)
   b. resulting from the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading of aircraft, except for ***bodily injury*** to a person while performing duties as a ***domestic employee****;* (This exclusion does not apply to model airplanes)
   c. resulting from the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading by an ***insured*** of ***motorized vehicles*** or watercraft, except:
      1) for ***bodily injury*** to a person in the course of performing duties as a ***domestic employee****;* or
      2) if coverage is provided for by an Incidental Liability Coverage.
   d. resulting from the use of a ***motorized vehicle*** in any racing, speed, pulling or pushing, demolition or stunting activity or contest or in the practice or preparation for such activity or contest;
   e. resulting from the rendering of or failing to render professional services;
   f. resulting from activities in connection with an ***insured's business****,* except as provided under Incidental Liability and Medical Payments Coverages;
   g. resulting from premises owned, rented or controlled by an ***insured*** other than the ***insured premises****;* (This exclusion does not apply to ***bodily injury*** to a person while performing duties as a ***domestic employee*** of an ***insured****)*
   h. caused intentionally by or at the direction of any ***insured****;*
   i. for ***bodily injury*** if benefits are payable or required to be provided by an ***insured*** under any worker's compensation, non-occupational disability, occupational disease or similar law;
   j. for which an ***insured*** under this policy is also an ***insured*** under a nuclear energy liability policy or would be an ***insured*** but for the exhaustion of its limits of liability; (A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear lnsurance Association of Canada, or any of their successors)
   k. resulting from ***bodily injury*** to ***farm employee***;
   1. resulting directly or indirectly from the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalies, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse, body of water, bog, marsh, swamp or wetlands;
      This exclusion does not apply to ***bodily injury*** or ***property damage*** caused by heat, smoke or fumes from a hostile fire. For the purpose of this exclusion, hostile fire means a fire which becomes uncontrollable or breaks out from where it was intended to be.
   m. resulting directly or indirectly from the transmission of a communicable disease by an ***insured****;*
   n. arising directly or indirectly out of instances, occurrences or allegations of child abuse;
   o. arising directly or indirectly out of instances, occurrences or allegations of sexual abuse of any person; or
   p. arising directly or indirectly out of instances, occurrences or allegations of criminal activity by employees of the ***insured*** named in this policy.

Exclusions n, o and p shall be applicable whether the excluded claims are made directly or are made indirectly or derivatively as claims sounding in negligence or breach of contract.

2. ***Exclusions that Apply only to Personal Liability***-This coverage does not apply to liability:
   a. for ***bodily injury*** to ***you*** and, if residents of ***your*** household, ***your*** relatives, and any other person under the age of *21* in ***your*** care or in the care of ***your*** resident relatives;
   b. assumed under any contract or agreement, except as provided under Incidental Liability and Medical Payments Coverages;
   c. for damage to property owned by any ***insured****;*
   d. for damage to property rented to, occupied by, used by or in the care of an ***insured****;* (This exclusion does not apply *to* ***property damage*** *to* ***insured premises****,* other than ***farm*** premises, caused by fire, smoke or explosion)
   e. for sickness, disease or death of a ***domestic employee*** unless a written notice is received by ***us*** within 36 months after the end of the policy period in which the injury occurs;
   f. for ***property damage*** arising or resulting from any substance released or discharged from any aircraft;
   g. for ***property damage*** to products manufactured, sold, handled or distributed by an ***insured*** when the ***property damage*** arises out of such products or any part of the products;
   h. fo***r property damage*** to work performed by or for an ***insured*** when the ***property damage*** arises out of such work or any part of the work; or
   i. resulting from any obligation of the ***insured*** to indemnify another, or from any obligation of the ***insured*** to satisfy another's claim for contribution, with respect to damages arising from ***bodily injury*** to a ***farm employee***.
3. ***Exclusions that Apply only to Medical Payments To Others***-*This* coverage does not apply to ***bodily injury****:*
   a. to an ***insured*** or other person regularly residing on the ***insured premises*** except a domestic employee;
   b. to any person while on the ***insured premises*** because a ***business*** is conducted or professional services are rendered on the ***insured premises****;* or
   c. to any person, including a ***domestic employee****,* if benefits are provided under any worker's compensation, non-occupational disability, occupational disease or similar law.

WORKERS' COMPENSATION -CERTAIN RESIDENCE EMPLOYEES

Workers' Compensation-Certain Residence Employees coverage applies when Perils Section ML-1R, ML-2, ML-3, ML-8, ML-IT, ML-2T, ML-3T or ML-1 is attached to this policy.

WORKERS' COMPENSATION-CERTAIN RESIDENCE EMPLOYEES COVERAGE DOES NOT APPLY WHEN PERILS SECTION ML-4 OR ML-4T IS ATTACHED TO THIS POLICY.

