

**COMPREHENSIVE HOBBY FARM POLICY  
A GUIDE TO YOUR POLICY**

This Policy consists of three Sections:

**SECTION I – RESIDENTIAL PROPERTY COVERAGES**

Describes the insurance for “Your” residential property. It also includes additional living expenses and/or fair rental value in certain circumstances.

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Describes the insurance for “Your” legal liability for “Bodily Injury” to others or damage to property of others arising out of “Your” premises or “Your” personal actions. It also includes benefits following injury or damage to property of others in certain other circumstances.

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## IMPORTANT

This Policy contains various exclusions and limitations which eliminate or restrict coverage. Please read it carefully.

Insurance cannot be a source of profit. It is only designed to indemnify "You" against actual losses or expenses incurred by "You" or for which "You" are liable.

### GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY

**War:** This policy does not insure any loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

**"Terrorism":** This policy does not insure any loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism" unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion.

**Nuclear:** This policy does not insure any loss or damage caused directly or indirectly by:

- (a) any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (b) contamination by radioactive material.

**Pollution:** This policy does not insure loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, "seepage", "leakage", migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", except as provided Section III – Coverage J Farmers Limited Pollution Liability and Extensions of Coverage – Pollution Damage – Insured Premises.

**Mould:** This policy does not insure:

- (a) loss or damage by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;
- (b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores".

**Pandemic Exclusion:** This policy does not insure any loss or damage caused directly or indirectly by the actual or suspected presence or threat of any virus, organism or like substance that is capable of inducing disease, illness, physical distress or death, whether infectious or otherwise, including but not limited to an epidemic, pandemic, influenza, plague or flu of any kind.

**"Data" Exclusion:** This policy does not insure:

- (a) "Data";
- (b) Loss or damage resulting from contributed to or caused directly or indirectly by a "Data Problem", except as provided under 11. (h) Electronic Data Processing Equipment, "Data" and Media.

However, if loss or damage caused by a "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Specified Perils" as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

### SECTION I – RESIDENTIAL PROPERTY COVERAGES DEFINITIONS

**"Civil Authority"** means any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under a Federal, Provincial or Territorial legislation with respect to the protection of persons and property in the event of an emergency.

**"Data"** means representations of information or concepts, in any form.

**"Digital Assets"** means electronic files for which a fee has been paid that are downloaded and stored on home electronic equipment, computers or mobile phones. "Digital Assets" does not include downloaded files pertaining to "Your" business.

**"Dwelling"** means the building described on the Declaration Page, occupied by "You" as a private residence.

**"Fungi"** includes, but is not limited to, any form or type of "mould", yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.

**Ground water"** means water below the surface of the ground, including that which exerts pressure on or flows, seeps, or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors.

**"Homeowner"** means an owner of a freehold dwelling.

**"Identity Theft"** means the act or acts of knowingly transferring or using, without lawful consent or authority, "your" means of identity, which constitutes a violation of any federal, provincial, territorial, municipal or quasi-criminal law.

**"Identity Theft Occurrence"** means any act or series of acts of "identity theft" by a person or group which results in an insured loss during the Policy period.

**"Personal Transporter"** means a self-balancing, electric-powered transportation device able to turn in place and designed for one person, with a top speed of 20km/h.

**"Premises"** means the dwelling and land contained within the lot lines on which the dwelling is situated.

**"Specified Perils"** means, subject to the exclusions and conditions in this Policy:

- (1) fire;
- (2) lightning;
- (3) explosion;
- (4) smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises;
- (5) falling objects which strike the exterior of a building;

- (6) impact by aircraft or land vehicle;
- (7) riot;
- (8) vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
- (9) water damage meaning damage caused by:
  - (a) the sudden and accidental escape of water from a water main;
  - (b) the sudden and accidental escape of water from within a heating, plumbing, sprinkler or air conditioning system or domestic water container, which is located inside "Your" dwelling;
  - (c) the sudden and accidental escape of water from a domestic water container located outside "Your" dwelling but such damage is not covered when the escape of water is caused by freezing; or
  - (d) water which enters "Your" dwelling through an opening which has been created suddenly and accidentally by an insured peril;
- (10) windstorm or hail;
- (11) transportation meaning loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to property in a vacation or home trailer which "You" own.

**"Spores"** includes, but is not limited to, any reproductive particle or microscopic fragments produced by, emitted from or arising out of any "fungi".

**"Student"** means any student insured by this Policy, who is temporarily living away from home for the purpose of attending a school, college or university. The student must be dependent on the Named Insured or his or her spouse for support and maintenance in order for coverage on this Policy to extend to him/her.

**"Surface waters"** means water on the surface of the ground where water does not usually accumulate in ordinary watercourses, lakes, or ponds. This includes any waterborne objects.

**"Terrorism"** means an ideologically motivated unlawful act(s), including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s), or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

**"Under Construction"** means any construction from the foundation, or alteration or repairs to the "Dwelling" which results in piercing of an exterior wall, below grade or above, or roof for more than 24 hours, or which necessitates "Your" temporary relocation.

**"Volunteer"** means any person who donates time to an organization for a charitable purpose or in direct service to the general public or the community.

**"Water"** means the chemical element defined as H<sub>2</sub>O in any of its three natural states, liquid, solid and gaseous.

**"Water main"** means a pipe forming part of a public water distribution system, which conveys consumable water but not wastewater.

**ALL STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY  
APPLY TO ALL COVERAGES OF SECTION I**

## COVERAGES

The amounts of insurance are shown on the Declaration Page. These amounts include the cost of removing of debris of the property insured by this Policy as a result of an insured peril. When the damage to the property plus the cost of cleaning and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged Building(s) will be available to cover debris removal expenses.

If "You" must remove insured property from "Your" premises to protect it from loss or damage, it is insured by this Policy for 30 days or until "Your" policy term ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of loss.

### COVERAGE A – DWELLING BUILDING

"We" insure:

- (1) The dwelling and attached structures;
- (2) Permanently installed outdoor equipment on the premises;
- (3) Outdoor swimming pool and attached equipment on the premises; and
- (4) Materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of "Your" dwelling or private structures on the premises.

#### Building Fixtures and Fittings

"You" may apply up to 10% of the amount of insurance on "Your" dwelling to insure building fixtures and fittings temporarily removed from the premises for repair or seasonal storage.

#### Tear Out

If any walls, ceilings or other parts of insured buildings or structures must be torn apart before water damage, covered by this Policy can be repaired "We" will pay the cost of such work and its restoration.

The cost of tearing out and replacing property to repair damage related to outdoor swimming pools or public "water mains" is not insured.

#### Outdoor Trees, Shrubs, Plants and Lawns

"You" may apply up to 10%, in all, of the amount of insurance on "Your" dwelling to lawns, trees, plants and shrubs on "Your" premises. "We" will not pay more than \$1,000 for any one lawn, tree, plant or shrub including debris removal expenses. "We" insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts, as described under Specified Perils.

"We" do not insure lawns or items grown for commercial purposes.

### COVERAGE B – DETACHED PRIVATE STRUCTURES

"We" insure structures or buildings on "Your" premises separated from the dwelling by a clear space but not insured under Coverage A. If they are connected to the dwelling by a fence, utility line or similar connection only, they are considered to be detached structures.

"We" insure Hydro Poles and Transmission Lines including all poles, cross beam insulators and permanently installed outside electric wiring which is owned by "You", located on "Your" premises and services "Your" residential buildings for up to a maximum of \$5,000.

#### Property Not Included as Detached Private Structures

This coverage does not apply to any building or structure that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or business purposes, whether it is in use, unoccupied, or vacant.

### COVERAGE C – PERSONAL PROPERTY

The description of Personal Property is as follows:

- (1) **ON PREMISES:** "We" insure the contents of "Your" dwelling and other personal property "you" own, wear or use while on "your" premises which is usual to the ownership or maintenance of a dwelling.  
If "you" wish, "we" will include uninsured personal property of others while it is on that portion of "your" premises which "you" occupy but "we" do not insure property of tenants, roomers or boarders who are not related to "you".
- (2) **OFF PREMISES:** "We" insure "your" personal property while it is temporarily away from "your" premises, anywhere in the world. This includes personal property newly acquired by "you" and in "your" possession when there has not been an opportunity to take such property to "your" premises.
  - (a) Personal property normally kept at any other location "you" own is not insured.
  - (b) Personal property stored in a warehouse is only insured for 30 days unless the loss or damage is caused by the peril of theft. To extend coverage for personal property in storage for a further period "We" must be notified in writing and endorse "your" Policy as required.
  - (c) If "You" wish, "We" will include personal property belonging to others while it is in "your" possession or belonging to a residence employee traveling for "you".
  - (d) Personal property used by any "student" insured by this Policy, for an amount up to \$10,000, while temporarily living away from home.
  - (e) Personal property belonging to others which is in "Your" possession while "you" are acting as a "Volunteer", for an amount up to \$1,000.
  - (f) Personal property that "you" are moving to a new principal residence within Canada is insured while in transit and while at "your" new principal residence for up to 30 consecutive days beginning the day "you"

start “your” move. The amount of insurance will be divided in the proportion that the value of the property at each premise and in transit bears to the value of all “Your” personal property at the time of loss.

### **Property Not Included As Personal Property**

“We” do not insure loss or damage to motorized vehicles, trailers and aircraft or their equipment (except for motorized wheelchairs and motorized scooters for the handicapped having more than 2 wheels, “Personal Transporters”, motorized lawn mowers, garden-type tractors up to 30kW [40 HP] and their attachments, other motorized gardening equipment, snow blowers, watercraft or motorized golf carts). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. (Subject to Special Limits Applicable to Some Personal Property)

### **Special Limits of Insurance**

The following Special Limits of Insurance apply after the Policy deductible without increasing the amount of insurance shown on the Declaration Page for Personal Property.

“We” insure:

- (1) jewellery, watches, gems, fur garments and garments trimmed with fur, up to \$10,000 in all;
- (2) collectables, meaning specifically, sports cards, sports memorabilia and comic book collections, up to \$2,500 in all;
- (3) philatelic property (such as stamp collections) up to \$2,000 in all;
- (4) numismatic property (such as coin collections and bank note collections) up to \$1,000 in all;
- (5) silverware, meaning silverware, silver-plated ware, gold ware, gold-plated ware and pewter-ware for up to \$15,000 in all.

The above limits do not apply to any claim caused by a Specified Peril.

“We” insure:

- (6) each bicycle, their equipment and accessories up to \$2,000 in all;
- (7) antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
- (8) books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$6,000. in all; other business property, including samples and goods held for sale, is not insured;
- (9) computer software including “digital assets” for personal use up to \$5,000 in all. “We” do not insure the cost of gathering or assembling information or data;
- (10) harness, saddles, tack and other similar equipment usual to the ownership of pet animals for pleasure purposes up to \$3,000 in all;
- (11) money including cash cards (meaning cards designed to store a cash value by electronic means for use as a mode of payment, without a personal identification number and without direct access to a bank or other account) or bullion up to \$1,000 in all;
- (12) motorized lawn mowers, other motorized gardening equipment and motorized golf carts, including attachments and accessories up to \$20,000 in all for any one occurrence;
- (13) property at any fairground, exhibition or exposition for the purpose of exhibition up to \$2,000 in all;
- (14) securities, books of account, deeds, evidences or debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right to claim a benefit up to \$5,000 in all;
- (15) spare automobile parts up to \$3,000 in all;
- (16) watercraft, their furnishings, equipment, accessories and motors up to \$3,000 in all.
- (17) fences, gateways, gates and driveway construction materials up to \$25,000 in all;
- (18) utility trailers up to \$1,000 in all
- (19) “Personal Transporters” up to \$3,500 for any one “personal transporter” or unattached piece of equipment.

The following special limits apply, without a Policy deductible and without increasing the amount of insurance as shown on the “Declaration Page” for personal property.

- (1) Computer (software) – while traveling, for your personal use only, computer software (programs, excluding the cost of gathering or assembling information or “data”) up to \$10,000 in all. Coverage applies while such property is at any temporary location or in transit anywhere in the world.
- (2) Hearing aids coverage up to \$2,000 in all, in any one event for scratching, marring, abrasion or chipping.
- (3) Home modification for physical limitations following an insured loss, increases the eligible rebuilding cost, up to \$20,000 in all, for building improvements/betterments, which are solely attributable to “your” physical limitations.
- (4) Luggage (while travelling) while such property is at any temporary location or in transit anywhere in the world.
- (5) Motorized wheelchairs, motorized scooters for the handicapped and motorized golf carts original power source and power train not modified or customized, up to \$20,000 in all, for any one occurrence.
- (6) Vision aids (Glasses) up to \$2,000 in all, for any one event for scratching, marring, abrasion or chipping.
- (7) Personal property owned by “you” or “your” parent or family who is dependent on “you” for support and maintenance or resides in a longer term or health care facility or nursing home for an amount of \$20,000 in all, for any one occurrence.

### **COVERAGE D – ADDITIONAL LIVING EXPENSE**

The amount of insurance for Coverage D is the total amount for any one or a combination of the following coverages. The periods of time stated below are not limited by the expiration of the Policy.

- (1) **Additional Living Expense.** If, as a result of damage by an Insured Peril, "Your" dwelling is unfit for occupancy or "You" have to move out while repairs are being made, "We" insure any necessary increase in living expenses, including moving expenses incurred by "You", so that "Your" household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild "Your" dwelling or, if "You" permanently relocate, the reasonable time required for "Your" household to settle elsewhere.
- (2) **Fair Rental Value.** If, as a result of damage by an Insured Peril makes that part of the dwelling or detached private structures rented to others or held for rental by "You" unfit for occupancy, "We" insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.
- (3) **Prohibited Access.** If a civil authority prohibits access to "Your" dwelling:
  - (a) as a direct result of damage to neighbouring premises by an Insured Peril under this Policy, "We" insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding 30 days; or
  - (b) by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, "We" insure any resulting necessary and reasonable increase in living expense incurred by "You" for the period access is prohibited. "You" are insured for a period not exceeding 30 days from the date of the order of evacuation or \$3,000, whichever is the lesser.

"You" are not eligible for any claim arising from evacuation resulting from:

  - i. flood, meaning waves, tides, tidal waves, tsunamis and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
  - ii. earthquake;
  - iii. any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

"We" do not insure loss resulting from the cancellation of a lease or agreement.

## EXTENSIONS OF COVERAGE

### Bylaws Insurance

If there is a loss insured by this Policy, "We" will pay up to a maximum of \$20,000 for the additional cost of demolition, construction or repair which is required to comply with any law regulating demolition, construction or repair of dwellings. "We" will not pay more than the minimum amount required to comply with an enforceable law.

### Change of Temperature

"We" insure "your" personal property damaged by change of temperature resulting from physical damage to "your" "dwelling" or equipment by an Insured Peril. This only applies to personal property kept in the "dwelling".

### Conviction Reward

"We" will pay \$1,000 each, for information which leads to a conviction of any person(s):

- (1) who robs, steals or burglarizes "Your" insured personal property; or
- (2) for arson in connection with a fire loss to property insured by this Policy.

