

SERFF Tracking Number:	TRGL-125582794	State:	Arkansas
Filing Company:	Triangle Insurance Company, Inc.	State Tracking Number:	EFT \$50
Company Tracking Number:	TCT08-001F		
TOI:	09.0 Inland Marine	Sub-TOI:	09.0005 Other Commercial Inland Marine
Product Name:	Tri-Cot Cotton Products Floater		
Project Name/Number:	2008 Forms Update/TCT08-001F		

Filing at a Glance

Company: Triangle Insurance Company, Inc.

Product Name: Tri-Cot Cotton Products Floater SERFF Tr Num: TRGL-125582794 State: Arkansas

TOI: 09.0 Inland Marine SERFF Status: Reopened State Tr Num: EFT \$50

Sub-TOI: 09.0005 Other Commercial Inland Marine Co Tr Num: TCT08-001F State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Author: Dave Webster Disposition Date: 04/11/2008

Date Submitted: 03/27/2008 Disposition Status: Approved

Effective Date Requested (New): 06/01/2008

Effective Date (New):

Effective Date Requested (Renewal): 06/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: 2008 Forms Update

Status of Filing in Domicile: Pending

Project Number: TCT08-001F

Domicile Status Comments: Being filed in Oklahoma and Arkansas at this time

Reference Organization: n/a

Reference Number: n/a

Reference Title: n/a

Advisory Org. Circular: n/a

Filing Status Changed: 04/11/2008

State Status Changed: 04/04/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

This filing is for our Tri-Cot Cotton Products Floater policy which covers raw seed cotton which has been harvested but not yet ginned. The policy is being amended to cover cotton in modules on the insured's yard or gin premise and in transit to the gin, in the basic policy form. Coverage for cotton in modules in the field is being changed to an optional endorsement. We are also increasing the basic deductible from \$2,000 to \$3,500 with an option for a \$5,000 deductible. New rates will be filed in a separate rate/rule filing. Forms attached are:

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PCPC 020 0708, TRI-COT Cotton Products Floater

This form covers raw seed cotton stored in cotton modules. The form is updated to provide coverage mainly on the insured's cotton module yard and makes coverage for cotton in the field optional. Property covered is amended to clarify coverage applies on the insured's premises described in the declarations. The form now excludes cotton trailers (added back by endorsement). We added "ice" to Exclusion e. and "contaminated" to Exclusion f. to further clarify these exclusions. Added "However, this exclusion does not apply to loss or damage to cotton caused by fire, when the cotton is in the process of being ginned" to add coverage back under exclusion g. We added exclusions o. Pollution and p. which addresses mold and related losses. Under 5. Limits of Liability we deleted j, coverage for seed cotton and covering devices in the field. This coverage is now added by endorsement for those insureds that choose to purchase it. Since coverage in the field is now an option, we added 6, a, (1) & (2) to provide coverage when the product is in transit to the insured's premises.

We added "including storage locations owned or leased by you" to 6, a. (1) and (2). Under 7. Deductible clause we added "to all loss caused by an occurrence". We increased the deductible to \$3,500. Under 8. Clear Space Warrantee we added wording about separating of burr, trash or dust piles, added stacking requirements for round bales and added a paragraph about the surface cover of the yard. We also clarified that violation of the clear space warranty limits liability to \$200,000. Under 12. Duties in The Event of Loss, under item b. we changed "WITHIN 72 HOURS OF THE OCCURRENCE" to all capital letters. Under 13. Other Insurance we added "farmowners or other insurance" to this paragraph. Under 30. Policy Definitions we added "covering devices do not include round bale covering or wrapping to the e., the definition of covering devices. We also added definition g. Fungi, H. Group, j. Insured, k. Location, m. Module, n. Named Insured, q. Pollution, r, Premises and v. Yard.

A document showing a redlined comparison of the new form and the previous edition form is attached.

PCPT014 0708, MODULE COVERING DEVICES – INCREASED LIMIT

This endorsement was amended to clarify that it covers module covering devices in storage on the insured's gin premises. Off premises coverage is included when the insured chooses field coverage for raw cotton. WE added "on your gin premises" to the wording.

PCPC 050 0708, FIELD COTTON COVERAGE ENDORSEMENT

This is a new optional endorsement that adds coverage on cotton modules stored off the insured's gin or yard premises. Coverage was previously included in the cotton floater form and excluded by endorsement. Since fewer of our insured's purchase field coverage, we took it out of the floater form and add it back by this endorsement.

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PCPC 051 0708, FIELD COTTON WIND COVERAGE ENDORSEMENT

This optional endorsement adds the wind peril to the filed cotton coverage.

PCPC 052 0708, NON-OWNED COTTON TRAILERS COVERAGE ENDORSEMENT

This new optional endorsement adds coverage for non-owned cotton trailers on the insured's premises. Very few insured want this coverage anymore so we took it out of the main coverage form and added it by endorsement.

PCPC 060 0708, SEED PREMIUM PAYMENT ENDORSEMENT

This new optional endorsement adds an additional payment per bale of cotton for the value of cotton seed. Cottons gins usually get most of their income from ginning cotton by retaining the seed from the ginning process and selling it. In the past, when settling a claim for loss of cotton, we did not deduct the expenses that went into ginning a bale of cotton and we did not add the loss of the seed to the claim. These factors normally offset each other and it was common practice to just pay for the lost cotton. However, as commodity prices increase, the value of the seed the insured does not get when there is a cotton loss, is now exceeding the expenses of ginning. Therefore, we have created this endorsement to add an additional amount to the amount paid on each cotton loss, based on an amount per bale. The amount will be set at the start of each ginning season, based on the most recent price of cotton seed. For example we are estimating we will use an amount of \$10 to \$12 per bale based next season based on current seed prices.

Company and Contact

Filing Contact Information

Bret Wilson, Manager, Compliance and Information wilsonb@trianglecompanies.com
PO Box 1189 (580) 237-4276 [Phone]
Enid, OK 73702 (580) 233-4847[FAX]

Filing Company Information

Triangle Insurance Company, Inc. CoCode: 28535 State of Domicile: Oklahoma
PO Box 1189 Group Code: Company Type: Stock
Enid, OK 73702 Group Name: State ID Number:
(580) 237-4276 ext. 242[Phone] FEIN Number: 73-1394760

SERFF Tracking Number: TRGL-125582794 State: Arkansas
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Project Name/Number: 2008 Forms Update/TCT08-001F

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Triangle Insurance Company, Inc.	\$50.00	03/27/2008	19030445

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	04/11/2008	04/11/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Llyweyia Rawlins	04/04/2008	04/04/2008	Dave Webster	04/08/2008	04/08/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Tri-Cot Cotton Products Floater		Dave Webster	04/03/2008	04/03/2008
Field cotton Coverage Endorsement	Form	Dave Webster	04/03/2008	04/03/2008
Field Cotton Coverage Ednorsement	Form	Dave Webster	04/03/2008	04/03/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Forms over 3mb size	Note To Filer	Llyweyia Rawlins	04/11/2008	04/11/2008

<i>SERFF Tracking Number:</i>	<i>TRGL-125582794</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Triangle Insurance Company, Inc.</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>TCT08-001F</i>		
<i>TOI:</i>	<i>09.0 Inland Marine</i>	<i>Sub-TOI:</i>	<i>09.0005 Other Commercial Inland Marine</i>
<i>Product Name:</i>	<i>Tri-Cot Cotton Products Floater</i>		
<i>Project Name/Number:</i>	<i>2008 Forms Update/TCT08-001F</i>		

SERFF Tracking Number: TRGL-125582794

State: Arkansas

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State Tracking Number: EFT \$50

Company Tracking Number: TCT08-001F

TOI: 09.0 Inland Marine

Sub-TOI: 09.0005 Other Commercial Inland Marine

Product Name: Tri-Cot Cotton Products Floater

Project Name/Number: 2008 Forms Update/TCT08-001F

Disposition

Disposition Date: 04/11/2008

Effective Date (New): 06/01/2008

Effective Date (Renewal): 06/01/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: TRGL-125582794 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Form	Tri-Cot Cotton Products Floater	Approved	Yes
Form	Mouldle Covering Devices - Increased Limit	Approved	Yes
Form	Field Cotton Coverage Endorsement	Approved	Yes
Form	Field Cotton Wind Coverage Endorsement	Approved	Yes
Form	Non-Owned cotton Trailers Coverage Ednorsement	Approved	Yes
Form	Seed Premium Payment Endorsement	Approved	Yes
Form	Field Cotton Coverage Ednorsement	Approved	Yes
Form	Tri-Cot Cotton Products Floater	Approved	Yes
Form	Field cotton Coverage Endorsement	Approved	Yes
Form	Appraisal - Arkansas	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 04/04/2008
Submitted Date 04/04/2008
Respond By Date 04/18/2008

Dear Bret Wilson,

Form: PCPC 020 AND PCPC 020A:

The appraisal clause(s) found in this filing should be amended to comply with Ark. Code Ann. §23- 79-203 and Arkansas Bulletin No. 19-89. The clause(s) must specifically state it is non-binding and voluntary.

Thank You

Llyweyia Rawlins

Please feel free to contact me if you have questions.

Sincerely,

Llyweyia Rawlins

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/08/2008
Submitted Date 04/08/2008

Dear Llyweyia Rawlins,

Comments:

Response 1

Comments: Attached is a new Arkansas specific endorsement, APPRAISAL – ARKANSAS, PCPC 065 078, which amends the appraisal section of the PCPC 020 TRI-COT cotton products Floater to comply with Ark. Code Ann. 23-79-203. We will make this a mandatory endorsement for Tri-Cot policies in Arkansas.

Changed Items:

No Supporting Documents changed.

SERFF Tracking Number: TRGL-125582794 *State:* Arkansas
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Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Appraisal - Arkansas	PCP 065	0708	Endorsement/Amendment/Conditions	New			PCPC 065 0708 Appraisal - Arkansas.doc

No Rate/Rule Schedule items changed.

Sincerely,
 Dave Webster

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Note To Filer

Created By:

Llyweyia Rawlins on 04/11/2008 10:08 AM

Subject:

Forms over 3mb size

Comments:

Hello Bret

I have reviewed your forms and pending letter response, and everything is good. I have one thing that needs to be completed before my final approval.

The following forms are over the 3mb requirements for serff filings to go to the PDF Pipeline. I need you to change them to PDF instead of scanning the forms.

Forms:

PCPC 050

PCPC 050A

PCPC 020A

PCP 065

If you have any questions you can contact me.

Thanks

Llyweyia Rawlins

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 Product Name: Tri-Cot Cotton Products Floater
 Project Name/Number: 2008 Forms Update/TCT08-001F

Amendment Letter

Amendment Date:
 Submitted Date: 04/03/2008

Comments:

One other correction needed to this filing. The wrong editions of the main Tri-Cot Cotton Products Floater form PCPC 020 and the Field Cotton Coverage Endorsement from PCPC 050 were submitted with this filing. In most of the states where Triangle Insurance Company writes this coverage we are filing a \$3,500 deductible on the policy, which affects these two forms. However, due to slightly better loss experience in Arkansas we had elected to use a \$2,500 deductible in Arkansas. Forms PCPC 020A and PCPC 050A were created for use in Arkansas, with the lower deductible on these editions of the forms. I'm sorry I over looked this when attaching the forms to this filing

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Tri-Cot Cotton Products Floater	PCPC 020A	0708	Policy/Coverage Form	Replaced	PCPC 020 0708	same		PCPC020A 0708 Tri-Cot Coverage.doc
Field cotton Coverage Endorsement	PCPC 050A	0708	Endorsement/Conditions	Replaced	PCPC 050 0708	same		PCPC050A 0708 Field Coton Coverage End..doc

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 TOI: 09.0 Inland Marine Sub-TOI: 09.0005 Other Commercial Inland Marine
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 Project Name/Number: 2008 Forms Update/TCT08-001F

Amendment Letter

Amendment Date:
 Submitted Date: 04/03/2008

Comments:

While reviewing this filing with one of the states we found a couple of errors on one of the endorsements submitted with this filing. Corrections were made to form PCPC 050 0708. Under Item 8, in the last sentence of the last paragraph, the number \$50,00 was corrected to read \$30,000. This was a typo. Also, item 9, was added to this form. This item was left off the copy that was submitted with the original filing as we accidentally submitted an earlier version, without this last addition to the form.

