

TYPES OF POLICIES AVAILABLE TO NICHE FARMERS

1. **ENDORSEMENT TO HOMEOWNERS POLICY.**
 - a. If you are selling unprocessed produce (no value added by converting it into some edible product).
 - b. And it is being grown in a home garden, *Western Reserve* provides an endorsement that will cover Products Liability.
 - c. Limits of \$1,000,000 are available.
 - d. For a small vendor this is the most economical method of affording coverage. Annual premium will be less than \$100; most being around \$60.

2. **HOME BASED BUSINESS POLICY:**
 - a. This is the most comprehensive coverage for qualifying business at the most reasonable price.
 - b. The annual premium is in a range of \$220.00 to \$270.00
 - c. It will provide \$1,000,000 in General, Premises and Product Liability; along with \$5,000 of coverage for business personal property (supplies, inventory, etc.)
 - d. This policy works well for individuals with gross annual sales / receipts under \$2,500.00
 - e. If annual receipts are higher than must be insured with one of the other products listed below.

- 3 **BUSINESS OWNER POLICY “BOP”.**
 - a. This is a “package” policy – similar in approach to the Homeowner Policy
 - b. Next in line – somewhat higher than the above. Some company **minimum premiums are \$375.00.**
 - c. All Home based Business can be covered.
 - d. This will provide all of the required coverages, plus business property can be covered at a higher amount.

4. **COMMERCIAL POLICY.**
 - a. This is more like a “cafeteria” policy in which selected coverages are written.
 - b. Limits of liability and coverage for business property are very broad.
 - c. This can be written to include business vehicles.
 - d. Minimum premiums are in the area of \$500.00
 - e. Most folks working from their home or farm will not need this.

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5. FARM POLICY.

- a. This is another avenue of coverage depending upon what is being sold.
- b. This would be appropriate if you are:
 - i. Selling produce / fruits (whether processed into pies, jams, jellies, etc. or not.)grown on your property or on property rented or leased to you.
 - ii. Selling eggs, processed chickens, beef, port, lamb, etc. As long as it is slaughtered and packed at an ODA or FDA approved facility.
- c. A Farm Insurance Policy can provide just the required liability coverage to allow retail sales.
- d. It can also be written to include the house, barn, machinery, etc.
- e. The premium varies – depending upon what is covered.

6. GENERAL LIABILITY POLICY. While this does not provide any coverage for business property, this is available to cover:

- a. **Produce.** Provided that it is not being processed (made into pies, jam, jellies, bread, etc.).
- b. **Pies or Baked Goods.**
- c. **Jams and Jellies**
- d. **Plants and Flowers.**
- e. Normally the annual premium will be in the range of \$155 - \$175.00