This coverage may increase the amount otherwise applicable. However, the \$1,000 limit will not be increased regardless of the number of persons providing information. No deductible applies to this coverage.

### Credit Card, Automated Teller Card, Library Card, Video Card, Forgery and Counterfeit Money

The maximum "We" will pay under this coverage during the term of this Policy is \$10,000 or the amount specified on the Declaration Page for:

- (1) "Your" legal obligation, under Canadian Law, to pay because of unauthorized use of credit or debit cards, automated teller cards, library or video cards issued to "You" or registered in "Your" name provided "You" have complied with all of the conditions under which the card was issued;
- (2) loss caused by the theft of "Your" credit or debit cards, automated teller cards, library or video cards issued to "You" or registered in "Your" name provided "You" have complied with all of the conditions under which the card was issued;
- (3) loss to "You" caused by forgery or alteration of cheques, drafts or other negotiable instruments;
- (4) loss by "Your" acceptance in good faith of counterfeit Canadian or United States paper currency.

"We" do not cover loss caused by the use of "your" credit or debit cards, automated teller card, library card or video cards by a resident of "your" household or by a person to whom the card has been entrusted or loss arising out of "your" business pursuits. No deductible applies to this coverage.

### Emergency Services Forced Entry

"We" will pay up to \$5,000 in all for loss or damage caused to the "Dwelling" or detached private structure(s) when the fire, police or ambulance service has to force entry to the building(s) because of an emergency or perceived emergency involving "you" or "your" family.

No deductible applies to this coverage.

### **Extended Warranty Coverage**

This coverage doubles the original manufacturer's warranty up to a maximum of one year for normal household purchases of items for use in connection with the dwelling insured by this Policy subject to the exclusions and conditions below. The extended warranty applies only to parts and/or labour costs resulting from mechanical breakdown or failure of the covered item. "We" will not pay more than the original purchase price to repair or replace the item subject to a maximum payable of \$10,000 in any one event. No deductible applies to this coverage.

Exclusions:

This coverage does not apply to:

- (1) used items;
- (2) to any motorized vehicles, aircraft, watercraft, trailers, snow blowers, lawnmowers or garden tractors or to their equipment or accessories;
- (3) any deductible in the manufacturer's warranty.

Conditions:

- (1) "You" must present a copy of the receipt and the original manufacturer's warranty for the item within 90 days of the event for which a claim is being made.
- (2) The event must take place during the policy period.
- (3) Any other insurance, warranty or extended warranty applies before this coverage takes effect.

### **Fire Department Charges**

"We" will reimburse "you" for fire department charges incurred for attending premises insured under this Policy to save or protect insured property from loss or damage, or further loss or damage insured against by this Policy. No deductible applies to this coverage.

### **Food Freezer**

"We" will pay for loss or damage by spoilage of foodstuffs while contained in "Your" food freezer located within "Your" dwelling, caused by the accidental interruption of electrical power occurring on or off "Your" premises, or by mechanical breakdown of the freezer unit. This coverage includes damage to the freezer when it is due to the insured food spoilage and also reasonable expenses incurred by "You" to save and preserve the food from spoilage while "Your" freezer is being repaired.

"We" do not insure:

- (1) due to deliberate manual disconnection of the electrical power supply on "Your" "Premises";
- (2) due to inherent vice and/or natural spoilage;
- (3) due to "Your" failure to take all reasonable steps to prevent further loss or damage to the insured property.

No deductible applies to this coverage.

### **Identity Theft**

"We" will pay up to \$25,000 in all, during the term of this Policy, for the following costs and expenses incurred by "you" due to an "Identity Theft Occurrence". No deductible applies to this coverage.

- (1) Costs associated with registered mail to business, law enforcement agencies, financial institutions, and credit agencies and similar credit grantors.
- (2) Fees for the re-application of declined loan(s), because of incorrect or erroneous information.
- (3) Costs or expenses (including mileage, associated parking costs, taxicab fees or public transit fees) incurred for notarizing affidavits for financial institutions, credit agencies, credit grantors or similar lenders.
- (4) Costs or expenses (including mileage, associated parking costs, taxicab fees or public transit fees) incurred for notarizing affidavits for law enforcement agencies.
- (5) Long distant telephone expenses to discuss an actual "Identity Theft Occurrence" to business, law enforcement agencies, financial institutions, credit agencies and similar credit grantors.
- (6) Earnings lost resulting from necessary time away from "your" employment for the purposes of completing affidavits and meeting with credit agencies, similar credit grantors, law enforcement departments, financial institutions, merchants and legal counsel, up to \$300 per day to a maximum of \$5,000, for each "Identity Theft Occurrence".
- (7) Costs, fees or expenses associated with the replacing of Canadian or Provincial Government issued documents because of an "Identity Theft Occurrence".
- (8) Legal fees incurred directly as a result of an "Identity Theft Occurrence", with prior notice to "us", for:
  - (a) The removal of any criminal or civil judgments wrongly entered against "you".
  - (b) Challenging the information in "your" consumer credit report.
  - (c) The defense of lawsuits brought against "you" by business or their collection agencies.

- (9) "We" will reimburse "you" for the reasonable cost of obtaining two (2) credit reports after reporting to "us" an "Identity Theft Occurrence". Coverage is for a period of twelve (12) months, starting from the date of reporting the occurrence. Coverage will continue should this Policy expire.

#### Requirements after Loss

"You" are required to contact your local law enforcement agency and report the "Identity Theft Occurrence".

#### Exclusions

"We" do not insure against loss or damage resulting from, contributed to or caused directly or indirectly by:

- (1) "your" own use of your identity;
- (2) "your" intentional misuse of "your" identity;
- (3) fraudulent, dishonest, criminal or intentional misuse of "your" identity by "you", or any person acting with "You", by any resident of "Your" household or "your" authorized representative, whether acting alone or in collusion with others; or
- (4) "your" commercial or "business" pursuits.

Nor do "we" insure:

- (1) any losses covered by the use of "your" credit card, automated teller card (debit card) or any other card or forgery and counterfeit money; or
- (2) any losses covered by credit card insurance, bank insurance or other coverage available to "you".

This coverage will be secondary with other insurance being primary and will apply once "your" other insurance is exhausted.

#### Inflation Protection

"We" will automatically increase the amount(s) of insurance shown on the Declaration Page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this Policy, the latest renewal or anniversary date or from the date of the most recent change to the amount(s) of insurance shown on the Declaration Page, whichever is the latest.

#### Lock Replacement

"We" will pay up to \$1,000 to replace or re-key, at "our" option, the locks on "your" principal residence if the keys are stolen. No deductible applies to this coverage.

#### Pollution Damage – Insured Premises

If a sudden and unintentional event occurs during the policy term resulting in pollution or contamination of property of the insured premises, which is required to be reported to any provincial authority, "We" will pay up to \$50,000, in any one policy year, subject to the Policy deductible, for costs to remove and restore property of the insured premises.

#### Safety Deposit Box

"We" insure "Your" personal property up to a maximum of \$25,000, for loss or damage caused by an insured peril, while contained in a safety deposit box located in a vault at a bank, trust or safe deposit company. The special limits on personal property do not apply to this coverage.

#### Tombstones, Monuments and Headstones

Up to \$2,000 in all may be applied to tombstones, monuments or headstones of "your" deceased parent, spouse or children located at any public or church cemetery in the Province of Ontario. "We" insure these items for "Specified Perils" only.

#### Water Escape

This extension of coverage only applies to those locations that show water escape coverage on the "Declaration Page". Coverage is limited to the amount shown on the "Declaration Page" and is subject to the Policy deductible.

"You" are insured for sudden and accidental direct physical loss or damage to the dwelling, detached private structures and personal property as listed on the "Declaration Page" which resulted from a "single occurrence" and is caused by:

- (1) "flood"; or
- (2) "sewer, septic tank, drain, or sump back up".

#### Exclusions

This endorsement does not cover loss or damage caused directly or indirectly:

- (1) occurring while the dwelling is "vacant" or "under construction", irrespective of any permission for vacancy or construction elsewhere in this Policy;
- (2) in whole or in part, by waves, tides, tidal waves, storm surge, tsunamis or seiches, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
- (3) by "flood" to insured property:
  - (a) located within 100 metres of the shoreline of a body of water or the bank of a river or other flowing water with a bankfull width of 5 metres or more. However, this exclusion does not apply if building(s) or structure(s) at grade have an elevation of at least 7 metres above the natural bank of the river or other flowing water.



- (b) seeping of water through the foundation;

#### Definitions

"Flood" means water that accumulates upon or submerges land resulting from the unusual and rapid accumulation of water from any source, including the breaking out or the overflow of any body of water or watercourse, whether natural or artificial. "Single Occurrence" means all events that occur within any 72 consecutive hours commencing during the term of this Policy. The single occurrence must have occurred on or after the effective date of the addition of water escape coverage. The expiration of this Policy will not reduce the 72 consecutive hour period.

"Sewer, Septic Tank, Drain, or Sump Back Up" means sudden and accidental "leakage" or escape of water from a sewer, drain, sump, septic tank or sump pit within the insured dwelling and detached private structures.

#### INSURED PERILS

"We" insure "your" dwelling, detached private structures and "your" personal property against all risks of direct physical loss or damage subject to the exclusions and conditions in this Policy.

#### EXCLUSIONS

##### Property Excluded

"We" do not insure the loss of or damage to:

- (1) "Your" insured property when "your" dwelling has to "your" knowledge, been "vacant", even if partially or fully furnished, for more than 30 consecutive days;
- (2) any property illegally acquired, kept, stored or transported, or property subject to forfeiture;
- (3) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (4) property because of voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
- (5) outdoor trees, shrubs, plants or lawns except as provided under Coverage A – Dwelling Building;
- (6) books of account and evidences of debt or title except as provided under Special Limits of Insurance;
- (7) property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
- (8) animals, birds or other pets unless the loss or damage is caused by a Specified Peril other than impact by aircraft or land vehicle;
- (9) sporting equipment where the loss or damage is due to its use;
- (10) property at any fairground, exhibition or exposition for the purpose of exhibition except as provided under Special Limits of Insurance;
- (11) retaining walls not constituting part of any insured building; except for Fire, Lightning, Impact by Aircraft or Land Vehicle or Vandalism and Malicious Acts.
- (12) losses or increased costs of repair or replacement due to operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services, other than that coverage provided under Bylaws Insurance.
- (13) Livestock.

##### Perils Excluded

"We" do not insure against loss or damage resulting from, contributed to or caused directly or indirectly:

- (14) by or resulting from contamination or pollution or the release, discharge or dispersal of contaminants or pollutants, except damage caused by the sudden and accidental escape of fuel from a permanently installed domestic fuel tank (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured dwelling or detached private structure or as provided under the Extensions of Coverage;
- (15) by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results from fire, lightning or explosion of natural, coal or manufactured gas;
- (16) by wear, tear, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, fungi or spore(s), or contamination;
- (17) by scratching, marring, abrasion or chipping of any property or breakage of any fragile or brittle articles unless caused by a Specified Peril, accident to a land vehicle, watercraft or aircraft, or theft or attempted theft;
- (18) by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
- (19) resulting from any intentional or criminal act or failure to act by "You", "Your" employees or anyone to whom the damaged or lost property is entrusted;
- (20) due to the cost involved to correct faulty material or workmanship, or design;
- (21) by settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
- (22) by smoke from agricultural smudging or industrial operations;
- (23) by buildup of smoke. Smoke damage must be sudden and accidental;
- (24) by any earth movement including, but not limited to, earthquake, landslide, snowslide, or iceslide. If any of these results in fire or explosion, "we" will pay only for the resulting loss or damage;
- (25) by collapse of:
  - (a) outside property such as awnings, fences, or trellises unless resulting from structural collapse of

- foundations, walls, floors or roof of a building;
  - (b) patios, driveways, walks or retaining walls, outdoor radio and/or television antennae, towers, satellite receivers and their attachments;
- (26) by water unless the loss or damage directly resulted from:
- (a) the sudden and accidental escape of water from within a "water main", swimming pool, hot tub or equipment attached;
  - (b) the sudden and accidental escape of water or steam from within a heating, sprinkler, air conditioning or plumbing system, "Domestic Water Container" or waterbed which is located inside "your" dwelling;
  - (c) the sudden and accidental escape of water from a "domestic water container" located outside "your" dwelling, but such damage is not insured when the escape of water is caused by freezing; or
  - (d) water which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
  - (e) water from the accumulation of ice or snow on the roof or eaves trough, which enters the dwelling through the roof;
- But "we" do not cover loss or damage:
- i. caused by continuous or repeated "seepage" or leakage of water;
  - ii. caused by the backing up or escape of water from a sewer or drain, sump or septic tank, eaves trough or downspout;
  - iii. caused by "ground water" or rising of the water table;
  - iv. caused by "surface water", unless the water escapes from a "water main" or from a domestic water container located outside "your" dwelling;
  - v. caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
  - vi. to "water mains" or system or domestic water container and equipment attached from which the water escaped;
  - vii. occurring while the dwelling is "Under Construction" or vacant, even if permission for construction or vacancy has been given by "Us";
  - viii. caused by freezing during the usual heating season:
    - 1. within a normally heated portion of "your" dwelling if the heat has been intentionally turned off by "You" or at "Your" direction; or
    - 2. within a normally unheated portion of "your" dwelling.
- (27) by change of temperature unless the loss or damage:
- (a) is to personal property kept in "your" dwelling; and
  - (b) is the result of physical damage to "your" dwelling or equipment caused by a peril not otherwise excluded;
- (28) by vandalism or malicious acts or glass breakage occurring while "your" dwelling is "Under Construction" or "Vacant" even if permission for construction or vacancy has been given by "us";
- (29) from the part of the dwelling rented to others, caused by theft or attempted theft by any tenant, tenant's employee, or members of a tenant's household.

#### **Data Exclusion**

This Policy does not insure:

- (1) "Data"; or
- (2) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Specified Perils" as defined in this Policy, this exclusion shall not apply to such resulting loss or damage.

#### **BASIS OF CLAIM PAYMENT**

When coverage applies, "we" will pay for insured loss or damage up to "your" financial interest in the property, but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence.

Any loss or damage shall not reduce the amounts of insurance provided by this Policy (except as limited under Pollution Coverage).

If "you" qualify for a tax credit, the loss payment will be reduced by that amount.

#### **Deductible**

In any one occurrence, "we" are responsible only for the amount by which the insured loss or damage caused by any of the Insured Perils exceeds the amount of the deductible shown on the Declaration Page.

However, the deductible shall not apply to any loss which exceeds \$25,000 in any one occurrence.

If one occurrence could lead to the application of more than one deductible, only the largest deductible will apply.

If "your" claim involves personal property on which the special limits of insurance apply, the limitations apply to losses exceeding the deductible amount.

#### **Dwelling Building and Detached Private Structures**

If "you" repair or replace the damaged or destroyed building on the same location, with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage, "You" may choose as the basis of loss settlement either **(A)** or **(B)** below; otherwise, settlement will be as in **(B)**.