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Field Cotton Coverage Ednorsement	PCPC 050	0708	Endorsement/Amendment/Conditions	Replaced	same	smae		PCPC050 0708 Field Coton Coverage End..doc

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 TOI: 09.0 Inland Marine Sub-TOI: 09.0005 Other Commercial Inland Marine
 Product Name: Tri-Cot Cotton Products Floater
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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Tri-Cot Cotton Products Floater	PCPC 020	0708	Policy/Coverage Form Replaced	Replaced Form #:0.00 PCPC 020 0706 Previous Filing #:		PCPC020 0708 Tri-Cot Coverage.pdf PCPC020 0708 Tri-Cot Coverage comparison. pdf
Approved	Moudle Covering Devices - Increased Limit	PCTC 014	0708	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 PCTC 014 0706 Previous Filing #:		PCPC014 0708 Covering device increased limits.pdf
Approved	Field Cotton Coverage Endorsement	PCPC 050	0708	Endorsement/Amendment/Conditions New		0.00	PCPC050 0708 Field Cotton Coverage End..pdf
Approved	Field Cotton Wind Coverage Endorsement	PCPC 051	0708	Endorsement/Amendment/Conditions New		0.00	PCPC 051 0708 Field Cotton Wind Covg. End..pdf
Approved	Non-Owned cotton Trailers Coverage Ednorsement	PCPC 052	0708	Endorsement/Amendment/Conditions New		0.00	PCPC 052 0708 NonOwned Cotton Trailers Covg..pdf
Approved	Seed Premium Payment	PCPC 060	0708	Endorsement/Amendment New		0.00	PCPC 060 0708 Seed

SERFF Tracking Number: TRGL-125582794 State: Arkansas
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 Project Name/Number: 2008 Forms Update/TCT08-001F

Endorsement	ent/Condi ons	Premium Payment End..pdf
Approved Field Cotton Coverage Ednorsement PCPC 0500708	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #: PCPC050 0708 Field Coton Coverage End..doc Previous Filing #: same
Approved Tri-Cot Cotton Products Floater PCPC 020A 0708	Policy/CoveReplaced rage Form	Replaced Form #: PCPC 020 0708 Coverage.do c Previous Filing #: same
Approved Field cotton Coverage Endorsement PCPC 050A 0708	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #: PCPC 050 0708 Field Coton Coverage End..doc Previous Filing #: same
Approved Appraisal - Arkansas PCP 065 0708	Endorseme New nt/Amendm ent/Condi ons	PCPC 065 0708 Appraisal - Arkansas.do c

TRI-COT

Cotton Products Floater

1. **Property Covered:** Raw seed cotton, mill run cotton seed, **baled cotton**, bagging, ties and module **covering devices** while on the **insured's premises** described in the Declarations. Limits of insurance on **property** covered are set out under Paragraph 5. Limits of Liability Schedule.
2. **Property Excluded:** This policy specifically excludes any coverage on bagged cotton planting seed, cotton burrs and dust, unbaled cotton motes, owned or non-owned cotton trailers, and cotton harvesting equipment.
3. **Perils Covered:** **We** insure the **property** covered against all risk of physical **loss** unless limited in Section 4. Exclusions.
4. Exclusions:

This policy does not insure against:

- a. **Loss** or damage caused by hurricane.
- b. **Loss** or damage caused by other tropical storms.
- c. **Loss** or damage caused by tornado, unless modules and trailers are covered by a tarp or netting.
- d. **Loss** or damage caused by wind or windstorm, unless modules and trailers are covered by a tarp or netting.
- e. **Loss** or damage to seed cotton, including loss of grade, caused by rain, hail, ice or snow whether wind driven or not, rising water, and/or flood.
- f. **Loss** or damage caused by or resulting from wetness or dampness, loss of grade or being spotted, barky, grassy, discolored, molded, rusted, frosted, rotted, soured, steamed, contaminated or changed in character, or any other country damage.
- g. **Loss** or damage to cotton in process of being ginned. However, this exclusion does not apply to loss or damage to cotton caused by fire, while the cotton is in the process of being ginned.
- h. **Loss** to seed in process of delinting.
- i. **Loss** or damage by mysterious disappearance.
- j. **Loss** caused by fraudulent, dishonest, intentional or criminal act by **you**, or by any of **your** partners, officers, directors, trustees, employees or joint ventures. This exclusion also applies to any other person who is lawfully in possession of the **property**.
- k. **Loss** or damage caused by or resulting from delay or loss of market.
- l. **Loss** or damage caused by war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

In no case shall this insurance cover **loss**, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- (1) Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (2) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

- (3) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

However, if a fire arises directly or indirectly from one or more of the causes detailed in Subclauses I. (1) and I. (2) above, then any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, excluding, however, any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

- m. **Loss** or damage caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such **occurrence** or disorder. This clause shall not exclude **loss** or damage by fire resulting from any such **occurrence** or disorder.
- n. **Loss**, claim or liability arising from the movement or functioning of fire apparatus or members of a fire department, or any **accident** arising out of the performance of service for **you** by any fire department.
- o. Pollution
- (1) **Loss** which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants** at any time.
- (2) **Pollution cost or expense.**
- p. **Loss** or damage caused by or related to the presence, growth, proliferation, spread or any activity of any **fungi**, wet rot, dry rot or bacteria. This exclusion does not apply when **fungi**, wet or dry rot or bacteria results from fire or lightning.

Loss or damage caused by the perils excluded above is excluded regardless of any other cause or event that contributes concurrently or in sequence to such **loss** damage or expense,

5. Limits of Liability Schedule: Unless otherwise endorsed hereto, it is a condition of this policy that the limits of liability per any one **loss** to which this insurance applies shall not exceed:
- a. \$2,400,000 aggregate limit of liability under this policy for any one **occurrence**.
- b. \$200,000 on seed cotton and covering devices on trailers or in modules subject to Paragraph 8.a. per **yard** (Clear Space Warrantee - **Yard** Warrantee)
- c. \$50,000 on **property** in transit.
- d. \$200,000 on **baled cotton** temporarily stored on gin premises.
- e. \$50,000 on mill run cotton seed on gin **premises**.
- f. \$50,000 on **loss of Ginning Income**. We will pay for the actual **loss of Ginning Income** you sustain due to direct physical **loss** of or damage to raw seed cotton, at **your premises** described in the declarations, caused by or resulting from a covered cause of **loss** in accordance with paragraph 10. **Loss of Ginning Income**.
- g. \$100,000 on bagging and ties located on any gin **premises** of the **Insured**.
- h. \$25,000 on expenses incurred in the removal of debris of **property** covered which may be occasioned by **loss** caused by any of the perils insured against in the policy. Debris Removal coverage does not apply to the cost to extract **pollutants** from land or water, or to remove, restore or replace polluted land or water.
- i. \$ 5,000 fire department service charge to cover **your** liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a peril insured against.
- j. \$5,000 on clean baled notes on the gin premises.
- k. \$100,000 on module **covering devices** in storage on **your** gin **premises**.

6. Attachment and Termination of Coverage:

a. Raw Products

Coverage commences on raw products, subject to the limits of 5. Limits of Liability Schedule above, at the earliest of:

- (1) When the raw product is in transit to the **Named Insured's gin premises**, when such product is under the care, custody and control of the **Named Insured**, employees of the **Named Insured**, or others contracted to transport such product by and for the **Named Insured**; or
- (2) When the product is on the **Named Insured's premises**, except when such product is in the care, custody and control of someone other than the **Named Insured**, employees of the **Named Insured**, or others contracted to transport such product by and for the **Named Insured**.

Coverage on lint cotton and seed is suspended during the ginning process except for losses caused by fire. This does not apply to cotton in module feeders. Coverage commences upon exit of the finished bale from the press box and seed from the gin. Coverage remains in full force and effect while on the **Named Insured's gin premises** and:

- (1) for **baled cotton** until:
 - (a) delivered to compress for storage; or
 - (b) delivered to the first storage location including storage locations owned or leased by **you**; or
 - (c) transported outside of a 300 mile radius of the gin; or
 - (d) 10 days after the bale was ginned; or
 - (e) the policy expires; whichever comes first.
- (2) for cotton seed until:
 - (a) delivered to oil mill for processing; or
 - (b) delivered to the first storage location including storage locations owned or leased by **you**, ; or
 - (c) transported outside of a 300 mile radius of the gin; or
 - (e) the policy expires; whichever comes first.

7. Deductible Clause: In consideration of the rate at which this policy is written, it is a condition of this insurance that the following deductible will apply to all **loss** caused by an **occurrence**, unless amended by an endorsement attached to this policy:

The **Insured** shall bear the first Three Thousand, Five Hundred Dollars (\$3,500) of each and every **loss** insured hereunder.

8. Clear Space Warrantee.

a. **Yard** Warrantee

Each **yard** will be separated by at least 100 feet of clear space with no more than six **yards** at any one **location**.

Each **location** will be separated by at least 300 feet of clear space. A maximum of two **locations** is allowed unless specifically endorsed hereon.

Burr , trash or dust storage piles will be separated by at least 300 feet of clear space from a **yard** and 100' of clear space from gin or warehouse buildings. This separation requirement does not apply to burr boxes, seed boxes, dust cyclones or similar equipment.

Round **modules** will not be stacked more than two (2) modules high.

Yards will be on hard surface or bare ground, or if on grass or other ground cover, such grass or ground cover will be maintained to prevent the spread of fire. **Yards** will not be directly within a field of growing crops or CRP fields.

With respect to the **Insured's** warranties in this paragraph, the **Insured** hereby grants and gives permission to the **Company** and/or their Agent to examine **yards** at any time for compliance.

Any violation of the Clear Space Warranties shall cause all **yards** in violation to be considered one **yard** for the purpose of determining the limit of liability. If **you** are in violation of the Clear Space Warranties at the time of **loss**, the limit of liability shall not exceed \$200,000 in total, for all yards that are in violation of the clear space warranty.

9. Valuation Clause:

a. Seed Cotton: In event of **loss** to seed cotton or baled cotton, the **actual cash value** provided for by this insurance shall be: (1) the current Commodity Credit Corporation loan value or (2) the nearest USDA Spot Market Quotation at the time of loss whichever may be higher. For **losses** occurring when no daily USDA Spot Market Quotation is published the next published quotation shall be used.

Cottonseed contained in **losses** to Seed Cotton shall not be considered in valuing the **loss**. Likewise, no deductions will be made for expenses (ginning, hauling, etc.) that would have been charged, had no **loss** occurred.

b. Cottonseed: In the event of **loss** to mill run cottonseed, the **actual cash value** provided for by this insurance shall be the market value as commercial whole cottonseed. This value shall be the current value reported for Whole Cottonseed obtained from the USDA Memphis Weekly Feedstuffs Prices Report.

10. **Loss of Ginning Income:**

a. The most **we** will pay for **loss** of **Ginning Income** in any one **occurrence** is the applicable limit of insurance shown in paragraph 5. Limits of Liability Schedule subpart f.

b. **Loss Determination**

The amount of **Ginning Income loss** will be determined based on:

(1) The Net Income earned per bale of cotton before the direct physical loss or damage occurred;

(2) The likely Net Income earned per bale of cotton if no loss or damage occurred; and

(3) Other relevant sources of information, including;

(a) **Your** financial records and accounting procedures;

(b) Bill, invoices and other vouchers; and

(c) Deeds, liens or contracts.

c. **Loss Payment**

We will pay for covered **loss** within 30 days after **we** receive the sworn statement of **loss**, if:

(1) **You** have complied with all of the terms of this Coverage Part; and

(2) **We** have reached agreement with **you** on the amount of **loss**; or an appraisal award has been made.

d. **We** will reduce the amount of **Ginning Income loss** to the extent **you** can use damaged raw seed cotton.

