



# RAM Mutual Equipment Breakdown Coverage for Dairy Farms

Today's dairy farms have implemented technology equipment which improves efficiencies in dairy operations and wholesaling of dairy products. As a dairy farm owner, you depend on many types of mechanical and electrical equipment to operate your farm. To gain a perspective of the equipment subject to equipment breakdown failure, think of the dairy production that can not be accomplished during a power outage to your farm.

Electricity is so critical that many farms are often equipped with emergency generators to conduct critical operations during electrical service interruptions. Having installed electric-generating capacity creates even more opportunities for equipment breakdown. These hazards include electrical arcing of generator windings and mechanical damage to diesel engine push rods and exhaust valves.

Electrical breakdown is the more common type of loss. An electrical power surge caused by a transient-over-voltage condition can destroy circuit breakers, motors and electrical control equipment used to operate the farm. This can lead to significant property damage and interruption of normal operations for days until repairs can be made or replacements can be installed.

Mechanical equipment at these locations include: milk collection equipment, rotating milking parlors, silo un-loaders, automatic waterers, drinking cups, pasteurizers, barn cleaners/floor scrapers, manure pumps, pipeline milkers, computerized feeding apparatuses, windmills used for

pumping water, sawmill equipment, vacuum pumps, electric motors, fans/blowers, blowers for silos, hay conveyors/elevators, feed conveyors, computerized feeding systems, air and refrigeration compressors, scales, fuel pumps and alarm systems.

Some jurisdictions require dairy farms with a point of sale located on the premises to have boilers and pressure vessels inspected by a qualified inspector and these services are provided at no charge as part of the equipment breakdown coverage. These inspections, when conducted by state inspectors or a fee-for-service inspection agency, can run as high as \$500 per inspection, plus the additional certificate fee.

## Typical Losses

A small fire tube boiler overheated, which resulted in cracking and sagging of the furnace tube due to a low-water condition. Rental equipment was brought in to keep the business operational while repairs were completed.

**Property Damage:** \$3,800  
**Extra Expense:** \$600

Electrical breakdown of a grain dryer motor was caused by a single phasing event.

**Property Damage:** \$2,443

An electric generator's windings suffered an electrical breakdown believed to be precipitated by a power surge from the local utility.

**Property Damage:** \$22,500

## Exposures

### Boilers and Pressure Vessels

Boilers  
Fired/Unfired Vessels  
Refrigeration Units  
Air Conditioning Units

### Mechanical Equipment

Milk Collection Equipment  
Rotating Milking Parlors  
Silo Un-loaders  
Automatic Waterers  
Pasteurizers  
Manure Pumps  
Feeding Apparatuses  
...and many more

### Electrical Equipment

Motors  
Emergency Generators  
Transformers  
Computers  
Switchboards  
Distribution Systems  
Communications Equipment  
Fans  
Vacuum Systems

### Time Element

Business Interruption  
Extra Expense  
Service Interruption