- (A)** The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case "we" will

pay in the proportion that the applicable amount of insurance bears to 80% of the replacement cost of the damaged building at the date of damage, but not exceeding the actual cost incurred.

- (B) The actual cash value of the damage at the date of the occurrence.

### **Guaranteed Rebuilding Cost – Dwelling Building**

If this coverage is shown on the Declaration Page, “You” may choose as the basis of loss settlement for the building(s) designated with this coverage either (A) or (B) below; otherwise settlement will be as in (B).

- (A) “We” will pay the full cost of repairs or replacement even if it exceeds the amount of insurance stated on the Declaration Page for the Dwelling Building.
- (B) If “you” decide not to repair or replace, “We” will pay the Actual Cash Value of the damage to the Dwelling Building up to the applicable amount of insurance stated on the Declaration Page.

This coverage is available as long as the following conditions are met.

- (1) The building is insured to 100% of its replacement cost. This cost will be established by the use of an industry recognized evaluation calculator;
- (2) “you” agree to accept each annual adjustment in the coverage limits of liability and pay the additional premium;
- (3) “you” notify “us” within 30 days of the start of any additions or other physical changes to the dwelling building(s) which may increase the replacement cost of the structure by 5% or more, and to pay any resulting additional premium;
- (4) “you” decide to repair or replace the damaged or destroyed dwelling building on the same location with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage; and
- (5) This extension does not apply to Dwelling Buildings while “under construction”.

**This coverage is void if “you” fail to comply with the above noted conditions.**

### **Personal Property (On Premises or Off Premises) – Replacement Cost**

- (1) For electronic media “we” will pay the cost of reproduction from duplicates or from originals of the previous generation of the media. “We” will not pay the cost of gathering or assembling information or data for reproduction.
- (2) For other records, including books of account, drawings or card index systems, “we” will pay the cost of blank books, pages, cards or other materials plus the cost of actually transcribing or copying the records.
- (3) “We” will pay on the basis of replacement cost for all other personal property except:
  - (a) articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings, and statuary;
  - (b) articles for which their age or history substantially contributes to their value, such as memorabilia, souvenirs, and collector’s items;
  - (c) property that has not been maintained in good or workable condition;
  - (d) property that is no longer used for its originally purpose;for which “we” will pay only on the basis of actual cash value.

### **Replacement Cost**

Replacement Cost means the cost, on the date of the loss or damage, of the lower of:

- (1) repairing the property with materials of similar kind and quality; or
- (2) new articles of similar kind, quality and usefulness; without deduction for depreciation.

Loss of items such as fine arts, antiques, paintings and articles which, by their inherent nature, cannot be replaced with a comparable article will not be settled on a Replacement Cost basis.

“We” will pay on the basis of replacement cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise “We” will pay on the basis of actual cash value.

“You” may choose payment on the basis of actual cash value initially. If “You” later decide to replace any destroyed or stolen property “You” may make an additional claim for the difference between the actual cash value and replacement cost basis within 180 days after the date of loss.

For personal property described under special limits of insurance “we” will not pay more than the applicable limit under either the replacement cost or actual cash value basis.

### **Actual Cash Value**

The actual cash value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation “we” will consider the condition immediately before the damage, the resale value and the normal life expectancy.

### **Combined Limit**

**This clause only applies if it is specified on the “Declaration Page”.**

If the amount of insurance stated on the Declaration Page for any Section I coverages (Dwelling Building, Detached Private Structures, Personal Property or Additional Living Expense) is inadequate to satisfy “your” loss, “you” may apply the unused amounts of insurance remaining under other Section I coverages until the total amounts of insurance under these coverages become exhausted.

The sum of the limits of insurance for Dwelling Building, Detached Private Structures, Personal Property or Additional Living Expense is the Combined Limit.

"You" must comply with the following conditions:

- (1) The "Dwelling" Building and all detached private structures are insured to 100% of its rebuilding cost. This cost will be established by the use of an industry recognized evaluation calculator;
- (2) "You" agree to accept each annual adjustment in the coverage limits of liability as recommended by "us" and pay the additional premium;
- (3) "You" notify "us" within 30 days of the start of any additions or other physical changes to the building(s), which may increase the rebuilding cost of the structure by 5% or more, and pay any resulting additional premium; and
- (4) The building is promptly built on the same site.

If "you" do not comply with the above conditions the Combined Limit settlement basis will not apply. The applicable Policy limits stated on the Declaration Page for "Dwelling" Building, Detached Private Structures, Personal Property or Additional Living Expense will apply.

If Guaranteed Rebuilding Cost is shown as included on the Declaration Page and in the event of an insured loss to the "Dwelling" Building, the limit shown for "Dwelling" Building is subtracted from the Combined Limit and the loss on the Dwelling Building is settled in accordance with Guaranteed Rebuilding Cost Clause. Additional loss on Detached Private Structures, Personal Property and/or Additional Living Expense will be paid up to the remaining portion of the Combined Limit.

**Amounts Not Reduced**

Any loss or damage shall not reduce the amounts of insurance provided by Section I of this Policy.

**Insurance Under More Than One Policy:**

If "you" have insurance on specifically described property, "our" Policy will be considered excess insurance and "we" will not pay any loss or claim until the amount of such other insurance is used up.

In all other cases, "we" will pay "our" rateable proportion of the loss or claim under this Policy.

## SECTION II – FARM PROPERTY COVERAGES

### DEFINITIONS

“**Livestock**” includes such classes of livestock as horses, cattle, sheep, goats, swine, poultry, rabbits, mink and chinchilla. Cats, dogs, birds and fish are not considered livestock.

“**Machinery and Equipment**” includes farm tools, machinery and implements usual to the operation of a farm, which are not fixed to any farm building, only while in use for agricultural purposes, and materials and supplies on premises insured under Section I of this Policy intended for use in construction, alteration or repair of a building insured under this Policy. Vehicles subject to registration under any government authority are not included.

“**Produce**” includes harvested grain, feeds, seed, fertilizers, herbicides and pesticides, milk, unfertilized eggs, fruit, vegetables and anything that is an agricultural product of the soil, excluding tobacco, flax, trees or fuel, lumber, unharvested crops and commercial fertilizers, herbicides and pesticides held for resale.

Produce shall also include medications kept for the maintenance of livestock.

“**Farm**” means an area of land and buildings for the growing of crops and/or raising of animals.

“**Farm Buildings and Structures**” includes farm barns, implement sheds, storage buildings, silos and grain bins owned by “You” which are designed and built for the storage or housing of produce and/or livestock and/or agricultural equipment.

### ALL STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY APPLY TO ALL COVERAGES OF SECTION II

### FARM PROPERTY LIMIT OF COVERAGE (Applicable to Coverages E, F & G of Section II)

“You” are insured for the following coverages relating to “your” Comprehensive Hobby Farm, up to the aggregate limit stated on the Declaration Page, subject to the terms and conditions of the Policy. Farm Property Coverage is not included under the provisions of the Single Limit Clause which forms part of this Policy.

### COVERAGE E – LIVESTOCK

#### COVERAGE

“We” insure “Your” Livestock anywhere within Canada and the United States of America for their fair market value, subject to the terms and conditions in this Policy.

#### ADDITIONAL AGREEMENTS

##### New Acquisitions

Coverage is automatically extended to additional livestock acquired by “You” during the term of this Policy, for a period of 30 days from the date of purchase.

On Livestock purchased at a recognized auction sale, coverage provided by this extension commences at “the drop of the auctioneers hammer”.

“We” shall not be liable under this extension for more than the purchase value of such livestock and in no event for more than five thousand dollars (\$5,000) for any one animal.

#### PERILS INSURED

Livestock is insured against direct damage resulting in death or humane destruction made necessary by:

- (1) Fire; Explosion;
- (2) Windstorm or Hail; Hurricane;
- (3) Flood, meaning rising waters;
- (4) Earthquake; Collapse of buildings, bridges, culverts;
- (5) Falling objects directly striking the livestock;
- (6) Impact by aircraft or land vehicle. There is no coverage for impact by vehicles owned or operated by “You”, “Your” employee, or any household member of either;
- (7) Collision, derailment or overturn of a land vehicle on which the insured livestock is transported;
- (8) Stranding, sinking, burning or collision of marine vessels on which the insured livestock is being transported;
- (9) Vandalism or malicious acts ;
- (10) Riot; Riot attending a strike or civil commotion;
- (11) Theft. There is no coverage under this peril for loss or damage resulting from:
  - (a) escape or mysterious disappearance;
  - (b) because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretences;
- (12) Accidental Shooting but excluding accidental shooting by “You”, “Your” employee, or any household member of either;
- (13) Lightning; Electrocutation;
- (14) Blizzard, rain, sleet or snowstorm,
- (15) Drowning, excluding choking on their own internal fluids;
- (16) Attack wild animals or non-owned dogs (in excess of Government Compensation);
- (17) Rabies (in excess of Government Compensation);

- (18) Smoke or fumes. There is no coverage under this peril for loss resulting from:
- (1) any intentional fire by "You";
  - (2) any electrical power interruption or any electrical or mechanical breakdown of any equipment;
- (19) Huddling, piling, stampeding, smothering, freezing or change in temperature; but only as an immediate and direct result of actual physical damage caused by an insured peril #1 through #14 above, occurring to the building in which the livestock is confined or to the equipment of this building.
- (20) Entrapment: meaning the accidental and physical ensnaring or entrapping of the livestock by an external means whether or not while voluntarily or involuntarily restrained.
- There is no coverage under this peril for loss due to:
- (a) to animals in the process of being bred, either by natural or artificial means;
  - (b) for livestock in transit or while being loaded or unloaded;
  - (c) the animal having been split or sprattled;
  - (d) choking on feed, medicine or foreign objects;
  - (e) animal birth, or any sickness or disease;
  - (f) the animal becoming trapped or cast by the contours or depressions of the land including but not limited to any furrow, gully, ditch, hill or any slope..

#### **LOSS OR DAMAGE NOT INSURED**

- (1) Delay, loss of market, depreciation in value or inability to perform functions or duties for which the livestock is kept;
- (2) Horses while on the grounds of a public racetrack and participating in a flat or sulky racing event;
- (3) Animals that were sick or diseased prior to the loss or damage.

### **COVERAGE F – MACHINERY and EQUIPMENT**

#### **COVERAGE**

"We" insure "your" machinery and equipment/implements related to the incidental farming operation being carried on at the premises described on the Declaration Page.

#### **ADDITIONAL AGREEMENTS**

**Newly Acquired Equipment** -- If "you" acquire any additional equipment "we" will automatically insure these provided "you" tell "us" within 30 days of acquisition and agree to pay premiums thereon from the date of acquisition. Under this extension "we" will not pay more than 25% over and above the Farm Property Limit of Coverage that was in force prior to the acquisition.

#### **Equipment Loss of Use**

It is agreed that in the event of loss or damage to farm machinery valued over \$5,000 which is covered by this Policy, "We" agree to reimburse any reasonable expense "You" incur for the rental of a substitute machine subject to the terms and conditions of SECTION II.

Provided that:

- (1) "We" will not pay for such expense in excess of 5% of the value of the damaged individual item per occurrence;
- (2) reimbursement is limited to such expense incurred commencing;
  - (a) On the date of completion of repairs or "replacement" of the property lost or damaged, or
  - (b) Upon such earlier date that "We" make or tender settlement of the loss or damage, or
  - (c) After a reasonable period of time has elapsed for the completion of repairs to or "replacement" of, the lost or damaged property with all due diligence and dispatch
- (3) No indemnity is provided unless the loss or damage to the equipment exceeds any applicable deductible amount specified in the Form for such loss or damage.
- (4) There shall be no coverage under this extension for "farm machinery" used for "custom farming" operations or commercial contracting work unless it is specified on the "Declaration Page" or the gross annual receipts received is less than \$10,000 within the Policy Period

**Damage to Non-Owned Farm Equipment** (Excluding Rented or Leased Equipment – unless "You" are bound by contract to provide coverage) – At "your" option, "You" may apply up to 10% of Farm Property Limit of Coverage, to a maximum of \$2,500 for loss or damage to non-owned farm machinery and equipment while in "Your" care, custody or control and caused by a peril insured against.

#### **PERILS INSURED**

"We" insure "Your" farm equipment against all risks of direct physical loss or damage, subject to Loss or Damage Not Insured below.

#### **EXCLUSIONS**

- (1) "We" do not insure:
  - (a) automobiles and motor trucks or any motorcycles, snowmobiles or similar equipment designed or licensed for highway use or any vehicle subject to motor vehicle registration, all-terrain vehicles (ATV's), gators, air cushion vehicles, aircraft, unmanned air vehicles, watercraft, portable saw mills or machinery and equipment used in logging or forestry operations;

- (b) tractors equipped with a motor rated more than 50 HP (38 kW);
  - (c) tires or tubes unless;
    - i. the loss or damage is caused by fire, windstorm, theft, vandalism, impact from attached vehicle, or
    - ii. the loss is coincident with other loss or damage insured by this Policy.
- (2) "We" do not insure loss or damage caused by or resulting:
- (a) from wear and tear, deterioration, latent defect, inherent vice, mechanical or electrical breakdown or failure, corrosion, rust, vermin, wet or dry rot, mould, dampness or dryness of atmosphere, freezing, or extremes in temperature;
  - (b) from work being performed on the insured property and directly resulting therefrom or caused by any repairing, adjusting, servicing or maintenance operations unless fire or explosion ensues and then only for loss or damage caused by such ensuing fire or explosion;
  - (c) by short circuit or other electrical disturbances of any kind, exclusive of lightning, within electrically equipped machinery or equipment, unless fire ensues, and then for loss or damage caused by fire only;
  - (d) from the weight of a load exceeding the rated capacity of any machine; (e) while in any race or speed test or tractor pull contest;
  - (e) from breaking or falling through ice;
  - (f) by freezing or extremes of temperature.

## **COVERAGE G – PRODUCE**

### **COVERAGE**

"We" insure "Your" produce grown for "Your" own consumption or sale related to the incidental farming operation being carried on at the premises described on the Declaration Page.

There is no coverage for loose straw and haystacks, unless confined in a building.

### **EXTENSIONS OF COVERAGE**

**Refrigerated Produce:** "We" also insure loss or damage to produce insured hereunder, while contained in refrigeration units within building(s) insured on this Policy, due to change of temperature as a result of physical damage to said building(s) or equipment therein, caused by an insured peril, or due to mechanical breakdown of the refrigeration unit or electrical power interruption.

**Unharvested Crops:** "We" insure unharvested crops against loss or damage by fire or vandalism only, up to a maximum of \$100 per acre of the land owned or farmed by "you".

### **PERILS INSURED**

"We" insure "your" produce against all risks of direct physical loss or damage, subject to Loss or Damage Not Insured below.

### **EXCLUSIONS**

"We" do not insure loss or damage to growing crops or crops not yet harvested, except as provided under Unharvested Crops above.

## **COVERAGE H – FARM BUILDINGS AND STRUCTURES**

### **FARM BUILDINGS AND STRUCTURES LIMIT OF COVERAGE**

"You" are insured for Outbuildings and Structures coverage relating to "your" Comprehensive Hobby Farm, up to the aggregate limit stated on the Declaration Page, subject to the terms and conditions of the Policy.