11. Abandonment: There can be no abandonment of any **property** to **us**.

12. Duties in The Event of **Loss**:

You must see that the following is done in the event of **loss**:

- a. Notify the police if a law may have been broken.
- b. Give **us** notice of direct physical **loss** or damage WITHIN 72 HOURS OF THE OCCURRENCE. Include a description of the **property** involved.
- c. As soon as possible, give **us** a description of how, when, and where the direct physical **loss** or damage occurred.
- d. Take all reasonable steps to protect the **property** from further damage. If feasible, set the damaged **property** aside and in the best possible order for examination. Also keep a record of **your** expenses, for consideration in the settlement of the claim.
- e. Permit **us** to inspect the **property** and records proving the **loss**.
- f. If requested, permit **us** to question **you** under oath at such times as may be reasonably required about any matter relating to this insurance or **your** claim, including **your** books and records. In such event, **your** answers must be signed.
- g. Send **us** a signed, sworn statement of **loss** containing the information **we** request to settle the claim. **You** must do this within 60 days after **our** request. **We** will supply **you** with the necessary forms.

13. Other Insurance: It is understood and agreed that the insurance granted herein shall be primary unless a cotton producer's crop, farmowners or other insurance policy is applicable to the property then this insurance shall be excess. If at the time of the **loss**, there is other insurance written in the name of the **Insured** upon the same plan, terms, conditions and provisions as contained in this policy, this policy shall be liable for no greater proportion of any **loss** than the amount of insurance under this policy bears to the whole amount of insurance covering such **loss**:
14. Bailee Clause: This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.
15. Sue and Labor: In case of **loss** or damage it shall be lawful and necessary for the **Insured**, their factors, servants or assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the **property** insured hereunder, or any part thereof, without prejudice to this insurance; nor shall the **acts** of the **Insured** or the **Company** in recovering, saving, and preserving the **property** insured in case of **loss** or damage, be considered a waiver or acceptance of an abandonment; to the charges whereof, the **Company** will contribute according to the rate and quantity of the sum herein insured. The use of general terms or of anything less than a distinct, specified agreement, clearly expressed and endorsed in this policy shall not be construed as a waiver of any printed or written condition or restriction herein contained.
16. **Company's** Right to Institute Legal Proceedings in Name of **Insured**: It is expressly agreed that upon payment of any **loss** or advancement or loan of money concerning the same, that the **Insured** will at the request and expense of the **Company**, and through such counsel as the **Company** may designate, make claim upon and institute legal proceedings against any carrier, bailee, or other parties believed to be liable for such **loss**, and will use all proper and reasonable means to recover the same.
17. Impairment of Carrier's Liability: Any act or agreement by the **Insured**, prior or subsequent hereto, whereby any right of the **Insured** to recover the full value of, or amount of damage to any **property** lost or injured and insured hereunder, against any carrier, bailee or other party liable therefore, is released, impaired or lost, shall render this policy null and void, but the **Insured's** right to retain or recover the premium shall not be affected. The **Company** is not liable for any **loss** or damage which, without its consent, has been settled or compromised by the **Insured**.
18. Subrogation Clause: In the event of any payment under this policy the **Company** shall be subrogated to all the **Insured's** rights of recovery against any person or organization and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.
19. Misrepresentation and Fraud Clause: This policy shall be void if the **Insured** has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in case of any fraud, attempted

fraud or false swearing by the **Insured** touching any matter related to this insurance or the subject thereof, whether before or after a **loss**.

20. Cancellation:

- a. The first named **Insured** shown in the declarations may cancel this policy by mailing or delivering to **us** advance written notice of cancellation.
- b. **We** may cancel this policy by mailing or delivering to the first named **Insured** written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- c. **We** will mail or deliver our notice to the first Named **Insured's** last mailing address known to **us**.
- d. Notice of cancellation will state the effective date of cancellation. This policy period will end on that date.
- e. If notice is mailed, proof of mailing will be sufficient proof of notice.

21. Taxes: The **Insured** represents and warrants all Federal and all other taxes and assessments on cotton covered under this policy have either been paid or the **Company** will be held harmless; in the event of **loss** or damage under this policy, as to such taxes and/or assessments.

22. Reports And Premiums:

- a. The **Insured** shall make a report of the total number of bales ginned during the season 30 days after the ginning season is completed. The premium earned shall be the total number of bales ginned plus bales lost prior to ginning due to a covered **loss** under this policy times the rate per bale shown on the Rate and Premium Endorsement.
- b. In the event this policy is cancelled at the request of the **Insured** during the ginning season, the **Insured** shall immediately furnish a report showing the number of bales ginned to date of cancellation and the premium shall be adjusted in accordance with this provision, subject to the minimum. annual earned premium provisions contained elsewhere in this policy.

23. Records: It is warranted that the **Insured** will make and at all times preserve an accurate record of all seed cotton, **baled cotton**, cotton seed and bagging and ties showing from whom purchased, to whom sold, date of transaction, weights and classification in such manner that the **Company** can accurately determine the amount of any **loss**. Such records shall be open at all times to the inspection of an authorized representative of the **Company** upon request.

24. Expiration: Under the policy, **we** will cover **losses** occurring:

- a. During the policy period shown on the declaration page except for those limitation described in 6. Termination of Coverages; and
- b. Within the Coverage Territory

The coverage territory is limited to within a 300 mile radius of the gin premises and includes:

1. The United States of America;
2. Puerto Rico; and
3. Canada.

25. Changes:

This policy contains all the agreements between **you** and **us** concerning the insurance afforded. The first Named **Insured** shown in the Declarations is authorized to make changes in the terms of this policy with **our** consent. This policy's terms can be amended or waived only by endorsement issued by **us** and made a part of this policy.

26. Inspections And Surveys:

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give **you** reports on the conditions **we** find; and
3. Recommend changes.

Any inspections, surveys, reports, or recommendations relate only to insurability and premiums to be charged. **We** do not make safety inspections. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And **we** do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports, or recommendations.

27. Premiums:

The first Named **Insured** shown in the Declarations:

1. Is responsible of the payment of all premiums; and
2. Will be the payee for any return premiums **we** pay.

28. Transfer Of **Your** Rights And Duties Under This Policy:

Your rights and duties under this policy may not be transferred without **our** written consent except in the case of death of an individual named **insured**.

If **you** die, **your** rights and duties will be transferred to **your** legal representative but only while acting within the scope of duties as **your** legal representative. Until **your** legal representative is appointed, anyone having proper temporary custody of **your property** will have **your** rights and duties but only with respect to that **property**.

29. Appraisal:

If **we** and **you** disagree on the value of the **property** or the amount of **loss**, either party may make written demand for an appraisal of the **loss**. In this event, only the party which demanded the appraisal will be bound by the results of the appraisal.

Each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days after written demand for an appraisal has been made. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, then, at the request of either **you** or **us**, and after notice of hearing to the nonrequesting party by certified mail, selection of the umpire will be made by a judge of a district court in the county where the **loss** occurred. The appraisers will state separately the value of the **property** and amount of **loss**. If the appraisers submit a written report of agreement to **us**, the amounts agreed upon will be the value of the **property** and the amount of **loss** and will be binding on the party that demanded the appraisal. If the appraisers fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding on the party that demanded the appraisal. Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, **we** will still retain **our** right to deny the claim.

30. Policy Definitions:

- a. **Accident** means a sudden unforeseen or unintended event.
- b. **Actual cash value** means the replacement cost of the **property** damaged or destroyed at the time of **loss** less depreciation.

- c. **Baled cotton** means **baled cotton**, baled motes, and baled remnants.
- d. **Company**. See definition for **we**, **us**, and **our**.
- e. **Covering devices** means tarps, netting, straps, and pins used to cover raw seed cotton modules and trailers filled with raw seed cotton. **Covering devices** do not include round bale coverings or wrapping.
- f. **Flood** means an overflow of streams, or other bodies of water. It also means surface water; waves; tidal water or tidal waves; or spray from any of the above. This shall be true whether the above are driven by wind or not, or whether caused by or attributed to earthquake, or other earth movement.
- g. **Fungi** means any type of or form of fungus, including mold, mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
- h. **Group** of modules, for the purpose of the warranties in this policy, shall mean no more than five (5) modules or cotton trailers.
- i. **Ginning Income** means the Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred had a covered loss to raw seed cotton not occurred.
- j. **Insured** means the person, organization or other entity named in the Declarations of the policy. **Insured** may include the **named insured's** employees, but only while those employees are acting in the course of and scope of their employment for the **named insured**.
- k. **Location** means for the purpose of the warranties in this policy, a grouping of modules, on the **insured's** premises described in the Declarations, not to exceed six (6) **yards** and surrounded by at least 300' of clear space.
- l. **Loss** means direct and accidental **loss** or damage.
- m. **Module** means seed cotton compacted in a module builder for the purpose of transportation and storage. Two smaller modules produced by the Case IH Module Express™ cotton picker will be considered equal to one module for coverage and warranty purposes under this coverage form. Four round modules produced by the John Deere 7760™ cotton picker or similar equipment will be considered equal to one module for coverage and warranty purposes under this coverage form.
- n. **Named Insured** means the person, organization or entity named in the policy Declarations of the policy. Throughout the policy, **Named Insured** is also referred to as **you** and **your**.
- o. **Occurrence** means an **accident**, including continuous or repeated exposure to substantially the same general harmful conditions.
- p. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste include materials to be recycled, reconditioned, or reclaimed.
- q. **Pollution cost or expense** means any cost or expense arising out of any:
 - (1) request, demand, or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (2) request, demand, order, claim or suit by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.
- r. **Premises** means the land and buildings owned or leased by the **Named Insured** at each **location**.
- s. **Property** means tangible possessions, whether real or personal.
- t. **Theft** means the felonious taking and removing of **property** with intent to deprive the rightful owner of it.

- u. **We, us, and our** means the insurance company named in the policy. For purposes of this insurance, the words, **we, us** and **our** refer only to the company so named. In no case do they refer to the company together with any person, organization or other entity.
- v. **Yard** means for the purpose of the warranties in this policy, a grouping of modules, on the **insured's** premises that is described in the Declarations, surrounded by at least 100' of clear space.
- w. **You and your** means the **Named Insured**.

TRI-COT

Cotton Products Floater

- Property Covered:** Raw seed cotton, mill run cotton seed, **baled cotton**, bagging, ties, and module covering devices while on the insured's premises described in the Declarations. Limits of insurance on **property** covered are set out under Paragraph 5. Limits of Liability Schedule.
- Property Excluded:** This policy specifically excludes any coverage on bagged cotton planting seed, cotton burrs and dust, unbaled cotton notes, owned or non-owned cotton trailers, and cotton harvesting equipment.
- Perils Covered: **We** insure the **property** covered against all risk of physical **loss** unless limited in Section 4. Exclusions.
- Exclusions:

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This policy does not insure against:

- Loss or damage caused by hurricane.
- Loss or damage caused by other tropical storms.
- Loss or damage caused by tornado, unless modules and trailers are covered by a tarp or netting.
- Loss or damage caused by wind or windstorm, unless modules and trailers are covered by a tarp or netting.
- Loss or damage to seed cotton, including loss of grade, caused by rain, hail, ice or snow whether wind driven or not, rising water, and/or flood.
- Loss or damage caused by or resulting from wetness or dampness, loss of grade or being spotted, barky, grassy, discolored, molded, rusted, frosted, rotted, soured, steamed, contaminated or changed in character, or any other country damage.
- Loss or damage to cotton in process of being ginned. However, this exclusion does not apply to loss or damage to cotton caused by fire, while the cotton is in the process of being ginned.
- Loss to seed in process of delinting.
- Loss or damage by mysterious disappearance.
- Loss caused by fraudulent, dishonest, intentional or criminal act by you, or by any of your partners, officers, directors, trustees, employees or joint ventures. This exclusion also applies to any other person who is lawfully in possession of the property.
- Loss or damage caused by or resulting from delay or loss of market.
- Loss or damage caused by war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

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In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

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- (1) Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (2) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

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(3) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

However, if a fire arises directly or indirectly from one or more of the causes detailed in Subclauses l (1) and l (2) above, then any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, excluding, however, any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

m. **Loss** or damage caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such **occurrence** or disorder. This clause shall not exclude **loss** or damage by fire resulting from any such **occurrence** or disorder.

n. **Loss**, claim or liability arising from the movement or functioning of fire apparatus or members of a fire department, or any **accident** arising out of the performance of service for **you** by any fire department.

o. **Pollution**

(1) **Loss** which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants** at any time.

