



Farms and Agribusiness

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

The latest innovations within Farm and Agribusiness are the introduction of Biodiesel-electrical generation equipment employing methane digesters and a variety of support equipment. Ethanol production plants are also being incorporated within agriculture facilities which introduce a variety of equipment breakdown

Loss by Peril

	% of losses
Electrical Breakdown	45
Mechanical Breakdown	37
Pressure Equipment Breakdown	16
Service Interruption	2

exposures.

Typical Losses

Dairy Farm: A small fire tube boiler froze and cracked when it failed to fire, necessitating replacement. Rental equipment was brought in to keep the business operational.

Property Damage: \$4,200
Extra Expense: \$450

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

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

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

Property Damage: \$2,700

Exposures

Boilers and Pressure Vessels

Boilers
 Fired/Unfired Vessels
 Fired Water Heaters
 Refrigeration Units
 Air Conditioning Units

Mechanical Equipment

Compressors
 Pumps
 Engines
 Process Machinery

Electrical Equipment

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

Time Element

Business Interruption
 Extra Expense
 Service Interruption

Class Specific

Consequential/Spoilage
 Ammonia Contamination