



RAM Mutual Equipment Breakdown Coverage for Farms and Agribusiness

Regardless of size, most farms have insurable equipment breakdown exposures*. Equipment within farm environments is almost always exposed to harsh conditions. Farm exposure related to gas-fired water heaters and other pressure vessels are commonplace. Water heaters can rupture and cause significant damage. Air compressors and electrical generators can suffer mechanical or electrical breakdowns. All farms have circuit breaker panels, boards, electrical distribution systems and transformers subject to electrical breakdown. Air handling and air conditioning systems are often subject to failure. Various motors, pumps, gearboxes, machine shop tools, or welders are often found throughout a typical farm. Production equipment such as: milking machines/ milking parlors, feed mixers, dryers and elevators, sometimes have expensive robotics or computer controls.

The latest innovations within farm and agribusiness are the introduction of biodiesel-fuel production plants, methane digester-electrical generation equipment and a variety of support equipment. Ethanol production plants are also being incorporated within agriculture facilities which also introduce a variety of equipment exposures.

*Equipment not covered by equipment breakdown insurance includes motor vehicles, including recreational, and farm machinery.

**Mobile equipment is excluded from equipment breakdown insurance. Please refer to the policy for complete coverage details.

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Typical Losses

Grain Farm: During an integral time in the spring, the electronic GPS equipment on the planter suffered a short circuit and would not work. The equipment needed to be replaced quickly to keep the farm's production on schedule.

Property Damage: \$7,100
Extra Expense: \$250

Dairy Farm: Electrical breakdown of a 30-hp electric motor on top of a grain elevator necessitated removal and repair. Special high-lift equipment was required for the job.

Property Damage: \$2,800
Business Interruption: \$1,100

Poultry Farm: A loose/dirty connection in a fuse box caused electrical arcing and the destruction of the fuse box, which resulted in a loss of power to the house. Fortunately, the fuse box could be temporarily bypassed so the emergency generator could operate the air circulation fans.

Property Damage: \$2,700

Exposures

Mechanical Equipment**

Compressors
Pumps
Engines
Process Machinery

Electrical Equipment

Motors
Emergency Generators
Transformers
Computers
Switchboards
Distribution Systems
Communications Equipment
Fans
GPS Equipment used with mobile equipment

Boilers and Pressure Vessels

Boilers
Furnaces
Fired/Unfired Vessels
Refrigeration Units
Air Conditioning Units

Time Element

Business Interruption
Extra Expense
Service Interruption

Specific Coverages

Consequential/Spoilage
Ammonia Contamination