(2) **Pollution cost or expense.**

p. **Loss** or damage caused by or related to the presence, growth, proliferation, spread or any activity of any **fungi, wet rot, dry rot or bacteria**. This exclusion does not apply when **fungi, wet or dry rot or bacteria** results from **fire or lightning**.

Loss or damage caused by the perils excluded above is excluded regardless of any other cause or event that contributes concurrently or in sequence to such **loss** damage or expense.

5. Limits of Liability Schedule: Unless otherwise endorsed hereto, it is a condition of this policy that the limits of liability per any one **loss** to which this insurance applies shall not exceed:

a. \$2,400,000 aggregate limit of liability under this policy for any one **occurrence**.

b. \$200,000 on seed cotton and covering devices on trailers or in modules subject to Paragraph 8 **a**. per **yard** (Clear Space Warrantee - **Yard** Warrantee)

c. \$50,000 on **property** in transit.

d. \$200,000 on **baled cotton** temporarily stored on gin premises.

e. \$50,000 on mill run cotton seed on gin **premises**.

f. \$50,000 on **loss of Ginning Income**. We will pay for the actual **loss of Ginning Income** you sustain due to direct physical **loss** of or damage to raw seed cotton, **at your premises** described in the **declarations**, caused by or resulting from a covered cause of **loss** in accordance with paragraph 10. **Loss of Ginning Income**.

g. \$100,000 on bagging and ties located on any gin **premises** of the **Insured**.

h. \$25,000 on expenses incurred in the removal of debris of **property** covered which may be occasioned by **loss** caused by any of the perils insured against in the policy. Debris Removal coverage does not apply to the cost to extract **pollutants** from land or water, or to remove, restore or replace polluted land or water.

i. \$ 5,000 fire department service charge to cover **your** liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a peril insured against.

j. \$5,000 on clean baled notes on the gin premises.

k. \$100,000 on module **covering devices** in storage on **your** gin **premises**.

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6. Attachment and Termination of Coverage:

a. Raw Products

Coverage commences on raw products, subject to the limits of 5. Limits of Liability Schedule above, at the earliest of:

(1) When the raw product is in transit to the Named Insured's gin premises, when such product is under the care, custody and control of the Named Insured, employees of the Named Insured, or others contracted to transport such product by and for the Named Insured; or

(2) When the product is on the Named Insured's premises, except when such product is in the care, custody and control of someone other than the Named Insured, employees of the Named Insured, or others contracted to transport such product by and for the Named Insured.

Coverage on lint cotton and seed is suspended during the ginning process except for losses caused by fire. This does not apply to cotton in module feeders. Coverage commences upon exit of the finished bale from the press box and seed from the gin. Coverage remains in full force and effect while on the Named Insured's gin premises and:

(1) for **baled cotton** until:

- (a) delivered to compress for storage; or
- (b) delivered to the first storage location including storage locations owned or leased by you; or
- (c) transported outside of a 300 mile radius of the gin; or
- (d) 10 days after the bale was ginned; or
- (e) the policy expires; whichever comes first.

(2) for cotton seed until:

- (a) delivered to oil mill for processing; or
- (b) delivered to the first storage location including storage locations owned or leased by you; or
- (c) transported outside of a 300 mile radius of the gin; or
- (e) the policy expires; whichever comes first.

7. Deductible Clause: In consideration of the rate at which this policy is written, it is a condition of this insurance that the following deductible will apply to all loss caused by an occurrence, unless amended by an endorsement attached to this policy:

The Insured shall bear the first Three Thousand Five Hundred Dollars (\$3,500) of each and every loss insured hereunder.

8. Clear Space Warrantee.

a. Yard Warrantee

Each yard will be separated by at least 100 feet of clear space with no more than six yards at any one location.

Each location will be separated by at least 300 feet of clear space. A maximum of two locations is allowed unless specifically endorsed hereon.

Burr, trash or dust storage piles will be separated by at least 300 feet of clear space from a yard and 100' of clear space from gin or warehouse buildings. This separation requirement does not apply to burr boxes, seed boxes, dust cyclones or similar equipment.

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Round modules will not be stacked more than two (2) modules high.

Yards will be on hard surface or bare ground, or if on grass or other ground cover, such grass or ground cover will be maintained to prevent the spread of fire. Yards will not be directly within a field of growing crops or CRP fields.

With respect to the Insured's warranties in this paragraph, the Insured hereby grants and gives permission to the Company and/or their Agent to examine yards at any time for compliance.

Any violation of the Clear Space Warranties shall cause all yards in violation to be considered one yard for the purpose of determining the limit of liability. If you are in violation of the Clear Space Warranties at the time of loss, the limit of liability shall not exceed \$200,000 in total, for all yards that are in violation of the clear space warranty.

9. Valuation Clause:

a. Seed Cotton: In event of loss to seed cotton or baled cotton, the actual cash value provided for by this insurance shall be: (1) the current Commodity Credit Corporation loan value or (2) the nearest USDA Spot Market Quotation at the time of loss whichever may be higher. For losses occurring when no daily USDA Spot Market Quotation is published the next published quotation shall be used.

Cottonseed contained in losses to Seed Cotton shall not be considered in valuing the loss. Likewise, no deductions will be made for expenses (ginning, hauling, etc.) that would have been charged, had no loss occurred.

b. Cottonseed: In the event of loss to mill run cottonseed, the actual cash value provided for by this insurance shall be the market value as commercial whole cottonseed. This value shall be the current value reported for Whole Cottonseed obtained from the USDA Memphis Weekly Feedstuffs Prices Report.

10. Loss of Ginning Income:

a. The most we will pay for loss of Ginning Income in any one occurrence is the applicable limit of insurance shown in paragraph 5. Limits of Liability Schedule subpart f.

b. Loss Determination

The amount of Ginning Income loss will be determined based on:

- (1) The Net Income earned per bale of cotton before the direct physical loss or damage occurred;
- (2) The likely Net Income earned per bale of cotton if no loss or damage occurred; and
- (3) Other relevant sources of information, including;
 - (a) Your financial records and accounting procedures;
 - (b) Bill, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

c. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn statement of loss, if:

- (1) You have complied with all of the terms of this Coverage Part; and
- (2) We have reached agreement with you on the amount of loss; or an appraisal award has been made.

d. We will reduce the amount of Ginning Income loss to the extent you can use damaged raw seed cotton.

11. Abandonment: There can be no abandonment of any property to us.

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12. Duties in The Event of Loss:

You must see that the following is done in the event of loss:

- a. Notify the police if a law may have been broken.
- b. Give us notice of direct physical loss or damage WITHIN 72 HOURS OF THE OCCURRENCE. Include a description of the property involved.
- c. As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- d. Take all reasonable steps to protect the property from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses, for consideration in the settlement of the claim.
- e. Permit us to inspect the property and records proving the loss.
- f. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
- g. Send us a signed, sworn statement of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

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- 13. Other Insurance: It is understood and agreed that the insurance granted herein shall be primary unless a cotton producer's crop, farmowners or other insurance, policy is applicable to the property then this insurance shall be excess. If at the time of the loss, there is other insurance written in the name of the Insured upon the same plan, terms, conditions and provisions as contained in this policy, this policy shall be liable for no greater proportion of any loss than the amount of insurance under this policy bears to the whole amount of insurance covering such loss:

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- 14. Bailee Clause: This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

- 15. Sue and Labor: In case of loss or damage it shall be lawful and necessary for the Insured, their factors, servants or assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance; nor shall the acts of the Insured or the Company in recovering, saving, and preserving the property insured in case of loss or damage, be considered a waiver or acceptance of an abandonment; to the charges whereof, the Company will contribute according to the rate and quantity of the sum herein insured. The use of general terms or of anything less than a distinct, specified agreement, clearly expressed and endorsed in this policy shall not be construed as a waiver of any printed or written condition or restriction herein contained.

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- 16. Company's Right to Institute Legal Proceedings in Name of Insured: It is expressly agreed that upon payment of any loss or advancement or loan of money concerning the same, that the Insured will at the request and expense of the Company, and through such counsel as the Company may designate, make claim upon and institute legal proceedings against any carrier, bailee, or other parties believed to be liable for such loss, and will use all proper and reasonable means to recover the same.

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- 17. Impairment of Carrier's Liability: Any act or agreement by the Insured, prior or subsequent hereto, whereby any right of the Insured to recover the full value of, or amount of damage to any property lost or injured and insured hereunder, against any carrier, bailee or other party liable therefore, is released, impaired or lost, shall render this policy null and void, but the Insured's right to retain or recover the premium shall not be affected. The Company is not liable for any loss or damage which, without its consent, has been settled or compromised by the Insured.

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- 18. Subrogation Clause: In the event of any payment under this policy the Company shall be subrogated to all the Insured's rights of recovery against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

- 19. Misrepresentation and Fraud Clause: This policy shall be void if the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in case of any fraud, attempted

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fraud or false swearing by the **Insured** touching any matter related to this insurance or the subject thereof, whether before or after a **loss**.

20. Cancellation:

- a. The first named **Insured** shown in the declarations may cancel this policy by mailing or delivering to **us** advance written notice of cancellation.
- b. **We** may cancel this policy by mailing or delivering to the first named **Insured** written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- c. **We** will mail or deliver our notice to the first Named **Insured's** last mailing address known to **us**.
- d. Notice of cancellation will state the effective date of cancellation. This policy period will end on that date.
- e. If notice is mailed, proof of mailing will be sufficient proof of notice.

21. Taxes: The **Insured** represents and warrants all Federal and all other taxes and assessments on cotton covered under this policy have either been paid or the **Company** will be held harmless; in the event of **loss** or damage under this policy, as to such taxes and/or assessments.

22. Reports And Premiums:

- a. The **Insured** shall make a report of the total number of bales ginned during the season 30 days after the ginning season is completed. The premium earned shall be the total number of bales ginned plus bales lost prior to ginning due to a covered **loss** under this policy times the rate per bale shown on the Rate and Premium Endorsement.
- b. In the event this policy is cancelled at the request of the **Insured** during the ginning season, the **Insured** shall immediately furnish a report showing the number of bales ginned to date of cancellation and the premium shall be adjusted in accordance with this provision, subject to the minimum. annual earned premium provisions contained elsewhere in this policy.

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23. Records: It is warranted that the **Insured** will make and at all times preserve an accurate record of all seed cotton, **baled cotton**, cotton seed and bagging and ties showing from whom purchased, to whom sold, date of transaction, weights and classification in such manner that the **Company** can accurately determine the amount of any **loss**. Such records shall be open at all times to the inspection of an authorized representative of the **Company** upon request.

24. Expiration: Under the policy, **we** will cover **losses** occurring:

- a. During the policy period shown on the declaration page except for those limitation described in 6. Termination of Coverages; and

b. Within the Coverage Territory

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The coverage territory is limited to within a 300 mile radius of the gin premises and includes:

- 1. The United States of America;
- 2. Puerto Rico; and
- 3. Canada.

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25. Changes:

This policy contains all the agreements between **you** and **us** concerning the insurance afforded. The first Named **Insured** shown in the Declarations is authorized to make changes in the terms of this policy with **our** consent. This policy's terms can be amended or waived only by endorsement issued by **us** and made a part of this policy.

