



Farmers Union Insurance Company
PO Box 2020
Jamestown, NJ 08401
Phone: 701.252.2701
Online: www.fumic.com

Dear Valued Policy Holder,

This letter acknowledges your inquiry into the CO2 pipeline that you expect to run through your property.

Farmers Union Insurance (FUI) is aware of the potential CO2 pipeline project in your area and wants you to be fully aware of the protections provided by your liability insurance policy's provisions, limitations, and coverages.

Your liability policy provides indemnity coverage and legal defense for any claim made against you as a result of your actions related to your farm liability or personal liability. It is first and foremost important to understand that your policy will only respond if you are legally liable for bodily injury or property damage as a result of your actions, inactions, or your alleged actions/inactions.

Please be aware that your liability policy contains exclusions for losses caused by pollutants. The policy may also exclude coverage for your responsibility to clean up, remove, treat, detoxify, remediate, or in any way respond to a loss caused by or due to pollutants. This means that there may be no coverage from your policy in the event that there is a release of pollutants.

You should understand that in the event that your land or property may be sold, leased, or transferred, any potential loss is subject to the insurance that is active at the time of the occurrence. Over time, the pipeline may become useless or ineffective, and if the policy is no longer in force at the time of the occurrence, you will be provided with no defense or legal indemnification.

FUI strongly recommends that you seek legal counsel prior to signing any contractual agreement. The contractual agreement will contemplate hold harmless agreements, waivers of subrogation, and potentially, the addition of outside parties as additional insureds on your policy. These contemplations are extremely important and could bind you to legal responsibilities in the event of a loss.

All claims are subject to their own merit, and as a result, it is not possible for FUI to provide you with a definitive summary of what may or may not be subject to coverage. As with all liability claims, FUI will provide coverage if you are legally liable, or deny coverage at the point it is determined that you have no coverage from your liability policy.

As always, any utility, pipeline, or other third-party exposure presents a substantial exposure to you from a liability perspective, unless the third party provides clear, contractual language which specifically holds you harmless. While no definitive coverage analysis can be provided until facts of a loss are contemplated, be aware that you may be at a substantially elevated risk of uninsurable exposure any time a third-party is allowed on your property.

Sincerely,

A handwritten signature in dark ink, appearing to read "Brad Nold", written over a light blue horizontal line.

Brad Nold, AIC, AINS
Chief Claims Officer

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PU-22-391