

# ENVIRONMENTAL YOU KNOW THE ISSUES

~ Clark Benton & Jim Dawdy, Wells Fargo Insurance Services



## The Reality

You live and think about them everyday. You read the stories in newspapers, see breaking news on the television then research for a balanced perspective on the internet. But after all of that it remains clear, dairy farms will continue to come under close scrutiny for environmental issues and this won't change anytime soon.

Running a dairy farm is not unlike any other business. There are inherent risks that can be minimized or avoided, and there are also risks that will never go away. The good news is the environmental risks you face can be reduced, and in many cases transferred to another party through insurance.

Most dairy farms are spending considerable amounts of money to avoid an environmental problem. Regardless of how many proactive measures you implement an environmental situation can occur anytime from neighbors, conservation groups or local/national authorities. When it does it will receive bold media attention which will fuel the next round of questions, finger pointing and heightened environmental concerns.

Most dairy farms do what they can to avoid an environmental situation, but still know that sometimes there are issues out of their control.

- Neighbor alleges problems to family's health citing odor and dust from your farm. Field runoff after a heavy rain migrates into an adjacent lake, stream or river.
- Ground contamination is discovered in a neighbor's well and your farm is accused of the contamination.
- Manure pit's contents escapes.
- Government regulations change and suddenly you are no longer in compliance.

The list can go on and on but the point is what do you do if something happens? How do you compensate for alleged damages? How do you fund the defense of an allegation that

your farm caused a birth defect? Yes, just an allegation, even baseless, can force you to retain an attorney, go to court and do all you can to avoid a judgment that could cripple your operation financially.

## The Good News

Recognizing that environmental issues are more and more critical to farms, and with a mission of "enhancing producer profitability through integrated services," NorthStar Cooperative has partnered with Wells Fargo Insurance Services and developed an exclusive environmental insurance program designed to protect your resources and profitability. ***This program is only available for NorthStar customers.***

## Program Benefits

- Rates are significantly lower than a farm could get if they purchased on their own.
- The program is administered through Wells Fargo Insurance Services and underwritten by Chubb Insurance.
- It has been designed specifically for NorthStar's customers, with an application tailored to your operations.
- This is an exclusive program through NorthStar Cooperative, and not available outside the NorthStar family.

## Underwriting

An application is required and is available on the NorthStar web site. Information will be kept strictly confidential, but the application must be signed and returned to Wells Fargo Insurance Services.

## Coverage Outline

- Limit of Liability: \$2,000,000 occurrence and aggregate
- Deductible: \$10,000
- Policy Term: three years

## Coverage

- Cost of clean-up
- Third party liability for bodily injury and property damage
- Attorney defense costs

- Settlement and judgment costs
- Notable Exclusions: Willful non-compliance with statutes and regulations; damage to owned property; known pre-existing pollution.

## Risk Management Support

Included with the program is valuable information to help you manage your environmental risk.

## Premiums

Premiums are tiered by the size of your herd and for a three year policy will be between \$5,550 and \$8,550 (this is not an annual installment but the premium for the entire policy term of three years).

## How To Get A Proposal

1. Obtain an application from Wells Fargo Insurance or [northstarcooperative.com](http://northstarcooperative.com).
2. Complete application, sign and return by e-mail, fax or mail to Wells Fargo Insurance.
3. The application will be underwritten for approval and if there are questions or additional information is needed, Wells Fargo Insurance will contact you. A detailed proposal will then be sent to you for review.

## Wells Fargo Insurance Services Contact Info.

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