26. Inspections And Surveys:

We have the right but are not obligated to:

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1. Make inspections and surveys at any time;
2. Give **you** reports on the conditions **we** find; and
3. Recommend changes.

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Any inspections, surveys, reports, or recommendations relate only to insurability and premiums to be charged. **We** do not make safety inspections. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And **we** do not warrant that conditions:

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1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports, or recommendations.

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27. Premiums:

The first Named **Insured** shown in the Declarations:

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28. Transfer Of **Your** Rights And Duties Under This Policy:

Your rights and duties under this policy may not be transferred without **our** written consent except in the case of death of an individual named **insured**.

If **you** die, **your** rights and duties will be transferred to **your** legal representative but only while acting within the scope of duties as **your** legal representative. Until **your** legal representative is appointed, anyone having proper temporary custody of **your property** will have **your** rights and duties but only with respect to that **property**.

29. Appraisal:

If **we** and **you** disagree on the value of the **property** or the amount of **loss**, either party may make written demand for an appraisal of the **loss**. In this event, only the party which demanded the appraisal will be bound by the results of the appraisal.

Each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days after written demand for an appraisal has been made. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, then, at the request of either **you** or **us**, and after notice of hearing to the nonrequesting party by certified mail, selection of the umpire will be made by a judge of a district court in the county where the **loss** occurred. The appraisers will state separately the value of the **property** and amount of **loss**. If the appraisers submit a written report of agreement to **us**, the amounts agreed upon will be the value of the **property** and the amount of **loss** and will be binding on the party that demanded the appraisal. If the appraisers fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding on the party that demanded the appraisal. Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, **we** will still retain **our** right to deny the claim.

30. Policy Definitions:

- a. **Accident** means a sudden unforeseen or unintended event.
- b. **Actual cash value** means the replacement cost of the **property** damaged or destroyed at the time of **loss** less depreciation.

- c. **Baled cotton** means **baled cotton**, baled motes, and baled remnants.
- d. **Company**. See definition for **we**, **us**, and **our**.
- e. **Covering devices** means tarps, netting, straps, and pins used to cover raw seed cotton modules and trailers filled with raw seed cotton. **Covering devices do not include round bale coverings or wrapping.**
- f. **Flood** means an overflow of streams, or other bodies of water. It also means surface water; waves; tidal water or tidal waves; or spray from any of the above. This shall be true whether the above are driven by wind or not, or whether caused by or attributed to earthquake, or other earth movement.
- g. **Fungi** means any type of or form of fungus, including mold, mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
- h. **Group of modules, for the purpose of the warranties in this policy, shall mean no more than five (5) modules or cotton trailers.**
- i. **Ginning Income** means the Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred had a covered loss to raw seed cotton not occurred.

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j. Insured means the person, organization or other entity named in the Declarations of the policy. **Insured** may include the **named insured's** employees, but only while those employees are acting in the course of and scope of their employment for the **named insured**.

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k. Location means for the purpose of the warranties in this policy, a grouping of modules, on the **insured's** premises described in the Declarations, not to exceed six (6) **yards** and surrounded by at least 300' of clear space.

l. Loss means direct and accidental **loss** or damage.

m. Module means seed cotton compacted in a module builder for the purpose of transportation and storage. Two smaller modules produced by the Case IH Module Express™ cotton picker will be considered equal to one module for coverage and warranty purposes under this coverage form. Four round modules produced by the John Deere 7760™ cotton picker or similar equipment will be considered equal to one module for coverage and warranty purposes under this coverage form.

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n. Named Insured means the person, organization or entity named in the policy Declarations of the policy. Throughout the policy, **Named Insured** is also referred to as **you** and **your**.

o. Occurrence means an **accident**, including continuous or repeated exposure to substantially the same general harmful conditions.

p. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste include materials to be recycled, reconditioned, or reclaimed.

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q. Pollution cost or expense means any cost or expense arising out of any:

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(1) request, demand, or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or

(2) request, demand, order, claim or suit by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

r. Premises means the land and buildings owned or leased by the **Named Insured** at each **location**.

s. Property means tangible possessions, whether real or personal.

t. Theft means the felonious taking and removing of **property** with intent to deprive the rightful owner of it.

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u. We, us, and our means the insurance company named in the policy. For purposes of this insurance, the words, **we, us** and **our** refer only to the company so named. In no case do they refer to the company together with any person, organization or other entity.

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v. Yard means for the purpose of the warranties in this policy, a grouping of modules, on the **insured's** premises that is described in the Declarations, surrounded by at least 100' of clear space.

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w. You and your means the **Named Insured**.

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o. Loss or damage to module covering devices away from the gin premises unless the damage

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\$15,000 on owned & non-owned seed cotton trailers. **Our** liability as respects any one cotton trailer shall be limited to the **actual cash value** of the trailer at the time of loss.

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j. \$30,000 on seed cotton and covering devices in groups of modules or trailers in the field subject to Paragraph 8.a. (Clear Space Warrantee – Field Warrantee).

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Field Warrantee

Modules and trailers in the field shall be stored in a manner that no more than five modules or trailers will be stored in any one group and it is further warranted that each group shall be separated by 50 feet of clear space.

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TRI-COT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

MODULE COVERING DEVICES - INCREASED LIMIT

In consideration of the additional charge, it is agreed that Paragraph 5.k. (Limits of Liability Schedule – **module covering devices** in storage on **your** gin premises) is increased to \$_____.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

FIELD COTTON COVERAGE ENDORSEMENT

In consideration of the additional premium charged, this endorsement modifies coverage provided under the following:

PCPC 020, **TRI-COT Cotton Products Floater**

For the purpose of the coverage provide under this endorsement, the following changes are made, but only in regard to the coverage provided by this endorsement:

1. Item 1. **Property** Covered is replaced with: Raw seed cotton and **module covering devices**.
2. Item 2. **Property** Excluded is replaced with: This policy specifically excludes any coverage on bagged cotton planting seed, cotton burrs and dust, unbaled cotton motes, cotton trailers, cotton harvesting equipment, mill run cotton seed, **baled cotton**, bagging and ties
3. Item 3. Perils Covered is replaced with: **We** insure the **property** covered by this endorsement for the specific perils of fire, lightning, explosion, smoke, aircraft or vehicles, theft and vandalism.
4. Item 4. Exclusions is replaced with: This policy does not insure against:
 - a. **Loss** or damage caused by hurricane, tropical storms, tornado, wind or windstorm.
 - b. **Loss** or damage to seed cotton, including loss of grade, caused by rain, hail, ice or snow whether wind driven or not, rising water, and/or flood.
 - c. **Loss** or damage caused by or resulting from wetness or dampness, loss of grade or being spotted, barky, grassy, discolored, molded, rusted, frosted, rotted, soured, steamed, contaminated or changed in character, or any other country damage.
 - d. **Loss** or damage by mysterious disappearance
 - e. **Loss** caused by fraudulent, dishonest, intentional or criminal act by **you**, or by any of **your** partners, officers, directors, trustees, employees or joint ventures. This exclusion also applies to any other person who is lawfully in possession of the **property**.
 - f. **Loss** or damage caused by or resulting from delay or loss of market.
 - g. **Loss** or damage caused by war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

TRI-COT

In no case shall this insurance cover **loss**, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- (1) Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (2) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (3) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

However, if a fire arises directly or indirectly from one or more of the causes detailed in Subclauses I. (1) and I. (2) above, then any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, excluding, however, any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

- h. **Loss** or damage caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such **occurrence** or disorder. This clause shall not exclude **loss** or damage by fire resulting from any such **occurrence** or disorder.
- i. **Loss**, claim or liability arising from the movement or functioning of fire apparatus or members of a fire department, or any **accident** arising out of the performance of service for **you** by any fire department.
- j. Pollution
 - i. **Loss** which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants** at any time.
 - ii. **Pollution cost or expense.**

Loss or damage caused by or related to the presence, growth, proliferation, spread or any activity of any **fungi**, wet rot, dry rot or bacteria. This exclusion does not apply when **fungi**, wet or dry rot or bacteria results from fire or lightning.

Loss or damage caused by the perils excluded above is excluded regardless of any other cause or event that contributes concurrently or in sequence to such **loss** damage or expense,

5. Item 5. Limits of Liability Schedule is replaced with: Unless otherwise endorsed hereto, it is a condition of this policy that the limits of liability per any one **loss** to which this insurance applies shall not exceed:

- a. \$30,000 on seed cotton and **covering devices** in a **group** of modules or any one trailers in the field, subject to item 8 (Clear Space Warranties – **group** Field Warranties) of this endorsement.

TRI-COT

- b. \$100,000 per **occurrence**
6. Item 6. Attachment and Termination of Coverage is replaced by:
- a. Raw Products: Coverage commences on raw products. Subject to the limits imposed, when the product leaves the cotton stalk. Coverage provided under this endorsement terminates when the product reaches the **Named Insured's location, yard** or gin premises.
7. Item 7. Deductible Clause is replaced with: The **Insured** shall bear the first Three Thousand, Five Hundred Dollars (\$3,500) of each and every **loss** insured hereunder. This deductible shall apply per occurrence, per gin account.
8. The following is added to 8. Clear Space Warranty:
- b. Field Warrantee: **Modules** and trailers in the field shall be stored in a manner that there is at least 100' of clear space surrounding any one **group**. A **group**, for the purposes of this warranty, shall be no more than five (5) modules or trailers.

Groups of **modules** or trailers will be on hard surface or bare ground, or if on grass or other ground cover, such grass or ground cover will be maintained to prevent the spread of fire. **Groups** will not be placed directly within CRP fields.

Any violation of the Clear Space Warranties shall cause all **groups** in violation to be considered one **group** for the purpose of determining the limit of liability. If **you** are in violation of the Clear Space Warranties at the time of **loss**, the limit of liability shall not exceed \$50,00 in total, for all **groups** that are in violation of the clear space warranty.

All other coverages, conditions, warranties, etc of form PCPC020 remain unchanged by this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

FIELD COTTON WIND COVERAGE ENDORSEMENT

In consideration of the additional premium charged, this endorsement modifies coverage provided under endorsement PCPC 050 Field Cotton Coverage Endorsement.

For the purpose of the coverage provide under this endorsement, the following changes are made, but only in regard to the additional field wind coverage provided by this endorsement. All other coverages, conditions, exclusions, warranties, etc of the Field Cotton Coverage Endorsement remain unchanged:

1. The following is added to Item 3, Perils Covered: wind, windstorm or tornado.
2. Item 4. Exclusions, a. is replaced by: **Loss** or damage caused by hurricane or tropical storms. However, this exclusion does not apply to wind and tornado **loss** or damage occurring 24 hours after a named storm or hurricane has been downgraded below tropical storm status by the National Weather Service.
3. The following warrantee is added for this coverage:

The use of tarps is mandatory for raw cotton seed covered by this endorsement. Failure to tarp cotton in the field will void coverage under this endorsement. Tarps must be designed to be resistant to being blown off.

All other coverages, conditions, warranties, etc. of form PCPC 050 remain unchanged by this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

NON-OWNED COTTON TRAILERS COVERAGE ENDORSEMENT

In consideration of the additional premium charged, this endorsement modifies coverage provided under the following:

PCPC 020, **TRI-COT Cotton Products Floater**

For the purpose of the coverage provide under this endorsement, the following changes are made, but only in regard to the coverage provided by this endorsement:

1. The following is added to Item 1, **Property** Covered: Non-owned cotton trailers.
2. The following is added to 5. Limits of Liability Schedule:
 - I. \$25,000 on owned and non-owned seed cotton trailers. **Our** liability as respects to any one cotton trailer shall be limited to the **actual cash value** of the trailer at the time of loss.
3. The following is added to 6. Attachment and Termination of Coverage:
 - b. For non-owned cotton trailers coverage attaches when the trailer loaded with the producer's cotton is placed at the **Named Insured's location, yard or gin premises**. Coverage terminates 10 days after the producer's final bale is ginned.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SEED PREMIUM PAYMENT ENDORSEMENT

In consideration of the additional premium charged, this endorsement modifies coverage provided under the following:

PCPC 020, **TRI-COT Cotton Products Floater**

The following is added to item 9. Valuation Clause:

- c. An additional payment amount of \$_____ per full bale of seed cotton shall be added to any payment for loss or damage to seed cotton provided under this policy, for the increased value of cotton seed.