### **COVERAGE**

"We" insure "your" Outbuildings and Structures related to the incidental farming operation being carried on at the premises described on the Declaration Page. Outbuildings and Structures coverage is not included under the provisions of the Single Limit Clause which forms part of this Policy.

Coverage includes the cost of cleaning and removal of debris of the property insured under this agreement as a result of damage caused by an Insured Peril. If "you" must remove insured property from the premises to protect it from loss or damage, it is insured by this Policy for 30 days or until "your" policy term ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of loss.

Coverage on "**your**" farm buildings and structures includes:

- (1) the foundation and all additions in contact therewith, glass, permanent appliances, fittings and fixtures for lighting, plumbing, heating or ventilating the building; fuel used for heating the building; corrals and stables attached to the building or structure. Silos, whether or not attached to any building or structure, are not covered unless insured specifically;
- (2) permanently installed agricultural fittings, fixtures and equipment except that equipment which is shown in the Property Excluded section of SECTION I;
- (3) materials and supplies on the premises or adjacent thereto, intended solely for use in construction, alteration or

- repair of such building or structure;
- (4) building fixtures and fittings temporarily removed from the premises for repair or seasonal storage;
- "Our" liability under (3), and (4) above shall not exceed 10% of the limit of insurance on the building covered under (1) above.

### **EXTENSION OF COVERAGE**

The following Extension of Coverage is in addition to the amount(s) of insurance applying under SECTION I and is subject to all conditions of this Policy:

#### **Removal of Debris**

This Coverage pays for the cost of removing debris of the property insured under this policy as a result of any insured peril. When the damage to the property plus the cost of cleaning and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged insured property will be available to cover debris removal expenses.

This coverage, however, does not insure against direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential, or threatened spill, discharge, emission, dispersal, "seepage", "leakage", migration, release, or escape of "pollutants".

Further, this coverage does not insure against direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, "seepage", "leakage", migration, release, or escape of "pollutants"

#### **Exterior Wiring Systems**

"We" insure Exterior Wiring Systems meaning Hydro Poles (including any attached lighting units, cross beams, insulators), Transmission Lines, Transformers and permanently installed outside electric wiring, which is owned by "you" and located on "your" premises, for damage caused by an insured peril. Coverage does not include any increased costs as a result of any ordinance or law regulating the standards, construction or service. This Extension of Coverage shall be limited to a maximum recovery of ten thousand dollars (\$10,000) under this Policy, per location, in respect of any one claim.

**Fences:** 10% of the limit of insurance on Farm Structures or Outbuildings may be applied to fences up to a maximum of \$5,000 and then only for loss or damage caused by impact by a land vehicle not owned or operated by "you" or any employee.

### **SPECIAL CONDITIONS**

#### **Open Fire Clause**

No open fire shall burn in or within eighty feet of any building.

#### **Permission**

Permission is hereby granted:

- (1) to make ordinary alterations and repairs without limit of time (but without extending the term of the Policy) but extraordinary alterations, additions or repairs are prohibited without "Our" consent in writing.
- (2) to keep on hand and use such articles, materials and supplies as may be usual to "Your" farming operation, but not exceeding sixty litres in all of gasoline, benzene or naphtha in any one building at any one time in addition to such quantities as may be in approved storage tanks or the tanks of motor vehicles.
- (3) for motor vehicles to enter the buildings for the purpose of loading and unloading and to keep motor vehicles in any building on the premises.

### **PERILS INSURED**

"We" insure "Your" Outbuildings and Structures against all risks of direct physical loss or damage subject to the terms and conditions in the Policy.

### **EXCLUSIONS**

"We" do not insure:

- (1) sewers, sumps, septic systems, drains, "watermains" or waterlines, except for that portion which is located within the confines of building(s) insured by this Policy;
- (2) buildings, units or structures used in whole or in part for business purposes (except farming) unless declared on the declaration page;
- (3) fences or gates, except as provided under "fences" in the coverage section of SECTION I;
- (4) property sold by "you" under conditional sale agreement;
- (5) property otherwise more specifically insured;
- (6) television or radio antenna or any satellite receiving apparatus, unless specifically insured;
- (7) electronic scales and related equipment, unless specifically insured;
- (8) silos or grain bins whether or not they are attached to any insured building, unless insured specifically. However, bulk feed tanks which form an integral part of a feed system are included;
- (9) computer data or software;
- (10) manure storage or holding tanks unless they form an integral part of the foundation walls of the building(s) insured by this coverage.



- (11) (a) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
- (b) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use); caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
  - i. manually portable gas cylinders;
  - ii. explosion of natural, coal or manufactured gas;
  - iii. explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

"We" do not insure loss or damage caused by:

- (1) earthquake, landslide, snowslide or any other earth movement. However, ensuing damage which results from fire, explosion and/or smoke is covered;
- (2) flood and the word "flood" means waves, tides, tidal waves, and the rising, breaking out or the overflow, of any body of water and/or liquid where the containment is either natural or man-made;
- (3) (a) seepage, leakage or influx of water and/or any other liquid from any source through building walls, foundations, or foundation floors;
- (b) by entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a an insured peril
- (4) dampness of atmosphere, dryness of atmosphere, changes of temperature, heating, shrinking, leakage of contents, contamination, rust or corrosion;
- (5) animals, birds, vermin, rodents, reptiles or insects;
- (6) consequence of alteration, reconstruction or addition to buildings (normal maintenance being allowed without permission);
- (7) breakdown or derangement, latent defect, faulty material, faulty design or workmanship, improper construction, inherent vice, gradual deterioration or wear and tear of any building, fittings, fixtures and/or equipment;
- (8) losses or increased costs of repair due to operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
- (9) settling, expansion, contraction, moving, shifting or cracking;
- (10) smoke from either agricultural smudging or industrial operations;
- (11) occurring after "Your" building has to "Your" knowledge, been vacant or unoccupied for more than 30 consecutive days;
- (12) centrifugal force or mechanical breakdown, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire.
- (13) by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Form
- (14) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
  - (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
  - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
  - (c) other vessels and apparatus and pipes connected therewith while under pressure or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
  - (d) moving or rotating machinery or parts thereof;
  - (e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured thereunder that has been damaged by such explosion;
  - (f) gas turbines.

## **LOSS OR DAMAGE NOT INSURED – SECTION II**

"We" do not insure loss or damage caused by or resulting from:

- (1) infidelity of "Your" employees or persons to whom "You" have loaned or entrusted the property;
- (2) property illegally acquired, kept, stored or transported or property subject to forfeiture;
- (3) intentional, criminal, or illegal act(s) or failure to act by "You" or any other person at "Your" direction;
- (4) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (5) by mysterious disappearance;
- (6) from the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretences;
- (7) delay, loss of market or use;

- (8) any nuclear incident as defined in the Nuclear Liability Act, or any other Nuclear Liability act, law or statute or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

## **BASIS OF CLAIM PAYMENT– SECTION II**

"We" will pay whichever is the least of the following:

- (1) the actual cash value of the property at the time of loss;
- (2) what it would cost to repair or replace the property with materials of similar quality at the time of loss;
- (3) the fair market value of the animal at the time of loss, subject to a maximum amount of \$5,000 per animal;
- (4) the amount shown on the Declaration Page for Farm Property Coverages.

### **Agricultural Tractors and Non-Motorized Mobile Implements up to and including 5-years of age.**

If "You" repair or replace the damaged or destroyed property "We" will pay without deduction for depreciation, the lesser of:

- (1) the cost of repairs; or
- (2) the cost of new machinery of similar kind, quality and usefulness.

However, "We" will not pay more than the Actual Cash Value of the loss or damage:

- (1) the cost of repairs; or
- (2) if repair or replacement is not made as soon as reasonably possible;
- (3) for property which is older than 5 years;
- (4) for property no longer in use for its originally intended purposes;
- (5) for property which has been used for custom farm work;
- (6) for machinery or parts which are obsolete or by their inherent nature cannot be replaced with a comparable article;
- (7) for livestock drawn implements.

### **Deductible**

"We" are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of deductible shown on the Declaration Page in any one occurrence.

### **Amounts Not Reduced**

Any loss or damage shall not reduce the amounts of insurance provided by this Policy.

### **Fair Market Value**

The fair market value will take into account such things as the cost of replacement with similar livestock at the time of loss, less any depreciation and in determining depreciation "We" will consider the condition immediately before the damage, the resale value and the normal life expectancy.

### **Rebuilding Clause** (included unless shown otherwise on the Declaration Page)

In the event Outbuildings and Structures are damaged or destroyed, it is expressly agreed between "You" and "Us" that upon receipt of PROOF(S) OF LOSS "We" will make an initial payment of fifty percent only of the loss payable on the building(s) subject to the following:

- (1) If "you" notify "us" at the time of delivery of "your" Proof(s) of Loss, of "your" intention to repair, rebuild or replace the damaged building(s) on the same premises with a building(s) of like use, and within 30 days following the initial payment construction has been commenced, and "you" furnish proof satisfactory to "us" within twelve months of the date of loss, that "you" have spent an amount not less than the total amount of all insurance payable, including amounts deferred or conditionally payable as well as amounts already paid, "we" will pay the balance of "your" insured loss within thirty days of receiving such evidence.
- (2) If "you" notify "us" at the time of delivery of "Your" Proof(s) of Loss of "your" intention to repair, rebuild or replace the damaged building(s), but not on the same premises, with a building(s) of like use, and within 30 days following the initial payment construction has been commenced, and "you" furnish proof satisfactory to "us" within twelve months of the date of loss, that "you" have spent an amount not less than the total amount of all insurance payable, including amounts deferred or conditionally payable as well as amounts already paid, "we" will pay the balance up to ninety per cent of "your" insured loss within thirty days of receiving such evidence.
- (3) If due to any ordinance or law regulating construction or repair "you" are prohibited from repairing, rebuilding or replacing the damaged building(s) on the same premises, and "you" notify "us" at the time of delivery of "your" Proof(s) of Loss, of "your" intention to rebuild or replace the destroyed building(s) of like use on land owned by "you" on other than the same premises and within 30 days following the initial payment construction has been commenced, and "you" furnish proof satisfactory to "us" within twelve months of the date of loss, that "you" have spent an amount not less than the total amount of all insurance payable, including amounts deferred or conditionally paid in respect thereof, "we" will pay the balance of "your" insured loss within thirty days of receiving such evidence.
- (4) Failing compliance by "you" with the provisions of Clauses (a) or (b) or (c), the initial payment shall be the only payment under this Policy in respect to the loss.

**Replacement Cost Clause**

In the event of loss or damage to Outbuildings and Structures, "we" agree to make settlement:

- (1) on a cost of repairs basis to the property, or
- (2) on the replacement cost of the property (whichever is less),
- (3) with material of like kind and quality,
- (4) without deduction for depreciation.

Subject to the following provisions:

- (1) the repairs or replacement must be executed promptly;
- (2) replacement shall be on the same site or on an adjacent site;
- (3) settlement on a replacement cost basis shall be made only when replacement has been effected by "You" and in no event shall it exceed the amount actually and necessarily expended for such a replacement;
- (4) if repair or replacement with material of like kind and quality is restricted by any by-law, ordinance or law, any increased cost of repair or replacement due thereto shall not be covered by this clause;
- (5) any other insurance effected by "You" or on "Your" behalf with respect to the perils insured against by this Policy on the property to which this clause shall be on the identical basis of "Replacement Cost" as set forth here;
- (6) if this Policy insures two or more items subject to replacement cost, this coverage applies separately to each item.

In the event of loss or damage, "our" Limit of Liability shall be the least of the following:

- (1) the amount of actual expenditure for repair or replacement; or
- (2) the amount of insurance applicable to the property.

If for any reason this Clause does not apply to loss or damage, claim payment will be on the basis of Actual Cash Value.

**Actual Cash Value**

Payment of claims based on Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation "we" will consider the condition immediately before the damage, use of the property, the resale value and the normal life expectancy.

**Insurance Under More Than One Policy**

If "you" have insurance on specifically described property, "our" Policy will be considered excess insurance and "We" will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, "our" Policy will pay its rateable proportion of the loss or claim.

## SECTION III – LIABILITY COVERAGE

### COVERAGE I – FARM LIABILITY

Unless stated on the Declaration Page it is understood and agreed:

- (a) "You" own no Residence "Premises" other than the Principal Residence maintained by "You";
- (b) "You" own no watercraft:
  - i. equipped with an outboard motor rated more than 19kW (25 h.p.);
  - ii. equipped with an inboard/outboard motor rated more than 38kW (50 h.p.);
  - iii. of any other type over 8 metres (26 feet) in overall length;
- (c) no "custom farming" is conducted;
- (d) no "business" or occupational pursuits are conducted on the "premises" other than "farming";
- (e) there are no elevators, escalators or inclinator in any dwelling.

### DEFINITIONS

"You" or "Your" have the same meaning as in the Personal Lines and Farm Common Definitions, Exclusions and Conditions form. In addition, "We" will insure:

- (1) any person or organization legally liable for damages caused by a watercraft or an animal owned by "You", and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any "business" or without the owner's permission;
- (2) "Your" legal representative having temporary custody of the insured "premises", if "You" die while insured by this Policy, for legal liability arising out of the insured "premises";
- (3) any person who is insured by this Policy at the time of "Your" death and who continues residing on the insured "premises";
- (4) any residence or employee while performing duties described in these definitions;
- (5) "Your" parent while residing in a nursing home;
- (6) any executive officer or director if the Named Insured on the Declaration Page is a corporation, but only with respect to their duties as officers or directors. If the corporation is a family corporation, "You" and "Your" refer to the occupant(s) of the principal residence.
- (7) any partner or member if the Named Insured on the Declaration Page is a partnership or joint venture, but only with respect to their duties as such
- (8) any "student" insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university
- (9) any person while providing voluntary assistance in the farming operations on your behalf

"Action" means a civil proceeding in which compensatory damages because of "Bodily Injury" or "Property Damage" to which this insurance applies is alleged. "Action" includes an arbitration proceeding alleging such damages to which "You" must submit or submit with "Our" consent.

"Bodily Injury" means "Bodily Injury", sickness or disease, including death at any time resulting there from, sustained by any person.

"Business" means any continuous or regular pursuit undertaken for financial gain, including a trade, profession or occupation. Employment as a clerk, salesman, collector, messenger or teacher shall be deemed "business" only where:

- (a) an insured is the sole owner or a partner in such business; or
- (b) activities in the course of such employment cause Bodily Injury to a fellow employee; or
- (c) bodily Injury is sustained by a pupil arising out of corporal punishment administered by or at the direction of an insured as a teacher.

"Business" shall not include:

- i. activities during the course of an insured's trade, profession or occupation which are ordinarily incidental to non-business pursuits;
- ii. the temporary or part-time business pursuits of an insured under the age of 21 years.

