

Insuring the Farm and Farm Animals

Insurance is covered in greater detail in the business resumption discussions, and the information there also applies to the issues faced by farm owners and managers. Owners should check with insurance agents about which perils and which animals are covered. Farms that do not keep approved and reliable production records are unlikely to be able to claim adequate compensation for lost production.

The most common type of insurance covers cattle, pigs, sheep, goats, horses, donkeys, and mules. Special policies are usually needed for poultry, turkeys, ratites (ostriches and emus), elk, buffalo, and other less conventional species.

Basic insurance covers many types of specified disasters, but the “named perils” that most insurance policies cover include fire, lightning, windstorm or hail, explosion, riot or civil commotion, aircraft, vehicles, smoke, vandalism or malicious mischief, theft, electrocution, drowning, accidental shooting, collapse of buildings and structures, attack by wild animals or dogs, freezing, and hypothermia. Reimbursement for animals is usually based on a fair market value at the time of loss.



The cost of cleaning up after a tornado is not covered under standard insurance policies unless the peril is specified in the policy.