

THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE CO.
EQUIPMENT BREAKDOWN COVERAGE QUOTATION

Issued Date: July 31, 2006
 QuoteNumber: 0409913-1

Quote Expires On: August 30, 2006
 Declaration No: 1 of 1

Named Insured:

Locations: 00001 - LUXEMBURG, WI 54217

| ===== COVERAGES ===== | ===== LIMITS ===== |
|------------------------------|-------------------------------|
| Equipment Breakdown Limit | \$1,345,400 |
| Property Damage | Included |
| Business Income | Included |
| Extra Expense | Combined with Business Income |
| Contingent Business Income | \$25,000 |
| Service Interruption | \$100,000 |
| Perishable Goods | \$25,000 |
| Data Restoration | \$50,000 |
| Demolition | \$50,000 |
| Ordinance or Law | \$25,000 |
| Expediting Expense | \$50,000 |
| Hazardous Substances | \$50,000 |
| Off Premises Property Damage | \$25,000 |
| Newly Acquired Locations | \$250,000 |

SAMPLE
Quote

| ===== DEDUCTIBLES ===== | |
|--------------------------------------|-----------------------------------------|
| Direct Coverages | \$ 1,500. |
| Except A/C and Refrigeration Systems | \$25.00 Per Horsepower, \$1,500 Minimum |
| Indirect Coverages | 24 Hours |

===== OTHER CONDITIONS =====

Newly Acquired Locations: 90 Days
 Business Income Coinsurance: Waived Until 8/30/2007
 Extended Period of Restoration: 5 Days
 Interruption of Service Waiting Period: 24 Hours

The recipient (addressee) of this quotation acknowledges that there is no insurance in effect as a result of the issuance of this document. Our offer to insure the captioned account will be considered null and void and is rescinded on the date indicated as the Quotation Expiration Date. A written order accepting the quotation must be received prior to the Expiration Date for the insurance to be effective.

Your quoted policy premium includes the following premium charge for losses resulting from certified acts of terrorism as defined in the Terrorism Risk Insurance Act of 2002: **\$0**

ANNUAL PREMIUM: \$1,116
 Effective Dates: August 30, 2006

This quotation is based upon information on file with the company as of the date prepared. It is subject to adjustment or withdrawal, whether or not it has already been accepted, should any new or additional information make this risk ineligible or should there be any material change in the risk.

Any applicable state surcharges or taxes will be added to your invoice.

EQUIPMENT BREAKDOWN COVERAGE SUMMARY

KEY TERMS:

Covered Equipment: Unless otherwise indicated, this includes electrical, mechanical and pressure equipment. It includes both Real Property, such as heating, cooling and electrical systems, and Personal Property, such as office and process equipment.

Accident: This is the necessary trigger for all coverages under the policy. It encompasses a wide range of mechanical and electrical breakdowns in language designed to complement Commercial Property coverage.

COVERAGES:

Property Damage: Pays for the cost to repair or replace damaged equipment or other property.

Off Premises Property Damage: Pays for the cost to repair or replace transportable equipment that breaks down away from a covered location.

Business Income: Covers the loss of business income due to a total or partial business interruption caused by a covered Accident.

Extra Expense: Pays for the additional costs, incurred after a loss, to maintain operations.

Service Interruption: Extends Business Income and Extra Expense coverages to apply to service interruptions of electricity, water, gas, communications, refrigeration, air conditioning, waste disposal, heating, air or steam.

Contingent Business Income: Extends Business Income coverage to apply to an Accident at a supplier location.

Perishable Goods: Covers loss due to spoilage caused by an Accident. This includes food spoiling from lack of refrigeration and would also include, for example, molten plastic spoiling from lack of heat. This coverage also pays for loss of perishables due to ammonia contamination and for spoilage caused by service interruption.

Data Restoration: Covers the cost to restore computer data lost due to a covered loss.

Demolition: Pays for the additional cost incurred to comply with building laws that require demolition.

Increased Cost of Construction: Pays for the additional cost incurred to comply with building laws other than those that require demolition.

Expediting Expenses: Pays for the increased costs to make temporary repairs or expedite permanent repairs in order to restore business operations.

Hazardous Substances: Pays for the extra cost to repair or replace covered property contaminated by hazardous substances released in a covered loss.