"Business Property" means:

- (a) all Premises on which a Business other than that specifically declared on the Declaration Page is conducted; and
- (b) all Premises if the whole or part thereof is rented to others or held for such rental by an insured, except as specifically declared on the Declaration Page.

"Business Property" shall not include:

- i. the occasional rental or holding for rental of the Residence Premises;
- ii. the rental in whole or in part to others of a 1, 2 or 3 family dwelling usually occupied in part by the insured as a residence, unless such rental is for the accommodation of more than two roomers or boarders per family occupying the dwelling;
- iii. residential buildings containing not more than 6 dwelling units if specifically declared on the Declaration Page;
- iv. the rental or holding for rental of a part of the Residence Premises as an office, school or studio;
- v. the rental or holding for rental of not more than 3 car spaces or stalls in garages or stables on the Premises insured.

"Compensatory Damages" means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages.

"Completed Operations Hazard" means any Bodily Injury or Property Damage arising out of operations, but only if the Bodily Injury or Property Damage occurs after such operations had been completed or abandoned, and occurs away from

Premises owned, rented or controlled by the Insured. Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed. The Completed Operations Hazard shall not include Bodily Injury or Property Damage arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

**"Custom Farming"** means the ownership, maintenance or operation by "You" or on "Your" behalf of any farm tractors, farm trailers attached to farm tractors, self-propelled or motor or animal drawn farm implements, draft animals or vehicles commonly used therewith while being used under contract to another for a charge.

**"Declaration Page"** means the Section of the Policy containing basic information such as the name and address of the Named Insured, the description and location of the insured "premises", the Policy term, the amount of coverage, and premium amounts.

**"Farm Employee"** means an employee whose duties in the employment of the insured are principally those connected with farm activities outside of the "Insured's" Residence "Premises".

**"Farming"** means the ownership, maintenance or use of premises for the production of crops or the raising or care of livestock, including all necessary operations. "Farming" also includes the operation of roadside stands and farm markets maintained principally for the sale of the Insured's farm products. "Farming" does not, however, include "custom farming" or "custom crop spraying" or horseback riding instruction operations.

**"Insured premises"** means:

- (a) all residence premises, all premises which the Named Insured or his spouse owns, rents or operates as a farm, and if declared in the declarations other farm premises or residential premises containing not more than 6 dwelling units, and all private approaches to such premises;
- (b) all other premises and private approaches thereto for use of the Named Insured or his spouse in connection with the premises described on the Declaration Page;
- (c) individual or family cemetery plots or burial vaults;
- (d) premises on which an Insured is temporarily residing, if not owned by any Insured;
- (e) vacant land owned by or rented to any Insured, including such vacant land on which a family dwelling or a farm structure is being constructed by an Insured for use as a residence or a farm structure by any Insured, or by an independent contractor for an Insured; but insured premises does not include any business property other than a farm.

**"Medical Expense"** means expense for necessary medical, surgical, x-ray, dental, prosthetic devices, ambulance, hospital, professional nursing and funeral services which are not recoverable under any medical, dental, surgical or hospitalization plan or law.

**"Motor vehicle"** means a land motor vehicle, trailer or semi trailer (including any machinery or apparatus attached thereto) but does not include, except while being towed by or carried on a motor vehicle, any of the following:

- (a) utility, boat, camp or home trailer;
- (b) recreational vehicle;
- (c) crawler or farm type tractor;
- (d) self-propelled implement of husbandry; or
- (e) if not required to be registered under any government authority, any equipment which is designed for use principally off public roads

**"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**"Personal Transporter"** means a self-balancing, electric-powered transportation device able to turn in place and designed for one person, with a top speed of 20km/h.

**"Product Hazard"** means "Bodily Injury" or "Property Damage" arising out of the Named Insured's Products, or out of the existence of any condition therein or any warranty with respect thereto, but only if the "Bodily Injury" or "Property Damage" occurs away from "Premises" owned, rented or controlled by the "You" and after physical possession of such products has been relinquished to others.

As used in this definition, the term Named Insured's products means goods or products sold, handled or distributed by the Named insured shown on the "Declaration Page" or by others trading under his name, but shall not include any property rented or loaned for the use of others but not sold.

**"Property Damage"** means physical injury to or destruction of tangible property, including the loss of use thereof at any time resulting therefrom.

**"Recreational Motor Vehicle"** means, if not subject to "motor vehicle" registration, any land "motor vehicle", designed for recreational use off public roads.

**"Residence Employee"** means an employee of any Insured whose duties are exclusively in connection with the maintenance or use of the residence premises, including the performance of household or domestic services, or who performs elsewhere duties of a similar nature not in connection with any Insured's business pursuits or farming operations.

**"Residence Property"** means:

- (a) a 1, 2 or 3 family dwelling where the Named Insured or his spouse maintains a residence, or
- (b) that portion of any other building occupied by the Named Insured or his spouse as a residence.

**“Self-propelled Implement of Husbandry”** means a self-propelled vehicle (other than a crawler or farm type tractor) manufactured, designed, redesigned, converted or reconstructed for a specific use in farming, while used for such purpose or when travelling from farm to farm or to such places as may be necessary for the maintenance or repair of the vehicle.

**“Student”** means any “student” insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university. The “student” must be dependent on the Named Insured or his or her “spouse” for support and maintenance in order for coverage on this policy to extend to him/her.

**“Tenant”** means one who rents property from another.

## **COVERAGES**

This insurance applies only to accidents or “occurrences” which take place during the policy period.

If “You” are a resident of any other country, “Your” Legal Liability Coverage is restricted to while “You” are within Canada. When this Rider does not insure “Your” principal residence premises, coverage applies only for claims arising out of the ownership of the premises described on the Declaration Page or from the farm operation on these premises.

The Limits of Insurance are shown on the Declaration Page. Each person insured is a separate Insured but this does not increase the limit of insurance.

## **LEGAL LIABILITY**

“We” agree to pay on “Your” behalf all sums which “You” become legally liable to pay as compensatory damages because of unintentional “Bodily Injury” or if caused by accident, “Property Damage”.

## **TENANTS’ LEGAL LIABILITY**

“We” agree to pay on “Your” behalf all sums which “You” become legally liable to pay as compensatory damages for unintentional “Property Damage” to premises, or their contents, which “You” are using, renting or have in “Your” custody or control caused by an accident or “occurrence”.

## **CONTINGENT EMPLOYERS LIABILITY**

“We” agree to pay on “Your” behalf all sums which “You” become legally liable to pay as compensatory damages for unintentional “Bodily Injury” to “farm employees” on whose behalf contributions are made by “You” or required to be made by “You” under the provision of any Workers’ Compensation Statute. Loss Or Damage Not Insured — All Coverages (6) (a), (b) and (8) do not apply to this coverage.

## **LEGAL LIABILITY FOR DAMAGE TO NON-OWNED IMPLEMENTS**

“We” will pay the amount of loss imposed by law upon “You” for loss or damage to non-owned implements, including equipment, while in “Your” care, custody or control or physical control provided:

- (a) “We” will not pay more than \$100,000 (exclusive of interest and costs) for any one “occurrence”;
- (b) the implement is being used for “farming” purposes with the consent of the owner or lessee of the implement. Loss Or Damage Not Insured — Under Legal Liability (25) (a) and (b) do not apply to this coverage.

## **DEFENSE, SETTLEMENT, SUPPLEMENT, SUPPLEMENTARY PAYMENTS**

Under Legal Liability, “We” will defend “You” against any “action” which makes claim against “You” for which “You” are insured under this liability coverage and which alleges “Bodily Injury” or “Property Damage” and seeks compensatory damages, even if it is groundless, false or fraudulent. “We” reserve the right to investigate, negotiate and settle any claim or “action” if “We” decide this is appropriate.

In addition to the limit of insurance on the Declaration Page, “We” will pay:

- (a) all expenses which “We” incur;
- (b) all costs charged against “You” in any “action” insured under Legal Liability;
- (c) any interest accruing after judgment on that part of the judgment which is within the Limit of Insurance of Legal Liability;
- (d) premiums for appeal bonds required in any insured “action” involving “You” and bonds to release any property that is being held as security, up to the Limit of Insurance, but “We” are not obligated to apply for or provide these bonds;
- (e) expenses which “You” have incurred for emergency medical or surgical treatment to others following an accident or “occurrence” insured by this Policy;
- (f) reasonable expenses, except loss of earnings, which “You” incur at “Our” request. including actual loss of income up to \$100 per day.

## **VOLUNTARY MEDICAL PAYMENTS**

The Insurer will pay to or for each person who sustains “Bodily Injury” caused by accident all reasonable medical expense incurred within one year from the date of the accident on account of such “Bodily Injury”, provided such “Bodily Injury”:

- (1) is sustained while on the insured premises with the permission of any Insured, or
- (2) is sustained elsewhere and:
  - (a) arises out of a condition in the insured premises or the ways immediately adjoining, or
  - (b) is caused by any Insured, by any farm employee or residence employee in the course of his employment by an Insured, or by any animal owned by or in the care of any Insured, or
  - (c) is sustained by any residence employee and arises out of and in the course of his employment by any Insured.

The Limit of Insurance shown in the Declaration Page is the maximum amount “we” will pay for each person in respect of one accident or “occurrence”.

## **VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY**

“We” will pay for unintentional direct damage “You” cause to property even though “You” are not legally liable. “You” may also use this coverage to reimburse others for direct “Property Damage” caused intentionally by anyone included in the

definition of "You" or "Your", 12 years of age or under.

**Basis of Payment:** "We" will pay whichever is the least of the following:

- (a) the actual cash value of the property at the time of loss;
- (b) what it would cost to repair or replace the property with materials of similar quality at the time of loss;
- (c) the amount shown in the Declaration Page.

"We" may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with "You" or the owner of the property. "We" may take over any salvage if "We" wish.

Within 60 days after the loss, "You" must submit to "Us", under oath if required, a PROOF OF LOSS FORM containing the following information:

- i. the amount, place, time and cause of loss;
- ii. the interest of all persons in the property affected;
- iii. the actual cash value of the property at the time of loss.

If necessary, "You" must help "Us" verify the damage.

**VOLUNTARY COMPENSATION FOR RESIDENCE EMPLOYEES**

"We" offer to pay the benefits described below if "Your" employee is injured or dies accidentally while working for "You", even though "You" are not legally liable.

If "Your" employee does not accept these benefits or sues "You", "We" may withdraw "Our" offer, but this will not affect "Your" Legal Liability insurance. An employee who accepts these benefits must sign a release giving up any right to sue "You". "We" have the right to recover from anyone, other than "You", who is responsible for the employee's injury or death.

An injured employee will, if requested:

- (a) submit to physical examination at "Our" expense by doctors "We" select as often as "We" may reasonably require;
- (b) authorize "Us" to obtain medical and other records.

In case of death, "We" can require an autopsy before "We" make payment.

"We" will not pay benefits:

- i. unless "Your" employee was actually performing duties for "You" when the accident happened;
- ii. for any hernia injury;
- iii. for injury or death caused by war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.

**Weekly Indemnity**

"Weekly Indemnity" means two-thirds of "Your" employee's weekly wage at the date of the accident, but "We" will not pay more than \$200 per week.

**Schedule of Benefits — Voluntary Compensation for Residence Employees**

**Loss of Life**

If "Your" employee dies from injuries received in the accident within the following 25 weeks, "We" will pay:

- (a) to those wholly dependent upon the employee, a total of 100 times the weekly indemnity in addition to any benefit for Temporary Total Disability paid up to the date of death;
- (b) actual funeral expenses up to \$500.

**Temporary Total Disability**

If "Your" employee becomes temporarily totally disabled from injuries received in the accident within the following 14 days and cannot work at any job, "We" will pay weekly indemnity up to 26 weeks while such disability continues. "We" will not pay for the first seven days unless the disability lasts for six weeks or more.

**Permanent Total Disability**

If "Your" employee becomes temporarily totally disabled from injuries received in the accident within the following 26 weeks and cannot work at any job, "We" will pay weekly indemnity for 104 weeks in addition to benefits provided under Temporary Total Disability.

**Injury Benefits**

If, as a result of the accident, "Your" employee suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, "We" will pay weekly indemnity for the number of weeks shown. These benefits will be paid in addition to Temporary Total Disability Benefits but no others. "We" will not pay more than 104 weeks in total even if the accident results in loss of more than one item

For loss of:

- (a) one or more of the following:
  - i. hand
  - ii. arm
  - iii. foot
  - iv. leg..... 104 weeks
- (b) one finger or toe..... 26 weeks
  - or
  - more than one finger or toe..... 52 weeks
- (c) one eye..... 52 weeks
  - or
  - both eyes..... 104 weeks

- (d) hearing of one ear..... 26 weeks  
or  
hearing of both ears ..... 104 weeks

**Medical Expenses**

If, as a result of the accident, "Your" employee incurs "medical expenses" including surgical, dental, hospital, nursing and ambulance expenses within the following 26 weeks, "We" will pay up to a maximum of \$1,000 in addition to all other benefits. "We" will pay for the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5,000. "We" do not insure "You" for costs recoverable from other insurance plans.

**LOSS OR DAMAGE NOT INSURED — ALL COVERAGES**

"You" are not insured for claims arising from:

- (1) any "business" use of "Your" premises, other than "farming" operations, unless stated on the Declaration Page;
- (2) the rendering of or the failure to render any professional service;
- (3) liability arising out of any act or omission in connection with premises (other than the Premises insured), owned, rented or controlled by "You", but this does not apply to "Bodily Injury" sustained by a "residence employee" arising out of and in the course of his or her employment by "You";
- (4) (a) "Bodily Injury" or "Property Damage" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
  - i. at or from any premises, site or location which is or was at any time, owned, rented or occupied by "You"; or
  - ii. at or from any premises, site or location which is or was at any time, used by or for "You" or others for the handling, storage, disposal, processing or treatment of waste; or
  - iii. which are or were at any time transported, handled, stored, treated, disposed or, or processed as waste by or for "You" or any person or organization for whom "You" may be legally responsible; or
  - iv. at or from any site or location on which "You" or any contractors or subcontractors working directly or indirectly on behalf of "You" are performing operations:
    - 1. if the pollutants are brought on or to the premises, site or location in connection with such operations; or
    - 2. if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants;
- (b) any loss, cost or expense arising out of any governmental direction or request that "You" test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants;
- (c) fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of any pollutants.

The exclusions in 4(a) (i)-(iv) are to be interpreted as excluding losses arising from or occasioned by "Your" farm or "business" activities, but these exclusions shall not apply to losses arising from or occasioned by "Your" residential use of the dwelling (i.e. the dwelling structure only, and not unattached non-dwelling structures) scheduled as an insured location on this Policy.

