




Agritainment Insurance and Risk Management

Charting your Map to Success

Ryan Albers, CPCU

Farm Bureau Financial Services

Discussion Points

- 
- Exposure to Liability
 - Insurance Considerations
 - Common Farm Liability Coverage
 - Common Business Activities Endorsement
 - General Liability Coverage
 - Excess & Surplus Lines Companies
 - Release or Waiver
 - Risk Management Tips



Common Losses for On-Farm Ventures


- Loading or unloading falls
 - Hayride, wagon ride
- Trip and falls on ground
 - Corn maze, fall harvest events
- Collision
 - Wagon hits car
- Animal bites
 - Not just dogs anymore



Common Mistakes by New Ventures

- 
- Lack workers compensation coverage
 - Assume farm employee exception
 - Assume all insurance covers all activities
 - Personal policies limit coverage to personal activities
 - Excess & surplus lines policies limit coverage to named ventures
 - Auto policy excludes public livery (transporting guests) exposure
 - Fail to consider cost of insurance in pricing

Exposures to Liability

- 
- Attractive nuisances
 - Recreational activities
 - Transportation of employees or customers
 - Operation of machinery
 - Parking and traffic controls
 - Access to operation
 - Walkways

Insurance Considerations

- Property coverage for business property
- Special coverage for business records, cash
- Product liability insurance
- Business use of personal vehicles
- Umbrella coverage
- Workers compensation



Common Types of Insurance Coverage

- Farm liability coverage
- Business activities endorsement
- Commercial general liability
- Excess & surplus lines coverage



Farm Liability Coverage

- Personal acts of insureds
- Farming operations
- Business pursuits if receipts below a low threshold
- Custom farming if receipts below a low threshold




A vertical strip on the left side of the slide shows a topographic map of a coastline. A white circle is drawn on the map, with two white arrows pointing from it towards the text on the right. The background of the slide is a dark teal color with faint, light blue contour lines.

“Business Activities” Endorsement

- Most homeowner and farmowner policies exclude “business activities” over a certain amount of receipts (often \$2,000)
- Some offer a business activities endorsement to provide coverage up to a certain amount of receipts (sometimes \$20,000)

Business Activities Endorsement

- 
- Require activity to be incidental
 - No employees
 - Receipts based on calendar year
 - Limited list of approved activities
 - Farm employer's liability coverage may not apply (need WC)

Commercial General Liability

- Broad protection
- Required by many companies to whom you sell
- Higher minimum premiums
- Premium charge per activity




Excess & Surplus Lines Company

- Provides coverage for specialty risks
- Understand complex or difficult
- Often require annual applications
- Local agent works with broker to obtain
- Coverage limited to described operations



Common Insurance Coverage


- 
- A vertical strip on the left side of the slide shows a topographic map with contour lines and a grid. A white circle is drawn on the map, with two white arrows pointing from it towards the text on the right.
- Make sure all activities are disclosed to agent
 - Keep proof of disclosure
 - When changing activities, notify the agent in writing and keep a copy

Activities with Release Forms

- Hunting & Guiding
- Equine Boarding
- Equine Riding Lessons
- Equine Breeding
- Trail Rides
- Hay Rides
- School Tours
- Organic Food
- Corn Maze
- Fruit / Vegetable Markets
- ATV Tours
- Guest Ranches
- Leased Hunting




Common Release (Waiver) Components

- 
- Signed by all parties
 - Retain original signed form for five years
 - Have it reviewed by competent legal professional
 - Repeat customers must sign annually
 - Children whose parents previously signed for them must sign after they turn 18
 - Examples on the internet
 - Waivers are not a substitute for sound risk management or liability insurance

(This is not to be construed as legal advice)

Risk Management Tips

- 
- View your property through the eyes of a child when looking for hazards
 - Have an accident procedure plan and train employees
 - Adequate staff to observe visitors (especially kids)
 - Keep grounds mowed, free of debris and clutter




Risk Management Tips (cont)

- Educate visitors and explain hazards
- Post signs and mark areas “Off Limits”
- Inspect equipment and wagons daily to verify they are safe
- Be aware of what you have on your farm and do everything you can to make it safe!



Charting your Roadmap to Success

- 
- Each activity adds risk of an accident
 - Each risk results in a cost
 - Each cost must be weighed against the potential income
 - Balance cost (of insurance) against income as part of the business plan
 - As activities are added, notify agent in writing



Questions?

Stay on the farm, make some money
and most of all, have some fun!