All other coverages, conditions, warranties, etc. remain unchanged by this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

FIELD COTTON COVERAGE ENDORSEMENT

In consideration of the additional premium charged, this endorsement modifies coverage provided under the following:

PCPC 020, **TRI-COT Cotton Products Floater**

For the purpose of the coverage provide under this endorsement, the following changes are made, but only in regard to the coverage provided by this endorsement:

1. Item 1. **Property** Covered is replaced with: Raw seed cotton and **module covering devices**.
2. Item 2. **Property** Excluded is replaced with: This policy specifically excludes any coverage on bagged cotton planting seed, cotton burrs and dust, unbaled cotton motes, cotton trailers, cotton harvesting equipment, mill run cotton seed, **baled cotton**, bagging and ties
3. Item 3. Perils Covered is replaced with: **We** insure the **property** covered by this endorsement for the specific perils of fire, lightning, explosion, smoke, aircraft or vehicles, theft and vandalism.
4. Item 4. Exclusions is replaced with: This policy does not insure against:
 - a. **Loss** or damage caused by hurricane, tropical storms, tornado, wind or windstorm.
 - b. **Loss** or damage to seed cotton, including loss of grade, caused by rain, hail, ice or snow whether wind driven or not, rising water, and/or flood.
 - c. **Loss** or damage caused by or resulting from wetness or dampness, loss of grade or being spotted, barky, grassy, discolored, molded, rusted, frosted, rotted, soured, steamed, contaminated or changed in character, or any other country damage.
 - d. **Loss** or damage by mysterious disappearance
 - e. **Loss** caused by fraudulent, dishonest, intentional or criminal act by **you**, or by any of **your** partners, officers, directors, trustees, employees or joint ventures. This exclusion also applies to any other person who is lawfully in possession of the **property**.
 - f. **Loss** or damage caused by or resulting from delay or loss of market.
 - g. **Loss** or damage caused by war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

TRI-COT

In no case shall this insurance cover **loss**, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- (1) Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (2) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (3) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

However, if a fire arises directly or indirectly from one or more of the causes detailed in Subclauses I. (1) and I. (2) above, then any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, excluding, however, any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

- h. **Loss** or damage caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such **occurrence** or disorder. This clause shall not exclude **loss** or damage by fire resulting from any such **occurrence** or disorder.
- i. **Loss**, claim or liability arising from the movement or functioning of fire apparatus or members of a fire department, or any **accident** arising out of the performance of service for **you** by any fire department.
- j. Pollution
 - i. **Loss** which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants** at any time.
 - ii. **Pollution cost or expense.**

Loss or damage caused by or related to the presence, growth, proliferation, spread or any activity of any **fungi**, wet rot, dry rot or bacteria. This exclusion does not apply when **fungi**, wet or dry rot or bacteria results from fire or lightning.

Loss or damage caused by the perils excluded above is excluded regardless of any other cause or event that contributes concurrently or in sequence to such **loss** damage or expense,

5. Item 5. Limits of Liability Schedule is replaced with: Unless otherwise endorsed hereto, it is a condition of this policy that the limits of liability per any one **loss** to which this insurance applies shall not exceed:

- a. \$30,000 on seed cotton and **covering devices** in a **group** of modules or any one trailers in the field, subject to item 8 (Clear Space Warranties – **group** Field Warranties) of this endorsement.

b. \$100,000 per **occurrence**

6. Item 6. Attachment and Termination of Coverage is replaced by:
 - a. Raw Products: Coverage commences on raw products. Subject to the limits imposed, when the product leaves the cotton stalk. Coverage provided under this endorsement terminates when the product reaches the **Named Insured's location, yard** or gin premises.
7. Item 7. Deductible Clause is replaced with: The **Insured** shall bear the first Three Thousand, Five Hundred Dollars (\$3,500) of each and every **loss** insured hereunder. This deductible shall apply per occurrence, per gin account.
8. The following is added to 8. Clear Space Warranty:
 - b. Field Warrantee: **Modules** and trailers in the field shall be stored in a manner that there is at least 100' of clear space surrounding any one **group**. A **group**, for the purposes of this warranty, shall be no more than five (5) modules or trailers.

Groups of **modules** or trailers will be on hard surface or bare ground, or if on grass or other ground cover, such grass or ground cover will be maintained to prevent the spread of fire. **Groups** will not be placed directly within CRP fields.

Any violation of the Clear Space Warranties shall cause all **groups** in violation to be considered one **group** for the purpose of determining the limit of liability. If **you** are in violation of the Clear Space Warranties at the time of **loss**, the limit of liability shall not exceed \$30,000 in total, for all **groups** that are in violation of the clear space warranty.

9. Coverage provided under Item 10. **Loss of Ginning Income** does not apply to the field cotton coverage provided by this endorsement.

All other coverages, conditions, warranties, etc of form PCPC020 remain unchanged by this endorsement.

TRI-COT

Cotton Products Floater

1. **Property Covered:** Raw seed cotton, mill run cotton seed, **baled cotton**, bagging, ties and module **covering devices** while on the **insured's premises** described in the Declarations. Limits of insurance on **property** covered are set out under Paragraph 5. Limits of Liability Schedule.
2. **Property Excluded:** This policy specifically excludes any coverage on bagged cotton planting seed, cotton burrs and dust, unbaled cotton motes, owned or non-owned cotton trailers, and cotton harvesting equipment.
3. **Perils Covered:** **We** insure the **property** covered against all risk of physical **loss** unless limited in Section 4. Exclusions.
4. Exclusions:

This policy does not insure against:

- a. **Loss** or damage caused by hurricane.
- b. **Loss** or damage caused by other tropical storms.
- c. **Loss** or damage caused by tornado, unless modules and trailers are covered by a tarp or netting.
- d. **Loss** or damage caused by wind or windstorm, unless modules and trailers are covered by a tarp or netting.
- e. **Loss** or damage to seed cotton, including loss of grade, caused by rain, hail, ice or snow whether wind driven or not, rising water, and/or flood.
- f. **Loss** or damage caused by or resulting from wetness or dampness, loss of grade or being spotted, barky, grassy, discolored, molded, rusted, frosted, rotted, soured, steamed, contaminated or changed in character, or any other country damage.
- g. **Loss** or damage to cotton in process of being ginned. However, this exclusion does not apply to loss or damage to cotton caused by fire, while the cotton is in the process of being ginned.
- h. **Loss** to seed in process of delinting.
- i. **Loss** or damage by mysterious disappearance.
- j. **Loss** caused by fraudulent, dishonest, intentional or criminal act by **you**, or by any of **your** partners, officers, directors, trustees, employees or joint ventures. This exclusion also applies to any other person who is lawfully in possession of the **property**.
- k. **Loss** or damage caused by or resulting from delay or loss of market.
- l. **Loss** or damage caused by war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

In no case shall this insurance cover **loss**, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- (1) Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (2) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

- (3) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

However, if a fire arises directly or indirectly from one or more of the causes detailed in Subclauses I. (1) and I. (2) above, then any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, excluding, however, any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

- m. **Loss** or damage caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such **occurrence** or disorder. This clause shall not exclude **loss** or damage by fire resulting from any such **occurrence** or disorder.
- n. **Loss**, claim or liability arising from the movement or functioning of fire apparatus or members of a fire department, or any **accident** arising out of the performance of service for **you** by any fire department.
- o. Pollution
- (1) **Loss** which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants** at any time.
- (2) **Pollution cost or expense.**
- p. **Loss** or damage caused by or related to the presence, growth, proliferation, spread or any activity of any **fungi**, wet rot, dry rot or bacteria. This exclusion does not apply when **fungi**, wet or dry rot or bacteria results from fire or lightning.

Loss or damage caused by the perils excluded above is excluded regardless of any other cause or event that contributes concurrently or in sequence to such **loss** damage or expense,

5. Limits of Liability Schedule: Unless otherwise endorsed hereto, it is a condition of this policy that the limits of liability per any one **loss** to which this insurance applies shall not exceed:
- a. \$2,400,000 aggregate limit of liability under this policy for any one **occurrence**.
- b. \$200,000 on seed cotton and covering devices on trailers or in modules subject to Paragraph 8.a. per **yard** (Clear Space Warrantee - **Yard** Warrantee)
- c. \$50,000 on **property** in transit.
- d. \$200,000 on **baled cotton** temporarily stored on gin premises.
- e. \$50,000 on mill run cotton seed on gin **premises**.
- f. \$50,000 on **loss** of **Ginning Income**. We will pay for the actual **loss** of **Ginning Income** you sustain due to direct physical **loss** of or damage to raw seed cotton, at **your premises** described in the declarations, caused by or resulting from a covered cause of **loss** in accordance with paragraph 10. **Loss** of **Ginning Income**.
- g. \$100,000 on bagging and ties located on any gin **premises** of the **Insured**.
- h. \$25,000 on expenses incurred in the removal of debris of **property** covered which may be occasioned by **loss** caused by any of the perils insured against in the policy. Debris Removal coverage does not apply to the cost to extract **pollutants** from land or water, or to remove, restore or replace polluted land or water.
- i. \$ 5,000 fire department service charge to cover **your** liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a peril insured against.
- j. \$5,000 on clean baled notes on the gin premises.
- k. \$100,000 on module **covering devices** in storage on **your** gin **premises**.

6. Attachment and Termination of Coverage:

a. Raw Products

Coverage commences on raw products, subject to the limits of 5. Limits of Liability Schedule above, at the earliest of:

- (1) When the raw product is in transit to the **Named Insured's gin premises**, when such product is under the care, custody and control of the **Named Insured**, employees of the **Named Insured**, or others contracted to transport such product by and for the **Named Insured**; or
- (2) When the product is on the **Named Insured's premises**, except when such product is in the care, custody and control of someone other than the **Named Insured**, employees of the **Named Insured**, or others contracted to transport such product by and for the **Named Insured**.

Coverage on lint cotton and seed is suspended during the ginning process except for losses caused by fire. This does not apply to cotton in module feeders. Coverage commences upon exit of the finished bale from the press box and seed from the gin. Coverage remains in full force and effect while on the **Named Insured's gin premises** and:

- (1) for **baled cotton** until:
 - (a) delivered to compress for storage; or
 - (b) delivered to the first storage location including storage locations owned or leased by **you**; or
 - (c) transported outside of a 300 mile radius of the gin; or
 - (d) 10 days after the bale was ginned; or
 - (e) the policy expires; whichever comes first.
- (2) for cotton seed until:
 - (a) delivered to oil mill for processing; or
 - (b) delivered to the first storage location including storage locations owned or leased by **you**, ; or
 - (c) transported outside of a 300 mile radius of the gin; or
 - (e) the policy expires; whichever comes first.

7. Deductible Clause: In consideration of the rate at which this policy is written, it is a condition of this insurance that the following deductible will apply to all **loss** caused by an **occurrence**, unless amended by an endorsement attached to this policy:

The **Insured** shall bear the first Two Thousand, Five Hundred Dollars (\$2,500) of each and every **loss** insured hereunder.

8. Clear Space Warrantee.

a. **Yard** Warrantee

Each **yard** will be separated by at least 100 feet of clear space with no more than six **yards** at any one **location**.

Each **location** will be separated by at least 300 feet of clear space. A maximum of two **locations** is allowed unless specifically endorsed hereon.

Burr , trash or dust storage piles will be separated by at least 300 feet of clear space from a **yard** and 100' of clear space from gin or warehouse buildings. This separation requirement does not apply to burr boxes, seed boxes, dust cyclones or similar equipment.

Round **modules** will not be stacked more than two (2) modules high.