- (5) the application of Anhydrous Ammonia away from "Your" premises (unless covered under "custom farming");
  - (6) the ownership, maintenance, operation, use, loading or unloading of:
    - (a) any air cushion vehicles ,any aircraft or "unmanned air vehicle";
    - (b) any "motor vehicle" or trailer owned or operated by, or rented or loaned to "You" but this does not apply to "Bodily Injury" or "Property Damage" occurring on "Your" premises if the "motor vehicle" is not subject to "motor vehicle" registration (except motorcycles) because it is used mainly on "Your" premises or kept in dead storage on "Your" premises;
    - (c) any "recreational motor vehicle" owned by "You", if the "Bodily Injury" or "Property Damage" occurs away from "Your" premises, but this does not apply to golf carts while used for golfing purposes or arising out of the ownership, use or operation of a "personal transporter"
- This exclusion does not apply to "Bodily Injury" to any "residence employee" arising out of and in the course of his or her employment by "You" except while such employee is engaged in the operation or maintenance of any aircraft or air cushion vehicle;
- (7) the ownership, existence, use or operation by or on "Your" behalf of any premises for the purpose of an airport or aircraft landing strip and all operations necessary or incidental thereto;
  - (8) the ownership, maintenance, operation, use, loading or unloading of any watercraft owned by "You" if the watercraft:
    - (a) has inboard or inboard-outboard motor power of more than 38kW (50 h.p.) or
    - (b) is powered by an outboard motor(s), singly or in combination of more than 19kW ( 25 h.p.);
    - (c) is more than 8 metres (26 feet) in overall length (with or without auxiliary power);

This exclusion does not apply to:

- i. "Bodily Injury" or "Property Damage" occurring on "Your" premises, or
- ii. "Bodily Injury" to any "residence employee" arising out of and in the course of his or her employment by "You", or
- iii. watercraft declared on the Declaration Page, or
- iv. watercraft acquired by "You" during the policy period, which is declared to the company within 30 days of



such acquisition and endorsed hereon;

- (9) in respect to any "custom farming" operations as herein defined, unless specified on the Declaration Page and an additional premium charge is made therefor;
- (10) "Bodily Injury" to any employee, other than a "residence employee", if the "Bodily Injury" arises out of and in the course of his or her employment by "You" (except as provided by Contingent Employers Liability);
- (11) any obligation for which "You" may be held liable under any Workers' Compensation Statute;
- (12) "Bodily Injury" or "Property Damage" arising out of the ownership, maintenance, operation, use, loading or unloading of any self-propelled land vehicle while being used in any prearranged or organized racing, speed, demolition, weight pull or similar contest or in any stunting activity or in practice or preparation for any such contest or activity;
- (13) "Bodily Injury" or "Property Damage" with respect to which under this coverage "You" are also insured under a contract of nuclear energy liability insurance (whether "You" are unnamed in such contract and whether or not it is legally enforceable by "You") issued by the Nuclear Insurance Association of Canada or any other group or pool or Insurers or would be an Insured under any such Policy but for the termination upon exhaustion of its limit of liability;
- (14) the ownership, use or operation by "You" or on "Your" behalf of:
  - (a) any portion of a riding or boarding stable operation unless shown on the Policy Declaration Page;
  - (b) race horses off "Your" premises, but this does not apply to grazing away from "Your" premises;
  - (c) horses off the insured premises for the purpose of competing in a horse pull, draw or similar contest;
- (15) any type of actual or alleged discrimination including discrimination due to sex, age, marital status, colour, race, creed or national origin;
- (16) any actual or alleged abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological, mental and/or emotional abuse, molestation or harassment, including corporal punishment, directly or indirectly, by:
  - (a) any person or named insured who is insured by this policy;
  - (b) any person or named insured who is insured by this policy having knowledge of such an activity taking place;
  - (c) any person or named insured who is insured by this policy failing to prevent such activity from taking place;
  - (d) at the direction of any person or any named insured who is insured by this policy;
- (17) failure of any person insured by this Rider to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.
- (18) any loss, cost or expense incurred by "You" or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
  - (a) products manufactured, sold, handled or distributed by "You"; or
  - (b) work performed by or for "You", arising out of such product or work or any part thereof;If such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.
- (19) any liability arising out of the ownership, use or operation of any watercraft during participation in any race or speed contest other than a sailboat;
- (20) liability assumed by "You" under any contract or agreement not in writing or under any contract or agreement in connection with business pursuit (other than farming) or professional services of the Insured, but this exclusion does not apply to a warranty of goods or products;
- (21) any actual or alleged "Bodily Injury", "Property Damage", "personal injury" or "medical payments" or any other cost, loss or expense directly or indirectly caused by, resulting from or in consequence of, or in any way involving asbestos, or any material containing asbestos in whatever form or quantity. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense;
- (22)
  - (a) "Bodily Injury", "Property Damage", "personal injury" or "medical payments" or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores" ; or
  - (b) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a) above; or
  - (c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a) or b) above.This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.
- (23) "Bodily Injury", "Property Damage" or "personal injury" arising out of:
  - (a) erasure, destruction, corruption, misappropriation, misinterpretation of "Data";
  - (b) erroneously creating, amending, entering, deleting or using "Data";including any loss of use arising therefrom.

Additionally, this insurance does not apply to any "personal injury" or "advertising injury", if otherwise insured, arising out of the distribution or display of "Data", by means of an Internet Website, the Internet, an intranet, extranet, or similar device of system designed or intended by electronic communication of "Data".

#### **UNDER LEGAL LIABILITY, TENANTS' LEGAL LIABILITY AND VOLUNTARY MEDICAL PAYMENTS**

- (24) (a) "Bodily Injury" or "Property Damage" caused by any intentional or criminal act, or the failure to act by:
- i. any person insured by this Policy; or
  - ii. any other person at the direction of any person insured by this Rider;
- (b) "Bodily Injury" to "You", any person regularly residing on the premises (other than a "Residence Employee"), any person who is engaged in work incidental to the maintenance, use or operation of the farm premises, or while engaged in "Your" alteration, demolition or new construction operations (except as provided under Contingent Employers Liability), but this exclusion shall not apply to a person, on the farm premises, who does work for which no charge is made or contemplated; or
- (c) the transmission of a communicable disease by any person insured by this Policy;

#### **UNDER LEGAL LIABILITY**

- (25) "Property Damage" to:
- (a) property "You" own, use, occupy, lease, sell, give away or abandon; or
  - (b) any property in "Your" care, custody or control or as to which "You" are for any purpose exercising physical control;
  - (c) any personal property or any fixtures as a result of any work performed thereon, by "You" or anyone on "Your" behalf;
- (26) the ownership, maintenance, use or operation by or on "Your" behalf of any premises other than as defined, but this exclusion shall not apply to:
- (a) the grazing of livestock on premises away from farm premises owned or leased by "You";
  - (b) farm premises or residence purchased or leased by "You" during the period this Policy is in force, which is declared to "Us" within 20 days of such acquisition and endorsed hereon;

#### **UNDER TENANTS' LEGAL LIABILITY**

- (27) liability assumed by "You" under contract except liability which would attach in the absence of such contract;

#### **UNDER VOLUNTARY MEDICAL PAYMENTS**

- (28) (a) expenses covered by any medical, dental, surgical or hospitalization plan or law, or by the Legal Liability of this Policy, or under any other insurance contract;
- (b) "Your" "medical expenses" or those of any person residing with "You", other than "residence employees";
- (c) "medical expenses" of any person covered by any Workers' Compensation Statute or disability benefits law or any similar law;
- (d) expenses arising from the products hazard;
- (e) the ownership, use or operation of any motorized vehicles, recreation vehicles, trailer or watercraft;
- (f) for any portion of medical expense, the payment of which is prohibited by law;

#### **UNDER VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY**

- (29) (a) any "business" or occupational pursuits by "You", or to any "occurrence" in connection with premises other than as defined, which are owned, rented or controlled by "You"; or
- (b) loss of property owned by or rented to "You", any resident of "Your" household or any "tenant"; or
- (c) loss caused intentionally or at the direction of an insured who has attained the age of 13 years or more;
- (d) loss which is caused by loss of use, disappearance or theft of property;
- (e) losses which are insured under Property or Legal Liability coverage;
- (f) the ownership, use or operation of any motorized vehicles, recreation vehicles, trailer or watercraft;

#### **CONDITIONS**

- (a) **Limits of Liability:** The inclusion herein of more than one Insured shall not increase "Our" limit of liability.
- i. Under LEGAL LIABILITY, TENANTS' LEGAL LIABILITY AND CONTINGENT EMPLOYERS LIABILITY — the limit stated on the Declaration Page is the limit of "Our" liability for all damages including damages for care and loss of service in respect of any one "occurrence", exclusive of interest and costs; if good or products from one crop, or one prepared or acquired lot shall after the sale produce injuries to more than one person or damage to or destruction of more than one thing; the injuries to all persons and all damages proceeding from that common cause shall be considered as constituting one "occurrence".
  - ii. Under VOLUNTARY MEDICAL PAYMENTS — the limit stated on the Declaration Page is the limit of "Our" liability for all expenses incurred by or on behalf of any one person for loss sustained through "Bodily Injury" in any one accident;
  - iii. Under VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY — the limit of "Our" liability for loss of property arising out of any one "occurrence" shall not exceed:
    1. the actual cash value of the property at time of loss; nor
    2. what it would then cost to repair or replace the property with other of like kind and quality; nor
    3. the limit stated on the Declaration Page; whichever of these is the least.Under this coverage, "We" may pay for the loss in money or may repair or replace the property and may settle any claim for loss of property either with "You" or the owner thereof. Any property so paid for or replaced shall, at "Our" option, become "Our" property.

- (b) **Notice of Accident or Occurrence:** When an accident or "occurrence" takes place, written notice shall be given by or on "Your" behalf to "Us" or any of "Our" authorized representatives as soon as practicable. Such notice shall contain particulars sufficient to identify "You" and also, reasonably obtainable information respecting the time, place and circumstances of the accident or "occurrence", the names and address of the injured and of available witnesses.
- (c) **Notice of Claim or Action — LEGAL LIABILITY, TENANTS' LEGAL LIABILITY, CONTINGENT EMPLOYERS LIABILITY:** If claim is made or "action" is brought against "You", "You" shall immediately forward to "Us" every demand, notice, summons or other process received by "You" or "Your" representatives.
- (d) **Assistance and Co-Operation by "You" — LEGAL LIABILITY, TENANTS' LEGAL LIABILITY, CONTINGENT EMPLOYERS LIABILITY:** "You" shall co-operate with "Us" and, upon "Our" request, shall attend hearings and trials and shall assist in affecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of "actions". "You" shall not, except at "Your" own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of the accident or "occurrence".
- (e) **Medical Reports: Proof and Payment of Claim — VOLUNTARY MEDICAL PAYMENTS:** As soon as practicable, "You" shall arrange for the injured person or someone on "Your" behalf to give "Us" written proof of claim, under oath if required, and at "Our" request execute authorization to enable "Us" to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by "Us" when and as often as "We" may reasonably require. "We" may pay the injured person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute admission of liability.
- (f) **Proof and Payment of Loss — VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY:** As soon as practicable, but not later than 60 days after the loss, "You" shall file proof of loss with "Us", under oath if required, setting forth the interest of all persons in the property affected, the actual cash value thereof at the time of loss, and the amount, place, time and cause of such loss.
- (g) **Action Against "Us" — LEGAL LIABILITY, TENANTS' LEGAL LIABILITY, CONTINGENT EMPLOYERS LIABILITY:** No "action" shall lie against "Us" unless, as a condition precedent thereto, "You" shall have fully complied with all the terms of this Policy, nor until the amount of "Your" obligation to pay has been finally determined, either by judgement against "You" or by an agreement which has "Our" consent.
- (h) **Action Against "Us" — VOLUNTARY MEDICAL PAYMENT and VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY:** No "action" shall lie against "Us" unless, as a condition precedent thereto, there has been full compliance with all the terms of this Policy, nor until 60 days after the required proofs of claims have been filed with "Us".
- (i) **Other Insurance:** If, at the time of an accident or "occurrence" covered by this coverage, there is any other liability insurance with a company other than Heartland Farm Mutual Inc., which would attach if this insurance had not been effected, "We", under this coverage, shall be liable only for the excess, if any, of any loss over the applicable limit of the other insurance covering such loss.  
If, at the time of an accident or "occurrence" covered by this coverage, there is any other liability insurance pursuant to a Policy issued by the Heartland Farm Mutual Inc., which would attach if this insurance had not been effected, "We" shall have a maximum limit of liability under all such coverages in all policies issued by "Us" of the amount which is shown at the highest single limit of liability on the Declaration Page of such policies.
- (j) **Premium Adjustment:** If the premium is based wholly or partly upon an estimate of receipts, such premium shall be subject to adjustment at the termination of the policy period if written for one year or less, or at the end of each annual period if written for more than one year, when "You" shall furnish to "Us" for the purpose of such adjustment a written statement of the exact amount of all receipts accruing during the period of such adjustment. If the earned premium computed thereon exceeds the advance premium paid for such estimates, "You" shall immediately pay the additional premium due "Us"; if less, "We" shall return to "You" the unearned portion of such premium subject to the retention of the minimum premium expressed in the coverage. When used as a premium basis, the word "receipts" shall mean the gross amount of money charged by "You" for such operations during the policy period as are rated on a receipts basis.

## OPTIONAL EXTENSIONS OF COVERAGE

Coverage under SECTION III applies to the following Extensions of Coverage, only if specified on the Declaration Page. They are subject to all terms and conditions of this Policy and Statutory Conditions 1, 3, 4, 5 and 15 also apply.

## BROAD FORM PROPERTY DAMAGE

(Including Completed Operations)

It is agreed that:

Loss Or Damage Not Insured — Under Legal Liability (25) is deleted and replaced by the following:

- (25) (a) "Property Damage":
1. to property owned or occupied by or rented to "You", or, except with respect to the use of elevators, to property held by "You" for sale or entrusted to "You" for storage or safekeeping;
  2. except with respect to liability under a written sidetrack agreement or the use of elevators, to
    - (i) property while on premises owned by or rented to "You" for the purpose of having operations performed on such property by or on "Your" behalf;
    - (ii) tools or equipment while being used by "You" in performing "Your" operations;
    - (iii) property in "Your" custody which is to be installed, erected or used in construction by "You";

- (iv) that particular part of any property, not on premises owned by or rented to "You":
  - (a) upon which operations are being performed by or on "Your" behalf at the time of the "Property Damage" arising out of such operations, or
  - (b) out of which any "Property Damage" arises, or
  - (c) the restoration, repair or replacement of which has been made necessary by reason of faulty workmanship thereon by or on "Your" behalf;
- (b) with respect to the completed operations hazard, "Property Damage" to work performed by "You" arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith.

The insurance afforded hereby shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to "You", such as, but not limited to, Fire and Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance condition is amended accordingly.

#### **PERSONAL INJURY LIABILITY**

"We" will pay on "Your" behalf all sums which "You" shall become legally obligated to pay as compensatory damages because of injury (herein called "personal injury") sustained by any person or organization and arising out of one or more of the following offences committed in the conduct of "Your" "business":

Group A — false arrest, detention or imprisonment, or malicious prosecution;

Group B — the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy; except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on "Your" behalf;

Group C — wrongful entry or eviction, or other invasion of the right of private occupancy.

This insurance applies only to personal injury arising out of an offence committed during the period of this Endorsement within the "Policy Territory".

