

## Fact Sheet #7 Liability Insurance

**There are two main types of insurance specifically for farms: liability insurance and crop insurance.** See Fact Sheet #8 for information on crop insurance.



Liability insurance is required for all farmers selling crops. Liability insurance protects you from being sued if you hurt someone or damage their property. This type of insurance is required for all farmers who sell at farmers' markets, make value-added products, and hire workers, and will protect you from financial loss in the event that a customer is hurt on your property or gets sick from eating your products. If such an event were to occur and the customer decided to sue, your liability insurance policy would cover the claimant's related medical expenses and/or property damage, and the cost of a lawyer. Liability insurance can also provide protection while transporting farm chemicals.

Liability insurance can be covered under one's homeowner's insurance policy if the farming activity is a "secondary" operation earning less than \$5,000 per year [check with your insurance agent].

Two other types of insurance to consider are comprehensive farm liability policy and the commercial business policy. The farm liability policy is designed to provide liability coverage for accidents that happen on the farm premises. This covers you, your family, your employees, and anyone who is a visitor on the farm as long as the injuries occur in connection with the policy's definition of "farming." The commercial business policy is designed to provide liability protection for the types of activities conducted in connection with the farm business, such as selling your farm products or someone integral to the operation becoming ill.

There are many insurance companies that offer liability insurance. Choose one that specializes in liability insurance for farmers. One company in Massachusetts is the [Farm Family Casualty Insurance Company](#), located in Northborough. Farm Family's [Special Farm Package 10<sup>®</sup> \[SFP 10<sup>®</sup>\]](#) provides many insurance choices. Talk to an agent and explain what you plan to do to learn about the best type of insurance to protect you and your assets. Many times the cost of the insurance premium is related to your income from farming.

***Note that in order to be eligible and to receive discounts on some types of farm insurance, you need to be a member of the [Massachusetts Farm Bureau](#).***

**Farm Owner's Insurance:** Like a home owner's policy, most general farm insurance plans cover property damages and comprehensive personal liability coverage for claims against the farm. This insurance is only available through private insurance brokers and it is suggested that you shop around as prices vary widely from vendor to vendor.

**Supplemental Comprehensive Coverage and/or Product Liability Insurance:** If you have the public coming to your farm, you may want to consider increasing your farm's comprehensive personal liability insurance in case someone gets hurt on your property while participating in activities such as harvesting crops or taking hayrides. Make sure your general comprehensive policy covers product risks or purchase product liability insurance.

**Farm Employee Insurance:** Employers are required to carry workers' compensation insurance for all employees, including family members. Insurance can be purchased from private insurers or an employer can form/join a self-insurance group if they meet various requirements and post bond. To assess insurance rates in Massachusetts, call the Workers' Compensation Rating and Inspection Bureau at (617) 439-9030.

**Health Insurance:** As of July 2007, all Massachusetts residents are required to have health insurance coverage. All Massachusetts employers with 11 or more employees are obligated to offer a health plan to their workers and to make a contribution to that plan. There are penalties for individuals and employers who do not purchase health insurance or offer it to employees. To learn more about obtaining affordable health insurance, see the Massachusetts Health Connector [website](#) or call (877) 623-6765.

## Massachusetts Farm Liability Insurance Contacts

### Farm Family Casualty Insurance Company

Phone: (508) 393-9327 or (800) THE-FARM (843-3276)

### Massachusetts Farm Bureau Federation, Inc.

Phone: (508) 881-4766

### Farm Family Insurance

Phone: (518) 431-5000