Newly Acquired Locations: Pays for property damage and all other applicable coverages at newly acquired locations.

OTHER TERMS:

Extended Period of Restoration: Pays for the ongoing Business Income or Extra Expense loss beyond the date the property is restored.

Distance Limitation: If shown, Service Interruption coverage applies to utility supply equipment within the indicated distance from a covered location.

This is a summary of the available Equipment Breakdown coverages. Refer to the policy for all coverage details, terms and exclusions.

Agricultural Businesses Primary and Secondary



Rated A++ Superior by A.M. Best

Six Reasons Why You Need Equipment Breakdown Insurance

1 Equipment You Depend On

Whether it's electrical supply and distribution, refrigeration or mechanical equipment, today's agricultural businesses depend on equipment. Water pump systems for irrigation, boilers for temperature control, and packaging equipment are common in dairies, hog, poultry, fruit and vegetable farms. If a piece of equipment breaks down, not only are there costly repairs and downtime, but losses can be compounded when perishables spoil and income is lost.

2 Equipment Breakdown Insurance Covers More Than Just Repairs

Equipment Breakdown insurance helps protect you from the costs associated with insured losses to your facility's equipment. It pays for:

- Direct property loss — the cost to repair or replace the damaged equipment;
- Costs associated with the time and labor to repair or replace the equipment;
- Other expenses incurred to limit the loss or speed restoration of your operations;
- The loss value of spoiled products or materials;
- Business recovery expenses.

Equipment Breakdown insurance covers the physical damage — and the financial damage — that stems from insured equipment breakdown. It's bottom-line protection essential for today's technology-intensive agricultural businesses.

3 Protection Against Damage Caused By:

- Short circuit/electrical arcing • Power surges
- Mechanical breakdown • Motor burnout
- Boiler breakdown

4 Equipment Breakdown Insurance Covers Many Types of Equipment

Electric Distribution Systems

Since electrical panels, circuit breakers and cables are all interconnected, a short circuit in one part can spread to other parts of the system. The cause can be as simple as a loose connection, dust or moisture. And, if you are located in a remote area you may be subject to power supply variations that can adversely affect many types of electrical equipment.

Water Heating Equipment

Boilers are vulnerable to breakdown due to pump or low-water cut-off mechanism failure. If you lose heat or hot water, your business can't operate and perishables can spoil.

Refrigeration

Compressors are most apt to fail in the large central systems used for temperature and humidity control. Big compressors can cost \$10,000 to \$20,000 or more. Not to mention, the value of CFC-type refrigerant has skyrocketed 800 percent due to the manufacturing ban.

Heating and Cooling Systems

HVAC systems are complex and costly to repair. Failures are common and cost tens of thousands of dollars. If the climate becomes inhospitable due to the lack of heating or air conditioning, not only is there loss of productivity, but there could be significant additional loss, especially if you're raising livestock or poultry.

Pump Systems

Many agricultural concerns depend on deep-wells and pumping equipment for irrigation and water supply. Motors driving pumps are subject to electrical variation and lightning surges. A breakdown of a pump system can result in significant business interruption and loss. Your operation can't survive without water.

5 Mandatory Jurisdictional Inspections

Most states and many local governments require boilers and pressure vessels inspections. With HSB providing these inspection services, you can avoid local inspection fees in a majority of jurisdictions. Only the certificate fee would be your responsibility.

6 Typical Losses

The following are actual losses and the coverage provided for agricultural businesses like yours.

A fruit farm's refrigeration compressor failed due to piston rod failure. Approximately 825 pounds of refrigerant were lost. Business interruption was avoided. However, if the accident occurred only a few weeks later, the farm would have been in the height of its pear season.

Total Loss: \$ 14,548

A circuit-board failure caused controls for pumps that automatically dispense liquid cattle-feed supplements from storage tanks to fail. The pumps turned on and stayed on throughout the night. Approximately 483,333 pounds of the liquid spilled all over the concrete floor.

Total Loss: \$ 31,506

A transformer failure knocked power out at a large farm. A standby generator shorted out due to the single phase condition. The lack of electrical power resulted in the loss of 80 turkeys that were stored in a cold room.

Property Damage: \$ 6,872

Extra Expense: \$ 3,244

Total Loss: \$ 10,116