This insurance applies only to personal injury arising out of an offence committed during the period of this Extension within the Coverage Territory as follows:

- (a) Canada and the United States of America (including its territories and possessions).
- (b) International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in (a) above; or
- (c) All other parts of the world if the injury or damage arises out of:
  - i. Goods or products made or sold by "You" in the territory described in (a) above;
  - ii. The activities of an insured person whose home is in the territory described in (a) above, but is away for a short time on "Your" business; or
  - iii. "Personal Injury" offenses that take place through the Internet or similar electronic means of communication provided "Your" responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in (a) above or in a settlement "We" agree to.

This insurance does not apply to:

- (a) liability assumed by "You" under any contract or agreement;
- (b) personal injury arising out of the willful violation of a penal statute or ordinance committed by or with "Your" knowledge or consent;
- (c) personal injury sustained by any person as a result of an offence directly or indirectly related to the employment of such person by "You";
- (d) personal injury arising out of any publication or utterance described in Group B, if the first injurious publication or utterance of the same or similar material by or on "Your" behalf was made prior to the effective date of this insurance;
- (e) personal injury arising out of a publication or utterance described in Group B concerning any organization or "business" enterprise, or its products or services, made by "You" or at "Your" direction with knowledge of the falsity thereof.

Regardless of the number of:

- (1) Insureds under this Policy,
- (2) persons or organizations who sustain personal injury, or
- (3) claims made or "actions" brought on account of personal injury, the Limit of Liability stated on the Declaration Page for Farm Liability is the total limit of "Our" liability for all compensatory damages arising out of personal injury in any one period of twelve months terminating on the anniversary of the Policy.

#### **CROSS LIABILITY CLAUSE**

It is agreed that:

This Policy shall apply to each of the insured persons named herein to the same extent and in the same manner as though a separate Policy had been issued to each such insured person, provided, however, that the limit(s) of liability stated on the Declaration Page shall not be increased by the inclusion under this Policy of more than one person.

#### **BLANKET CONTRACTUAL LIABILITY**

It is agreed that Loss Or Damage Not Insured — Under Tenants' Legal Liability (27) is deleted and replaced by the following:

"You" are insured for liability assumed under any written agreement which is:

- (a) a lease of "premises", easement agreement, agreement required by municipal ordinance, railway sidetrack agreement or elevator maintenance agreement, and
- (b) any other agreement assuming the liability of others; provided, however, that this insurance shall not apply to liability to any indemnitee resulting from the sole negligence of the indemnitee.

The insurance afforded by this Extension does not apply if "You" or "Your" indemnitee is an architect, engineer or surveyor, to "Bodily Injury" or "Property Damage" arising out of the rendering of or failure to render professional services by "You" or "Your" indemnitee, including:

- (1) the preparation of approval of maps, plans, opinions, reports, surveys, designs or specifications, and
- (2) supervisory inspection or engineering services, but this exclusion does not apply to any of the following agreements: a lease of "premises", easement agreement, agreement required by municipal ordinance, railway sidetrack agreement, or elevator maintenance agreement.

#### **OPTIONAL LIMITATIONS OF COVERAGE**

If the following Coverage Limitations are shown on the Declaration Page, coverage is limited under this Policy.

#### **PROPERTY DAMAGE DEDUCTIBLE**

- (a) "Our" obligation under Legal Liability to pay compensatory damages on "Your" behalf for "Property Damage" applies only to the amount of compensatory damages in excess of the "Property Damage Deductible" amount stated on the Declaration Page and the Limit of Insurance stated on the Declaration Page for Comprehensive Farm Liability will be reduced by the amount of such deductible.
- (b) The terms of this insurance, including those with respect to:
  - (i) "Our" right and duty to defend any "action" seeking those compensatory damage; and
  - (ii) "Your" duties in the event of a claim or "action" apply irrespective of the application of the deductible amount.
- (c) "We" may pay any part or all of the deductible amount to effect settlement of any claim or "action" and upon notification of the actions taken, "You" shall promptly reimburse "Us" for such part of the deductible amount as has been paid by "Us".

#### **BODILY INJURY AND PROPERTY DAMAGE DEDUCTIBLE**

- (a) "Our" obligation under Legal Liability to pay compensatory damages on "Your" behalf for "Bodily Injury" and "Property Damage" applies only to the amount of compensatory damages in excess of the "Bodily Injury and Property Damage Deductible" amount stated on the Declaration Page and the Limit of Insurance stated on the Declaration Page for Comprehensive Farm Liability will be reduced by the amount of such deductible.
- (b) The deductible amount stated in the Declarations apply as follows:
  - (i) "Bodily Injury" liability or "Property Damage" liability" respectively:
    - 1. to all compensatory damages because of "Bodily Injury" as the result of any one "occurrence", or
    - 2. to all compensatory damages because of "Property Damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain compensatory damages because of that "occurrence".
  - (ii) "Bodily Injury" liability and "Property Damage" liability" combined, to all compensatory damages because of "Bodily Injury" and "Property Damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain compensatory damages because of that "occurrence".
- (c) The terms of this insurance, including those with respect to:
  - (i) "Our" right and duty to defend any "action" seeking those compensatory damage; and
  - (ii) "Your" duties in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
- (d) "We" may pay any part or all of the deductible amount to effect settlement of any claim or "action" and upon notification of the actions taken, "You" shall promptly reimburse "Us" for such part of the deductible amount as has been paid by "Us".

## **COVERAGE J – FARM LIMITED POLLUTION LIABILITY**

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this Policy the words "You" and "Your" refer to the Named Insured shown on the Declaration Page. The words "We", "Us" and "Our" refer to the Insurer providing this insurance.

The word "Insured" means any person or organization qualifying as such under PART II – WHO IS ANINSURED. Other words and phrases that appear in quotation marks have special meaning. Refer to PART V – DEFINITIONS.

## **PART I – COVERAGES**

### **INSURING AGREEMENTS**

#### **A. Bodily Injury and Property Damage**

- (1) "We" will pay those sums that the Insured becomes legally obligated to pay as compensatory damages because of "Bodily Injury" or "Property Damage" to which this insurance applies, provided that:
  - (a) such "Bodily Injury" or "Property Damage" is caused by a "pollution incident" which commences during the policy period; and
  - (b) the claim for such compensatory damages is first made against the Insured during the policy period or within one year after its termination and reported to "Us" in accordance with Clause (5) of Section VI – CONDITIONS.

A claim by a person or organization seeking compensatory damages will be deemed to have been made when notice of such claim is received and recorded by any Insured or by "Us", whichever comes first.

All claims for compensatory damages because of "Bodily Injury" or "Property Damage" sustained by any one person or organization as a result of any one "pollution incident" shall be deemed to have been made at the time the first of those claims is made.

- (2) "We" have the right and duty to defend claims made or "actions" brought in Canada against the Insured seeking such compensatory damages and to pay for the "defence expense". This right and duty is limited as described in Section I – DEFENCE OF CLAIMS OR ACTIONS.
- (3) Compensatory damages include pre-judgment interest awarded against the Insured on that part of the judgment "We" pay.

#### **B. "Clean-up Costs"**

"We" will pay the Insured for reasonable and necessary "Clean-up Costs" incurred by the Insured as a result of the performance by the Insured of an obligation imposed by law on the Insured provided that:

- (1) such "Clean-up Costs" are incurred because of "environmental damage" to which this insurance applies; and
- (2) the "environmental damage" is caused by a "pollution incident" which commences during the policy period and is reported to "Us" during the policy period or within thirty days after its termination.

"We" shall have the right, but not the duty, to participate at "Our" expense in any proceeding seeking to impose legal obligations because of such "environmental damage".

Each payment "We" make for compensatory damages, "defence expense" or "Clean-up Costs" reduces the Amount of Insurance available, as provided under PART III – LIMITS OF INSURANCE AND DEDUCTIBLE.

"We" have no obligation under this insurance to make payments or to perform acts or services except as provided for above.

### **DEFENCE OF CLAIMS OR ACTIONS**

- (1) "We" have the right and duty to defend claims made or "actions" brought in Canada against the Insured seeking compensatory damages payable under this Policy for "Bodily Injury" or "Property Damage". "We" may make:
  - (a) such investigation of any claim or "actions"; and
  - (b) such settlements within the applicable amount of insurance available as "We" think appropriate.
- (2) "Our" right and duty to defend such claims or "actions" ends when "We" have used up the amount of insurance available, as provided under PART III – LIMITS OF INSURANCE AND DEDUCTIBLE. This applies both to claims and "actions" pending at that time and those filed thereafter.
- (3) When "We" control the defence for such claims or "actions", "We" will pay for the "defence expense". If by mutual agreement or court order the Insured assumes control of the defence before the applicable amount of insurance available is used up, "We" will reimburse the Insured for reasonable "defence expense". In either case, however, the amounts "We" pay will reduce the amount of insurance available, as provided under PART III – LIMITS OF INSURANCE AND DEDUCTIBLE.

### **EXCLUSIONS**

This insurance does not apply to:

- (1) "Bodily Injury", "Property Damage" or "Clean-up Costs" which are expected or intended from the standpoint of any Insured;
- (2) "Bodily Injury", "Property Damage" or "Clean-up Costs" arising out of a "pollution incident" which "pollution incident" is expected or intended from the standpoint of any Insured;

- (3) Liability assumed by any Insured under any contract or agreement, but this exclusion does not apply to liability that such Insured would have in the absence of such contract or agreement;
- (4) Any obligation of any Insured pursuant to any employment standards law, workers' compensation law, unemployment insurance law, disability benefits law, occupational health and safety law or any similar law;
- (5) (a) "Bodily Injury" to an employee of any Insured arising out of or in the course of employment by any Insured; or  
 (b) any claim for damages by the spouse, child, parent, brother, sister or other dependent of an employee of any Insured as a result of "Bodily Injury" to an employee arising out of or in the course of employment by any Insured.  
 This exclusion applies:
  - (i) whether any Insured may be liable as an employer or in any other capacity; or
  - (ii) to any claim for contribution or indemnity by any person, Commission, Board, corporation or organization required to pay compensatory damages to an employee of any Insured because of "Bodily Injury" to that employee;
- (6) "Property Damage" to or "Clean-up Costs" at, in or on
  - (a) any property owned, rented or occupied by any Insured;
  - (b) any property loaned to or used by any Insured;
  - (c) any property in the care, custody or control of any Insured;
  - (d) any property sold, given away or abandoned by any Insured;
- (7) "Property Damage" to or "Clean-up Costs" at, in or on any "waste facility";
- (8) "Bodily Injury", "Property Damage" or "Clean-up Costs" caused by a "pollution incident" originating at, in or on any "waste facility" or caused by a "pollution incident" arising from or incidental to the delivery, handling, storage, disposal, processing or treatment of waste at, in or on any "waste facility";
- (9) "Bodily Injury", "Property Damage" or "Clean-up Costs" that are within the "products-completed operations hazard";
- (10) "Bodily Injury", "Property Damage" or "Clean-up Costs" caused by a "pollution incident" originating
  - (a) below the surface of the ground or water or
  - (b) from "pollutants" which have, at any time, been buried under the surface of the ground or water, and then subsequently exposed by erosion, excavation or other means;
- (11) "Bodily Injury" in the form of genetic damage or birth defects;
- (12) "Bodily Injury", "Property Damage", or "Clean-up Costs" arising out of the ownership, use or operation by or on behalf of any Insured of any self-propelled land motor vehicle, trailers or semi-trailers while attached to such vehicle or unattached, including accessories and equipment while attached to or mounted on such vehicle, trailers or semi-trailers;
- (13) (a) "Bodily Injury", "Property Damage" or "Clean-up Costs" arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any Insured of:
  - (i) any railway rolling stock,
  - (ii) any watercraft,
  - (iii) any air cushion vehicle,
  - (iv) any aircraft;
  - (v) any "unmanned air vehicle" or
 (b) "Bodily Injury", "Property Damage" or "Clean-up Costs" arising out of the ownership, existence, use or operation by or on behalf of any Insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.
- (14) (a) "Bodily Injury", "Property Damage" or "Clean-up Costs" arising out of a "pollution incident" which results from or is attributable to a failure to comply with any applicable statute, regulation, ordinance, directive, or order relating to the protection of the environment and promulgated by any governmental body, provided that failure to comply is a wilful or deliberate act or omission of any Insured;
- (b) "Clean-up costs" caused by a "pollution incident" if any Insured is convicted of an offence under any applicable statute or regulation, relating to the protection of the environment and promulgated by any governmental body, as a result of any Insured's failure to comply with a legal duty to report the "pollution incident" to a governmental body or to take remedial steps after the "pollution incident";
- (15) "Bodily Injury" or "Property Damage" or "Clean-up Costs" outside Canada;
- (16) (a) Liability imposed by or arising under the Nuclear Liability Act;
- (b) "Bodily Injury", "Property Damage" or "Clean-up Costs" with respect to which an Insured under this Policy is also Insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an Insured under any such Policy but for its termination upon exhaustion of its limit of liability;
- (c) "Bodily Injury", "Property Damage" or "Clean-up Costs" resulting directly or indirectly from the nuclear energy hazard arising from:
  - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
  - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning construction, maintenance, operation or use of any nuclear facility; and
  - (iii) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this SECTION:

1. The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
  2. The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
  3. The term "nuclear facility" means
    - (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
    - (b) any equipment or device designed or used
      - (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them,
      - (ii) processing or utilizing spent fuel, or
      - (iii) handling, processing or packaging waste;
    - (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
    - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
  4. The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- (17) any actual or alleged "Bodily Injury", or "Property Damage", or "Clean-up Costs" or any other cost, loss or expense directly or indirectly caused by, resulting from or in consequence of, or in any way involving asbestos, or any material containing asbestos in whatever form or quantity. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense;
- (18) (a) "Bodily Injury", or "Property Damage", or "Clean-up Costs" or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of , ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores"; or
- (b) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a) above; or
- (c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a) or b) above.
- This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.
- (19) "Bodily Injury" or "Property Damage" or "Clean-up Costs" do not apply to any Bodily Injury or Property Damage arising out of:
- (a) the erasure, destruction, corruption, misappropriation or misinterpretation of "Data"; or
- (b) erroneously creating, amending, entering, deleting or using "Data"; including any loss of use arising therefrom.

#### **CLARIFICATION OF INTENTION**

For greater certainty in interpreting the Insuring Agreements, the parties to this Policy confirm that the Insuring Agreements are not intended to apply to:

- (1) "Bodily Injury", "Property Damage" or "Clean-up Costs" which result from or are caused by anything other than a "pollution incident";
- (2) punitive, aggravated or exemplary damages;
- (3) fines or penalties imposed by law.

#### **PART II – WHO IS AN INSURED**

- (1) If "You" are designated on the Declaration Page as:
  - (a) An individual, "You" and "Your" spouse are Insureds, but only with respect to the conduct of a business of which "You" are the sole owner.
  - (b) A partnership or joint venture, "You" are an Insured. "Your" members, "Your" partners, and their spouses are also Insureds, but only with respect to the conduct of "Your" business.
  - (c) An organization other than a partnership or joint venture, "You" are an Insured. "Your" executive



officers and directors are Insureds, but only with respect to their duties as "Your" officers or directors. "Your" shareholders are also Insureds, but only with respect to their liability as shareholders.