Yards will be on hard surface or bare ground, or if on grass or other ground cover, such grass or ground cover will be maintained to prevent the spread of fire. **Yards** will not be directly within a field of growing crops or CRP fields.

With respect to the **Insured's** warranties in this paragraph, the **Insured** hereby grants and gives permission to the **Company** and/or their Agent to examine **yards** at any time for compliance.

Any violation of the Clear Space Warranties shall cause all **yards** in violation to be considered one **yard** for the purpose of determining the limit of liability. If **you** are in violation of the Clear Space Warranties at the time of **loss**, the limit of liability shall not exceed \$200,000 in total, for all yards that are in violation of the clear space warranty.

9. Valuation Clause:

a. Seed Cotton: In event of **loss** to seed cotton or baled cotton, the **actual cash value** provided for by this insurance shall be: (1) the current Commodity Credit Corporation loan value or (2) the nearest USDA Spot Market Quotation at the time of loss whichever may be higher. For **losses** occurring when no daily USDA Spot Market Quotation is published the next published quotation shall be used.

Cottonseed contained in **losses** to Seed Cotton shall not be considered in valuing the **loss**. Likewise, no deductions will be made for expenses (ginning, hauling, etc.) that would have been charged, had no **loss** occurred.

b. Cottonseed: In the event of **loss** to mill run cottonseed, the **actual cash value** provided for by this insurance shall be the market value as commercial whole cottonseed. This value shall be the current value reported for Whole Cottonseed obtained from the USDA Memphis Weekly Feedstuffs Prices Report.

10. **Loss of Ginning Income:**

a. The most **we** will pay for **loss** of **Ginning Income** in any one **occurrence** is the applicable limit of insurance shown in paragraph 5. Limits of Liability Schedule subpart f.

b. **Loss** Determination

The amount of **Ginning Income loss** will be determined based on:

(1) The Net Income earned per bale of cotton before the direct physical loss or damage occurred;

(2) The likely Net Income earned per bale of cotton if no loss or damage occurred; and

(3) Other relevant sources of information, including;

(a) **Your** financial records and accounting procedures;

(b) Bill, invoices and other vouchers; and

(c) Deeds, liens or contracts.

c. **Loss** Payment

We will pay for covered **loss** within 30 days after **we** receive the sworn statement of **loss**, if:

(1) **You** have complied with all of the terms of this Coverage Part; and

(2) **We** have reached agreement with **you** on the amount of **loss**; or an appraisal award has been made.

d. **We** will reduce the amount of **Ginning Income loss** to the extent **you** can use damaged raw seed cotton.

11. Abandonment: There can be no abandonment of any **property** to **us**.

12. Duties in The Event of **Loss**:

You must see that the following is done in the event of **loss**:

- a. Notify the police if a law may have been broken.
- b. Give **us** notice of direct physical **loss** or damage WITHIN 72 HOURS OF THE OCCURRENCE. Include a description of the **property** involved.
- c. As soon as possible, give **us** a description of how, when, and where the direct physical **loss** or damage occurred.
- d. Take all reasonable steps to protect the **property** from further damage. If feasible, set the damaged **property** aside and in the best possible order for examination. Also keep a record of **your** expenses, for consideration in the settlement of the claim.
- e. Permit **us** to inspect the **property** and records proving the **loss**.
- f. If requested, permit **us** to question **you** under oath at such times as may be reasonably required about any matter relating to this insurance or **your** claim, including **your** books and records. In such event, **your** answers must be signed.
- g. Send **us** a signed, sworn statement of **loss** containing the information **we** request to settle the claim. **You** must do this within 60 days after **our** request. **We** will supply **you** with the necessary forms.

13. Other Insurance: It is understood and agreed that the insurance granted herein shall be primary unless a cotton producer's crop, farmowners or other insurance policy is applicable to the property then this insurance shall be excess. If at the time of the **loss**, there is other insurance written in the name of the **Insured** upon the same plan, terms, conditions and provisions as contained in this policy, this policy shall be liable for no greater proportion of any **loss** than the amount of insurance under this policy bears to the whole amount of insurance covering such **loss**:

14. Bailee Clause: This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

15. Sue and Labor: In case of **loss** or damage it shall be lawful and necessary for the **Insured**, their factors, servants or assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the **property** insured hereunder, or any part thereof, without prejudice to this insurance; nor shall the **acts** of the **Insured** or the **Company** in recovering, saving, and preserving the **property** insured in case of **loss** or damage, be considered a waiver or acceptance of an abandonment; to the charges whereof, the **Company** will contribute according to the rate and quantity of the sum herein insured. The use of general terms or of anything less than a distinct, specified agreement, clearly expressed and endorsed in this policy shall not be construed as a waiver of any printed or written condition or restriction herein contained.

16. **Company's** Right to Institute Legal Proceedings in Name of **Insured**: It is expressly agreed that upon payment of any **loss** or advancement or loan of money concerning the same, that the **Insured** will at the request and expense of the **Company**, and through such counsel as the **Company** may designate, make claim upon and institute legal proceedings against any carrier, bailee, or other parties believed to be liable for such **loss**, and will use all proper and reasonable means to recover the same.

17. Impairment of Carrier's Liability: Any act or agreement by the **Insured**, prior or subsequent hereto, whereby any right of the **Insured** to recover the full value of, or amount of damage to any **property** lost or injured and insured hereunder, against any carrier, bailee or other party liable therefore, is released, impaired or lost, shall render this policy null and void, but the **Insured's** right to retain or recover the premium shall not be affected. The **Company** is not liable for any **loss** or damage which, without its consent, has been settled or compromised by the **Insured**.

18. Subrogation Clause: In the event of any payment under this policy the **Company** shall be subrogated to all the **Insured's** rights of recovery against any person or organization and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

19. Misrepresentation and Fraud Clause: This policy shall be void if the **Insured** has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in case of any fraud, attempted

fraud or false swearing by the **Insured** touching any matter related to this insurance or the subject thereof, whether before or after a **loss**.

20. Cancellation:

- a. The first named **Insured** shown in the declarations may cancel this policy by mailing or delivering to **us** advance written notice of cancellation.
- b. **We** may cancel this policy by mailing or delivering to the first named **Insured** written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- c. **We** will mail or deliver our notice to the first Named **Insured's** last mailing address known to **us**.
- d. Notice of cancellation will state the effective date of cancellation. This policy period will end on that date.
- e. If notice is mailed, proof of mailing will be sufficient proof of notice.

21. Taxes: The **Insured** represents and warrants all Federal and all other taxes and assessments on cotton covered under this policy have either been paid or the **Company** will be held harmless; in the event of **loss** or damage under this policy, as to such taxes and/or assessments.

22. Reports And Premiums:

- a. The **Insured** shall make a report of the total number of bales ginned during the season 30 days after the ginning season is completed. The premium earned shall be the total number of bales ginned plus bales lost prior to ginning due to a covered **loss** under this policy times the rate per bale shown on the Rate and Premium Endorsement.
- b. In the event this policy is cancelled at the request of the **Insured** during the ginning season, the **Insured** shall immediately furnish a report showing the number of bales ginned to date of cancellation and the premium shall be adjusted in accordance with this provision, subject to the minimum. annual earned premium provisions contained elsewhere in this policy.

23. Records: It is warranted that the **Insured** will make and at all times preserve an accurate record of all seed cotton, **baled cotton**, cotton seed and bagging and ties showing from whom purchased, to whom sold, date of transaction, weights and classification in such manner that the **Company** can accurately determine the amount of any **loss**. Such records shall be open at all times to the inspection of an authorized representative of the **Company** upon request.

24. Expiration: Under the policy, **we** will cover **losses** occurring:

- a. During the policy period shown on the declaration page except for those limitation described in 6. Termination of Coverages; and
- b. Within the Coverage Territory

The coverage territory is limited to within a 300 mile radius of the gin premises and includes:

1. The United States of America;
2. Puerto Rico; and
3. Canada.

25. Changes:

This policy contains all the agreements between **you** and **us** concerning the insurance afforded. The first Named **Insured** shown in the Declarations is authorized to make changes in the terms of this policy with **our** consent. This policy's terms can be amended or waived only by endorsement issued by **us** and made a part of this policy.

26. Inspections And Surveys:

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give **you** reports on the conditions **we** find; and
3. Recommend changes.

Any inspections, surveys, reports, or recommendations relate only to insurability and premiums to be charged. **We** do not make safety inspections. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And **we** do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports, or recommendations.

27. Premiums:

The first Named **Insured** shown in the Declarations:

1. Is responsible of the payment of all premiums; and
2. Will be the payee for any return premiums **we** pay.

28. Transfer Of **Your** Rights And Duties Under This Policy:

Your rights and duties under this policy may not be transferred without **our** written consent except in the case of death of an individual named **insured**.

If **you** die, **your** rights and duties will be transferred to **your** legal representative but only while acting within the scope of duties as **your** legal representative. Until **your** legal representative is appointed, anyone having proper temporary custody of **your property** will have **your** rights and duties but only with respect to that **property**.

29. Appraisal:

If **we** and **you** disagree on the value of the **property** or the amount of **loss**, either party may make written demand for an appraisal of the **loss**. In this event, only the party which demanded the appraisal will be bound by the results of the appraisal.

Each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days after written demand for an appraisal has been made. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, then, at the request of either **you** or **us**, and after notice of hearing to the nonrequesting party by certified mail, selection of the umpire will be made by a judge of a district court in the county where the **loss** occurred. The appraisers will state separately the value of the **property** and amount of **loss**. If the appraisers submit a written report of agreement to **us**, the amounts agreed upon will be the value of the **property** and the amount of **loss** and will be binding on the party that demanded the appraisal. If the appraisers fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding on the party that demanded the appraisal. Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, **we** will still retain **our** right to deny the claim.

30. Policy Definitions:

- a. **Accident** means a sudden unforeseen or unintended event.
- b. **Actual cash value** means the replacement cost of the **property** damaged or destroyed at the time of **loss** less depreciation.

- c. **Baled cotton** means **baled cotton**, baled motes, and baled remnants.
- d. **Company**. See definition for **we**, **us**, and **our**.
- e. **Covering devices** means tarps, netting, straps, and pins used to cover raw seed cotton modules and trailers filled with raw seed cotton. **Covering devices** do not include round bale coverings or wrapping.
- f. **Flood** means an overflow of streams, or other bodies of water. It also means surface water; waves; tidal water or tidal waves; or spray from any of the above. This shall be true whether the above are driven by wind or not, or whether caused by or attributed to earthquake, or other earth movement.
- g. **Fungi** means any type of or form of fungus, including mold, mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
- h. **Group** of modules, for the purpose of the warranties in this policy, shall mean no more than five (5) modules or cotton trailers.
- i. **Ginning Income** means the Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred had a covered loss to raw seed cotton not occurred.
- j. **Insured** means the person, organization or other entity named in the Declarations of the policy. **Insured** may include the **named insured's** employees, but only while those employees are acting in the course of and scope of their employment for the **named insured**.
- k. **Location** means for the purpose of the warranties in this policy, a grouping of modules, on the **insured's** premises described in the Declarations, not to exceed six (6) **yards** and surrounded by at least 300' of clear space.
- l. **Loss** means direct and accidental **loss** or damage.
- m. **Module** means seed cotton compacted in a module builder for the purpose of transportation and storage. Two smaller modules produced by the Case IH Module Express™ cotton picker will be considered equal to one module for coverage and warranty purposes under this coverage form. Four round modules produced by the John Deere 7760™ cotton picker or similar equipment will be considered equal to one module for coverage and warranty purposes under this coverage form.
- n. **Named Insured** means the person, organization or entity named in the policy Declarations of the policy. Throughout the policy, **Named Insured** is also referred to as **you** and **your**.
- o. **Occurrence** means an **accident**, including continuous or repeated exposure to substantially the same general harmful conditions.
- p. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste include materials to be recycled, reconditioned, or reclaimed.
- q. **Pollution cost or expense** means any cost or expense arising out of any:
 - (1) request, demand, or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (2) request, demand, order, claim or suit by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.
- r. **Premises** means the land and buildings owned or leased by the **Named Insured** at each **location**.
- s. **Property** means tangible possessions, whether real or personal.
- t. **Theft** means the felonious taking and removing of **property** with intent to deprive the rightful owner of it.