WHAT *WE* AGREE TO DO

We agree, with respect to covered ***residence employees****:*
Under Coverage I (Workers' Compensation)

a. To pay when due all benefits required of an ***insured*** by the New York Workers' Compensation Law; and Under Coverage II (employers' liability)
b. To pay on behalf of an ***insured*** all damages for which the ***insured*** *is* legally liable because of ***bodily injury*** sustained by a covered ***residence employee***. The ***bodily injury*** must be caused by accident or disease and arise out of and in the course of employment by the ***insured*** while:
   1. in the United States of America, its territories or possessions, or Canada; or
   2. temporarily elsewhere if the covered ***residence employee*** is a citizen or resident of the United States or Canada.

Coverage II does not apply to any suit brought in or judgment rendered by any court outside the United States of America, its territories and possessions, or Canada, or to any action on such judgment.

WHO IS COVERED

A covered ***residence employee*** under this endorsement is a ***residence employee*** who is both:

a. engaged in regular employment of less than 40 hours per week or is engaged in casual employment; and
b. defined under the New York workers' compensation law as an employee for whom workers' compensation benefits must be provided.

APPLICATION OF COVERAGE

a. This insurance applies only to ***bodily injury*** which occurs during the policy period. If the ***bodily injury*** *is* a disease, it must be caused or aggravated by the conditions of the covered ***residence employee's*** employment by the ***insured***.
b. The covered ***residence employee's*** last day of last exposure to the conditions causing or aggravating such ***bodily injury*** must occur during the policy period.
c. Additional Provisions Applicable to Coverage I (Workers' Compensation)

The following provisions are applicable to Coverage I:

1. As between the covered ***residence employee*** and ***us*** notice to or knowledge of the ***occurrence*** of the injury on the part of an ***insured*** will be deemed notice or knowledge on ***our*** part.
2. The jurisdiction of an ***insured*** will, for the purpose of the law imposing liability for compensation, be ***our*** jurisdiction.

LIMITS OF LIABILITY-COVERAGE II (EMPLOYERS' LIABILITY)

We may not limit ***our*** limit of liability to pay damages for which ***we*** become legally liable to pay because of ***bodily injury*** to an ***insured's*** covered ***residence employees*** if the ***bodily injury*** arises out of and in the course of employment that is subject to and is compensable under the Workers' Compensation Law of New York.

PROVISIONS OF ML-20 THAT APPLY

a. Under YOUR POLICY DEFINITIONS the following definitions apply to Workers' Compensation—Certain Residence Employees:
   2. ***Bodily injury***
   3. ***Business***
   6. ***Insured***

Note: The definition of ***Residence Employee*** is listed under WHO IS COVERED in this endorsement.

b. Under WHAT YOU MUST DO IN CASE OF LOSS the provisions for liability coverage apply.
c. Under POLICY CONDITIONS the following provisions apply:
   1. Assignment (Property and Liability Coverages)
   2. Cancellation (Property and Liability Coverages)
   4. Change, Modification or Waiver of Policy terms (Property and Liability Coverages)
   10. Subrogation (Property and Liability Coverages)
   11. Suit Against Us (Liability Coverage)
   12. Bankruptcy of an Insured (Liability Coverage)

PROVISIONS OF ML-9 OR ML-10 THAT APPLY

a. Under PRINCIPAL LIABILITY AND MEDICAL PAYMENTS COVERAGES
   Coverage L—Personal Liability—***Our*** agreement to defend the ***insured*** as provided under Coverage L—Personal Liability.
b. Under INCIDENTAL LIABILITY AND MEDICAL PAYMENTS COVERAGES
   3. Claims and Defense Expense Coverage
      b. expenses incurred by ***us*** (Claim Expenses)

OTHER PROVISIONS THAT APPLY

a. Other Insurance
   If a loss covered by this insurance is also covered by other insurance, ***we*** will not pay more than ***our*** share of benefits and costs. The shares of all applicable insurance will be equal until the loss is paid. However, if a loss covered by this insurance is also covered by insurance written to cover business employees of an ***insured*** who is also a sole proprietor, this insurance is primary.
b. Conformity to Statute
   Terms of this insurance which are in conflict with the New York Workers' Compensation Law are amended by this statement to conform to that law.

EXCLUSIONS THAT APPLY TO WORKERS' COMPENSATION-CERTAIN RESIDENCE EMPLOYEES

This policy does not apply:

a. to liability for ***bodily injury*** arising out of ***business*** pursuits of an ***insured***.
b. Under Coverage II:

1. to liability assumed by the ***insured*** under any contract or agreement.
2. to any obligation under a workers' compensation, employment or disability benefits law or any similar law.
3. to punitive or exemplary damage because of ***bodily injury*** to a covered ***residence employee*** employed in violation of law.
4. to ***bodily injury*** to a covered ***residence employee*** employed in violation of law with the knowledge of an ***insured***.
5. to ***bodily injury*** intentionally caused or aggravated by an ***insured***.
6. to damages arising out of the unlawful discharge or coercion of, or unlawful discrimination against, a covered ***residence employee***.