- (2) Each of the following is also an Insured:
- (a) "Your" employees, other than "Your" executive officers, but only for acts within the scope of their employment by "You". However, none of these employees is an Insured for:
    - (i) "Bodily Injury" to "You" or to a co-employee while in the course of his or her employment; or
    - (ii) "Bodily Injury" to any person who at the time of injury is entitled to benefits under any workers compensation law, or
    - (iii) "Property Damage" to property owned or occupied by or rented or loaned to that employee, any of "Your" other employees, or any of "Your" partners or members (if "You" are a partnership or joint venture).
  - (b) Any person (other than "Your" employee), or any organization while acting as "Your" real estate manager.
  - (c) Any person or organization having proper temporary custody of "Your" property if "You" die, but only:
    - (i) With respect to liability arising out of the maintenance or use of that property; and
    - (ii) Until "Your" legal representative has been appointed.
  - (d) "Your" legal representative if "You" die, but only with respect to duties as such. That representative will have all "Your" rights and duties under this Policy.

No person or organization is an Insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured on the Declaration Page.

### **PART III – LIMITS OF INSURANCE AND DEDUCTIBLE**

#### **AGGREGATE LIMIT**

- (1) Regardless of the number of Insureds under this Policy, or the number of persons or organizations who make claims or bring "actions", or the number of claims made or "actions" brought, or the amount of "Clean-up Costs" incurred, in no event shall "Our" total limit of liability for:
  - (a) all "Clean-up Costs" incurred, and
  - (b) all "defence expense" for claims and "actions" seeking compensatory damages because of "Bodily Injury" and "Property Damage", or both, and
  - (c) all compensatory damages because of all "Bodily Injury" and all "Property Damage", exceed the limit of liability stated on the Declaration Page as Aggregate Limit.
- (2) Any and all payments made by "Us" for such compensatory damages, "Clean-up Costs" or "defence expense" shall reduce, by the amount of the payment, the limit of liability stated on the Declaration Page as Aggregate Limit. In this Policy, the Aggregate Limit as reduced by any such payment or payments is referred to as the amount of insurance available.
- (3) When the Aggregate Limit stated on the Declaration Page is reduced to the extent that there is no amount of insurance available, "We" shall have no further obligations or duties under this Policy. Without limiting the generality of the foregoing, "We" shall have no further obligation to make any payments for damages, "Clean-up Costs" or "defence expense" and shall have no further duty to defend or to continue to defend any claims or "actions".
- (4) "You" agree to reimburse "Us" for any amounts paid by "Us" for compensatory damages, "Clean-up Costs" or "defence expense" in excess of the amount of insurance available forthwith upon demand.

#### **INCIDENT LIMIT**

- (1) Subject to AGGREGATE LIMIT of PART III above, and regardless of the number of Insureds under this Policy, or the number of persons or organizations who make claims or bring "actions", or the number of claims made or "actions" brought, or the amount of "Clean-up Costs" incurred, in no event shall "Our" total limit of liability for:
  - (a) all "Clean-up Costs" incurred, AND
  - (b) all "defence expense" for claims and "actions" seeking compensatory damages because of "Bodily Injury" or "Property Damage" or both, AND
  - (c) all compensatory damages because of "Bodily Injury" and "Property Damage", from any one "pollution incident" exceed the limit of liability for each "pollution incident" stated on the Declaration Page, less any Deductible Amount stated on the Declaration Page.
- (2) "We" may, or if required by law shall, pay part or all of any Deductible Amount stated on the Declaration Page in order to effect settlement of any claim or "action". "You" shall reimburse "Us" for any Deductible Amount so paid by "Us" forthwith upon demand.
- (3) "You" agree to reimburse "Us" for any amounts paid by "Us" for compensatory damages, "Clean-up Costs" or "defence expense" in excess of the amount of insurance available forthwith upon demand.

The limits of this Policy apply separately to each consecutive annual period, starting with the beginning of the policy period shown on the Declaration Page, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### **PART IV – POLICY TERRITORY AND SCOPE**

This insurance applies only to "Bodily Injury", "Property Damage", "Clean-up Costs" or "defence expense" caused by or incurred by reason of a "pollution incident" occurring in Canada but not to any such "Bodily Injury", "Property Damage" or "Clean-up Costs" for which an action on the merits is brought outside Canada, nor to any "defence expense" incurred in, or as a result of, such an action on the merits being brought outside Canada.

## PART V – DEFINITIONS

**“Action”** means a civil proceeding in a Canadian Court in which compensatory damages to which this insurance applies are claimed. “Action” includes an arbitration proceeding in Canada in which such compensatory damages are claimed, provided that the Insured is either required to submit or submits with “Our” consent to such arbitration proceeding.

**“Bodily Injury”** means “Bodily Injury”, sickness or disease sustained by a person, including death resulting from any of these at any time.

**“Clean-up Costs”** means expenses for the removal or neutralization of “pollutants”.

**“Defence Expense”** means payments allocated to a specific claim or “action” for its investigation, settlement, or defence, including:

- (1) legal fees, expert fees, disbursements and all other litigation expenses;
- (2) reasonable expenses incurred by the Insured at “Our” request to assist “Us” in the investigation or defence of the claim or “action” including actual loss of earnings up to \$100 a day because of time off from work;
- (3) all costs taxed against the Insured in the “action”.

“Defence expense” does not include salaries and expenses of “Our” employees or the Insured’s employees, other than:

- (a) that portion of “Our” employed lawyers’ fees, salaries and expenses allocated to a specific claim or “action”; and
- (b) the expenses described in (1) above.

**“Environmental damage”** means the injurious presence of “pollutants” in or upon land, the atmosphere, or any watercourse or body of water.

The **“Insured’s product”** means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) any Insured;
    - (b) others trading under any Insured’s name; or
    - (c) a person or organization whose business or assets any Insured has acquired; and
  - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- The “Insured’s product” includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in (a) and (b) above.

The “Insured’s product” does not include vending machines or other property rented to or located for the use of others but not sold.

The **“Insured’s work”** means

- (1) Work or operations performed by any Insured or on behalf of any Insured; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

The “Insured’s work” includes warranties or representations made at anytime with respect to the fitness, quality, durability or performance of any of the items included in (a) or (b) above.

**“Pollutants”** means any solid, liquid or gaseous contaminant other than heat, sound, vibration or radiation.

**“Pollution Incident”** means an unexpected and unintentional discharge, dispersal, release or escape of any “pollutants”, that is sudden and accidental, provided:

- (1) such discharge, dispersal, release or escape is detected by any person within 120 hours after the commencement of the discharge; and
- (2) such discharge, dispersal, release or escape results in “environmental damage”; and
- (3) such discharge is the result of the normal farming operations of the Insured.

The entirety of any such occurrences which arises out of a continuous or repeated exposure to substantially the same conditions shall be deemed to be one “pollution incident”.

**“Products-completed operations hazard”** includes all “Bodily Injury”, “Property Damage” and “Clean-up Costs” occurring away from premises any Insured owns or rents and arising out of the “Insured’s product” or the “Insured’s work” except:

- (1) Products that are still in “Your” physical possession; or
- (2) Work that has not yet been completed or abandoned.

The **“Insured’s work”** will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in the Insured’s contract has been completed.
- (b) When all of the work to be done at the site has been completed if the Insured’s contract calls for work at more than one site.
- (c) When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The “Products-completed operations hazard” and “Insured’s work” hazards do not include “Bodily Injury”, “Property Damage” or “Clean-up Costs” arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

**“Property Damage”** means:

- (1) Physical injury to, destruction of, or contamination of tangible property, including all loss of use thereof at any time resulting therefrom, or
- (2) Loss of use of tangible property which has not been physically injured, destroyed, or contaminated but which has been evacuated, withdrawn from use, or rendered inaccessible because of a “pollution incident”.

**“Self-propelled land motor vehicle”** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto) but does not include, except while being towed by or carried on a motor vehicle, any of the following: crawler or farm type tractor, farm implement, or if not subject to motor vehicle registration, any farm equipment which is designed for use principally off public roads.

**“Waste facility”** means any site operated by any person or organization for the storage, disposal, processing or treatment of waste material, other than a site operated by any Insured and disclosed in the Application for this Policy.

## PART VI – CONDITIONS

### (1) **Authorization**

By acceptance of this Policy, the first Named Insured on the Declaration Page agrees to act on behalf of all other Insureds, if any, named or described on the Declaration Page or included under PART II of this Policy, with respect to all duties and obligations imposed on any Insured under this Policy, including, without limitation, the completion of the Application for this Policy, the giving and receiving of notice of a “pollution incident”, claim or “action”, the giving or receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this Policy, and all other Insureds agree that the first Named Insured on the Declaration Page is authorized to so act on their behalf.

### (2) **Bankruptcy**

Bankruptcy or insolvency of the Insured or of the Insured’s estate will not relieve “Us” of “Our” obligations under this Policy.

### (3) **Cancellation**

- (a) The first Named Insured shown on the Declaration Page may cancel this Policy by mailing or delivering to “Us” advance written notice of cancellation.
  - (b) “We” may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
    - (i) 15 days before the effective date of cancellation if “We” cancel for nonpayment of premium; or
    - (ii) 30 days before the effective date of cancellation if “We” cancel for any other reason.
  - (c) “We” will mail or deliver “Our” notice to the first Named Insured’s last mailing address known to “Us”.
  - (d) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  - (e) If this Policy is cancelled, “We” will send the first Named Insured any premium refund due. If “We” cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if “We” have not made or offered a refund.
  - (f) If notice is mailed, proof of mailing will be sufficient proof of notice.
- In Quebec, “Our” notice of cancellation takes effect either 15 or 30 days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for cancellation.

### (4) **Changes**

This Policy contains all the agreements between “You” and “Us” concerning the insurance afforded. This Policy’s terms can be amended or waived only by endorsement issued by “Us” and made a part of this Policy.

### (5) **Duties in the Event of “Pollution Incident”, Claim or “Action”**

- (a) “You” must see to it that “We” are notified immediately of a “pollution incident”. Notice should include:
  - (i) how, when, where the “pollution incident” took place;
  - (ii) the names and addresses of any injured persons and of witnesses;
  - (iii) the nature and location of any “Property Damage” arising out of the “pollution incident”. Notice of a “pollution incident” is not notice of a claim.
- (b) If a claim is made or “action” is brought against any Insured, “You” must see to it that “We” receive immediate written notice of the claim or “action”.
- (c) “You” and any other involved Insured must:
  - (i) immediately send “Us” copies of any demand, notices, summonses or legal papers received in connection with the claim or “action”;
  - (ii) authorize “Us” to obtain records and other information;
  - (iii) cooperate with “Us” in the investigation, settlement or defence of the claim or “action”; and
  - (iv) assist “Us”, upon “Our” request, in the enforcement of any right against any person or organization which may be liable to the “Insured” because of injury or damage to which this insurance may also apply.
- (d) No Insured will, except at its own cost, voluntarily make a payment, assume any obligation, or incur any expense, without “Our” consent other than expenses for immediate “Clean-up Costs” which are required by any applicable statute or regulation related to the protection of the environment and promulgated by any governmental body.

### (6) **Examination of Books and Records**

“We” may examine and audit any Insured’s books and records as they relate to this Policy.

### (7) **Inspections and Surveys**

“We” have the right but are not obligated to:

- (a) make inspections and surveys at any time;
- (b) give “You” reports on the conditions “We” find; and

(c) recommend any changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. "We" do not make safety inspections. "We" do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And "We" do not warrant that conditions:

- (i) are safe or healthful; or
- (ii) comply with statutes, regulations, ordinances, directives, orders, codes or standards.

This condition applies not only to "Us", but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

The Insurer waives no right and undertakes no responsibility by reason of any such inspection, survey, report or recommendation or the omission thereof.

(8) **Legal Action Against "Us"**

No person or organization has a right under this Policy:

- (a) To join "Us" as a party or otherwise bring "Us" into an "action" asking for compensatory damages from an Insured; or
- (b) To sue "Us" on this Policy unless all of its terms have been fully complied with.

A person or organization may sue "Us" to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial, but "We" will not be liable for compensatory damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by "Us", the Insured and the claimant or the claimant's legal representative. Every "action" or proceeding against "Us" shall be commenced within one year next after the date of such judgment or agreed settlement and not afterwards.

(9) **Material Change in the Risk**

If any change shall occur materially varying any of the statements made in the Application or during any inspection or survey, or if the Insured shall receive information indicating a material increase in the risks to which this Policy relates, the Insured shall, within 30 days of such change of information becoming known, give "Us" notice of such change in writing.

(10) **Other Insurance**

If at the time of the "pollution incident" covered by this Policy there is any other insurance applicable "We", under this Policy, will be liable only for the excess, if any, of any loss over the applicable limit of the other insurance covering such loss.

(11) **Premium Audit**

- (a) "We" will compute all premiums for this Policy in accordance with "Our" rules and rates.
- (b) Premium shown in this Policy as advance premium is a deposit premium only. At the close of each audit period "We" will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, "We" will return the excess to the first Named Insured subject to the retention of the minimum premium shown on the Declaration Page.
- (c) The first Named Insured must keep records of the information "We" need for premium computation, and send "Us" copies at such times as "We" may request.

(12) **Priority of Payment**

Where the total of all compensatory damages because of "Bodily Injury" or "Property Damage" and all "Clean-up Costs" and all "defence expense" exceed the limits of liability for any one "pollution incident" or exceed the amount of insurance available, the available proceeds of this insurance shall be applied in the following descending order of priority:

- (a) "Clean-up Costs";
- (b) "defence expense";
- (c) "Property Damage";
- (d) "Bodily Injury".

(13) **Representations**

By accepting this Policy, "You" agree that

- (a) the statements in the Application and on the Declaration Page are accurate and complete;
- (b) those statements are based upon representations "You" made to "Us"; and
- (c) "We" have issued this Policy in reliance upon "Your" statements and representations.

(14) **Separation of Insureds, Cross Liability**

Except with respect to the Limits of Insurance, and any rights or duties assigned to the first Named Insured, this insurance applies:

- (a) As if each Named Insured were the only Named Insured; and
- (b) Separately to each Insured against whom claim is made or "action" is brought.

(15) **Transfer of Rights of Recovery Against Others to "Us"**

If the Insured has rights to recover all or part of any payment "We" have made under this Policy, those rights are transferred to "Us". The Insured must do nothing after loss to impair them. At "Our" request, the Insured will bring "action" or transfer those rights to "Us" and help "Us" enforce them.

(16) **Transfer of “Your” Rights and Duties Under this Policy**

“Your” rights and duties under this Policy may not be transferred without “Our” written consent except in the case of death of an individual Named Insured.

If “You” die, “Your” rights and duties will be transferred to “Your” legal representative but only while acting within the scope of duties as “Your” legal representative. Until “Your” legal representative is appointed, anyone having proper temporary custody of “Your” property will have “Your” rights and duties but only with respect to that property.