- u. **We, us, and our** means the insurance company named in the policy. For purposes of this insurance, the words, **we, us** and **our** refer only to the company so named. In no case do they refer to the company together with any person, organization or other entity.
- v. **Yard** means for the purpose of the warranties in this policy, a grouping of modules, on the **insured's** premises that is described in the Declarations, surrounded by at least 100' of clear space.
- w. **You and your** means the **Named Insured**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

FIELD COTTON COVERAGE ENDORSEMENT

In consideration of the additional premium charged, this endorsement modifies coverage provided under the following:

PCPC 020, **TRI-COT Cotton Products Floater**

For the purpose of the coverage provide under this endorsement, the following changes are made, but only in regard to the coverage provided by this endorsement:

1. Item 1. **Property** Covered is replaced with: Raw seed cotton and **module covering devices**.
2. Item 2. **Property** Excluded is replaced with: This policy specifically excludes any coverage on bagged cotton planting seed, cotton burrs and dust, unbaled cotton motes, cotton trailers, cotton harvesting equipment, mill run cotton seed, **baled cotton**, bagging and ties
3. Item 3. Perils Covered is replaced with: **We** insure the **property** covered by this endorsement for the specific perils of fire, lightning, explosion, smoke, aircraft or vehicles, theft and vandalism.
4. Item 4. Exclusions is replaced with: This policy does not insure against:
 - a. **Loss** or damage caused by hurricane, tropical storms, tornado, wind or windstorm.
 - b. **Loss** or damage to seed cotton, including loss of grade, caused by rain, hail, ice or snow whether wind driven or not, rising water, and/or flood.
 - c. **Loss** or damage caused by or resulting from wetness or dampness, loss of grade or being spotted, barky, grassy, discolored, molded, rusted, frosted, rotted, soured, steamed, contaminated or changed in character, or any other country damage.
 - d. **Loss** or damage by mysterious disappearance
 - e. **Loss** caused by fraudulent, dishonest, intentional or criminal act by **you**, or by any of **your** partners, officers, directors, trustees, employees or joint ventures. This exclusion also applies to any other person who is lawfully in possession of the **property**.
 - f. **Loss** or damage caused by or resulting from delay or loss of market.
 - g. **Loss** or damage caused by war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

TRI-COT

In no case shall this insurance cover **loss**, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- (1) Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (2) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (3) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

However, if a fire arises directly or indirectly from one or more of the causes detailed in Subclauses I. (1) and I. (2) above, then any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, excluding, however, any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

- h. **Loss** or damage caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such **occurrence** or disorder. This clause shall not exclude **loss** or damage by fire resulting from any such **occurrence** or disorder.
- i. **Loss**, claim or liability arising from the movement or functioning of fire apparatus or members of a fire department, or any **accident** arising out of the performance of service for **you** by any fire department.
- j. Pollution
 - i. **Loss** which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants** at any time.
 - ii. **Pollution cost or expense.**

Loss or damage caused by or related to the presence, growth, proliferation, spread or any activity of any **fungi**, wet rot, dry rot or bacteria. This exclusion does not apply when **fungi**, wet or dry rot or bacteria results from fire or lightning.

Loss or damage caused by the perils excluded above is excluded regardless of any other cause or event that contributes concurrently or in sequence to such **loss** damage or expense,

5. Item 5. Limits of Liability Schedule is replaced with: Unless otherwise endorsed hereto, it is a condition of this policy that the limits of liability per any one **loss** to which this insurance applies shall not exceed:

- a. \$30,000 on seed cotton and **covering devices** in a **group** of modules or any one trailers in the field, subject to item 8 (Clear Space Warranties – **group** Field Warranties) of this endorsement.

b. \$100,000 per **occurrence**

6. Item 6. Attachment and Termination of Coverage is replaced by:
 - a. Raw Products: Coverage commences on raw products. Subject to the limits imposed, when the product leaves the cotton stalk. Coverage provided under this endorsement terminates when the product reaches the **Named Insured's location, yard** or gin premises.
7. Item 7. Deductible Clause is replaced with: The **Insured** shall bear the first Two Thousand, Five Hundred Dollars (\$2,500) of each and every **loss** insured hereunder. This deductible shall apply per occurrence, per gin account.
8. The following is added to 8. Clear Space Warranty:
 - b. Field Warrantee: **Modules** and trailers in the field shall be stored in a manner that there is at least 100' of clear space surrounding any one **group**. A **group**, for the purposes of this warranty, shall be no more than five (5) modules or trailers.

Groups of **modules** or trailers will be on hard surface or bare ground, or if on grass or other ground cover, such grass or ground cover will be maintained to prevent the spread of fire. **Groups** will not be placed directly within CRP fields.

Any violation of the Clear Space Warranties shall cause all **groups** in violation to be considered one **group** for the purpose of determining the limit of liability. If **you** are in violation of the Clear Space Warranties at the time of **loss**, the limit of liability shall not exceed \$30,000 in total, for all **groups** that are in violation of the clear space warranty.

9. Coverage provided under Item 10. **Loss of Ginning Income** does not apply to the field cotton coverage provided by this endorsement.

All other coverages, conditions, warranties, etc of form PCPC020 remain unchanged by this endorsement.

TRI-COT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

APPRAISAL – ARKANSAS

This endorsement modifies coverage provided under the following:

PCPC 020, **TRI-COT Cotton Products Floater**

The following is added to 29. Appraisal:

Any appraisal shall be voluntary and non-binding.

SERFF Tracking Number: TRGL-125582794 *State:* Arkansas
Filing Company: Triangle Insurance Company, Inc. *State Tracking Number:* EFT \$50
Company Tracking Number: TCT08-001F
TOI: 09.0 Inland Marine *Sub-TOI:* 09.0005 Other Commercial Inland Marine
Product Name: Tri-Cot Cotton Products Floater
Project Name/Number: 2008 Forms Update/TCT08-001F

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: TRGL-125582794

State: Arkansas

Filing Company: Triangle Insurance Company, Inc.

State Tracking Number: EFT \$50

Company Tracking Number: TCT08-001F

TOI: 09.0 Inland Marine

Sub-TOI: 09.0005 Other Commercial Inland Marine

Product Name: Tri-Cot Cotton Products Floater

Project Name/Number: 2008 Forms Update/TCT08-001F

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status:

Approved

04/11/2008

Comments:

Completed NAIC P & C Transmittal Document Attached.

Attachment:

Arkansas Inland Marine Fillings,FMIC & NAIC.doc

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
n/a.	

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Triangle Insurance Company, Inc.	Okla.	28535	73-1394760	

5. Company Tracking Number	TCT08-001F
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Dave Webster CPCU,CIC Triangle Insurance Co, Inc. PO Box 1189 Enid, Oklahoma 73702	Associate VP, Und. Services	580-237-4276	580-233-4847	websterd@trianglecompanies.com

7. Signature of authorized filer	<i>Dave Webster</i>
8. Please print name of authorized filer	Dave Webster

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	09.0 Inland Marine
10. Sub-Type of Insurance (Sub-TOI)	09.005 Other Commercial Inland Marine
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	n/a
12. Company Program Title (Marketing title)	Tri-Cot Cotton Products Floater
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 6-1-08 Renewal: 6-1-08
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	n/a
17. Reference Organization # & Title	n/a
18. Company's Date of Filing	3-27-08
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	TCT08-001F
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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This filing is for our Tri-Cot Cotton Products Floater policy which covers raw seed cotton which has been harvested but not yet ginned. The policy is being amended to cover cotton in modules on the insured's yard or gin premise and in transit to the gin, in the basic policy form. Coverage for cotton in modules in the field is being changed to an optional endorsement. We are also increasing the basic deductible from \$2,000 to \$3,500 with an option for a \$5,000 deductible. New rates will be filed in a separate rate/rule filing. Forms attached are:

PCPC 020 0708, TRI-COT Cotton Products Floater

This form covers raw seed cotton stored in cotton modules. The form is updated to provide coverage mainly on the insured's cotton module yard and makes coverage for cotton in the field optional. Property covered is amended to clarify coverage applies on the insured's premises described in the declarations. The form now excludes cotton trailers (added back by endorsement). We added "ice" to Exclusion e. and "contaminated" to Exclusion f. to further clarify these exclusions. Added "However, this exclusion does not apply to loss or damage to cotton caused by fire, when the cotton is in the process of being ginned" to add coverage back under exclusion g. We added exclusions o. Pollution and p. which addresses mold and related losses. Under 5. Limits of Liability we deleted j, coverage for seed cotton and covering devices in the field. This coverage is now added by endorsement for those insureds that choose to purchase it. Since coverage in the field is now an option, we added 6, a, (1) & (2) to provide coverage when the product is in transit to the insured's premises.

We added "including storage locations owned or leased by you" to 6, a. (1) and (2). Under 7. Deductible clause we added "to all loss caused by an occurrence". We increased the deductible to \$3,500. Under 8. Clear Space Warrantee we added wording about separating of burr, trash or dust piles, added stacking requirements for round bales and added a paragraph about the surface cover of the yard. We also clarified that violation of the clear space warranty limits liability to \$200,000. Under 12. Duties in The Event of Loss, under item b. we changed "WITHIN 72 HOURS OF THE OCCURRENCE" to all capital letters. Under 13. Other Insurance we added "farmowners or other insurance" to this paragraph. Under 30. Policy Definitions we added "covering devices do not include round bale covering or wrapping to the e., the definition of covering devices. We also added definition g. Fungi, H. Group, j. Insured, k. Location, m. Module, n. Named Insured, q. Pollution, r. Premises and v. Yard.

A document showing a redlined comparison of the new form and the previous edition form is attached.

PCPT014 0708, MODULE COVERING DEVICES – INCREASED LIMIT

This endorsement was amended to clarify that it covers module covering devices in storage on the insured's gin premises. Off premises coverage is included when the insured chooses field coverage for raw cotton. WE added "on your gin premises" to the wording.

PCPC 050 0708, FIELD COTTON COVERAGE ENDORSEMENT

This is a new optional endorsement that adds coverage on cotton modules stored off the insured's gin or yard premises. Coverage was previously included in the cotton floater form and excluded by endorsement. Since fewer of our insured's purchase field coverage, we took it out of the floater form and add it back by this endorsement.

PCPC 051 0708, FIELD COTTON WIND COVERAGE ENDORSEMENT

This optional endorsement adds the wind peril to the filed cotton coverage.

PCPC 052 0708, NON-OWNED COTTON TRAILERS COVERAGE ENDORSEMENT

This new optional endorsement adds coverage for non-owned cotton trailers on the insured's premises. Very few insured want this coverage anymore so we took it out of the main coverage form and added it by endorsement.

PCPC 060 0708, SEED PREMIUM PAYMENT ENDORSEMENT

This new optional endorsement adds an additional payment per bale of cotton for the value of cotton seed. Cottons gins usually get most of their income from ginning cotton by retaining the seed from the ginning process and selling it. In the past, when settling a claim for loss of cotton, we did not deduct the expenses that went into ginning a bale of cotton and we did not add the loss of the seed to the claim. These factors normally offset each other and it was common practice to just pay for the lost cotton. However, as commodity prices increase, the value of the seed the insured does not get when there is a cotton loss, is now exceeding the expenses of ginning. Therefore, we have created this endorsement to add an additional amount to the amount paid on each cotton loss, based on an amount per bale. The amount will be set at the start of each ginning season, based on the most recent price of cotton seed.

For example we are estimating we will use an amount of \$10 to \$12 per bale based next season based on current seed prices

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #: EFT
Amount: \$50

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

PC TD-1 pg 2 of 2

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	See SERF Filing Forms Schedule		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1