

ENHANCED FARM LIVESTOCK

COVERAGE

"We" insure "Your" Farm Livestock listed on the Declaration Page and/or supplementary schedule, for their fair market value not exceeding the applicable amount of insurance, subject to the terms and conditions in the Policy or on this Form. This Form is subject to 80% co-insurance clause and covers anywhere in Canada or the United States of America.

DEFINITION

Farm Livestock shall include cattle, sheep, goats, swine, poultry, rabbits, mink and chinchilla with each class insured separately.

INSURED PERILS – COVERAGE "A"

Livestock listed on the Coverage "A" Schedule in the Declaration Page 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 pretenses;
- (12) Accidental Shooting; but excluding accidental shooting by you, your employee, or any household member of either;
- (13) Lightning;
In the event a loss occurs to confined livestock resulting from this peril, physical signs of damage to either livestock, building or equipment is required.
- (14) Electrocuting;
- (15) Blizzard, rain, sleet or snowstorm,
- (16) Drowning, excluding choking on their own internal fluids;
- (17) Attack by wild animals or non-owned dogs (in excess of Government Compensation);
- (18) Rabies (in excess of Government Compensation);
- (19) Smoke or fumes. There is no coverage under this peril for loss resulting from:
 - (a) any intentional fire by "You";
 - (b) any electrical power interruption or any electrical or mechanical breakdown of any equipment;
- (20) 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 (15) above, occurring to the building in which the livestock is confined or to the equipment of this building.

OPTIONAL PERILS UNDER COVERAGE "A"

(The following are applicable only when specifically shown on the Declaration Page.)

- (21) **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.

- (22) **Broad Form Consequential Loss:** meaning an interruption in the operation of the heating or ventilation systems of the building which confines the livestock caused by a sudden and accidental:
- (a) interruption of electrical power or fuel supply to the above systems; or
 - (b) electrical or mechanical breakdown of the above systems.

Coverage Warranty

This coverage applies only if:

- (a) there is maintained in working order, a backup generator system capable of sustaining the building systems in all weather conditions, which, in the event of a power interruption can be put into operation within a reasonable time; and,
- (b) there is in operation at all times, a professionally installed alarm system, complete with phase relay, which provides warning of any change in ambient temperature in the building (high/low temperature alarm) and of any electrical power interruption to the building; and,
- (c) the generator and alarm systems are tested every 30 days, and written records of these tests kept in an up-to-date log.

There is no coverage under this peril for loss resulting from:

- (a) any intentional interruption or disconnection of electrical power or fuel supply; or
- (b) any maintenance procedures usual to the operation or while the above systems are being worked upon; or
- (c) failure to have or keep in working order the alarm and generator systems described above; or
- (d) failure to keep written testing records.

- (23) **Heat Prostration:** meaning heat exhaustion due to extremes in atmospheric temperature.

Coverage Warranty

This coverage applies only if:

- (a) there is maintained in working order, a backup generator system capable of sustaining the building systems in all weather conditions, which, in the event of a power interruption can be put into operation within a reasonable time; and,
- (b) all ventilation fans of the building confining the livestock are operating at maximum capacity at the time of loss; and,
- (c) the stocking density of the livestock in the building at the time of loss is not greater than the number of livestock shown on the Declaration Page as being confined in the building; and,
- (d) there is in operation, at all times, a professionally installed alarm system, complete with phase relay, which provides warning of any change in ambient temperature in the building (high/low temperature alarm) and of any electrical power interruption to the building; and,
- (e) the alarm and generator systems are tested every 30 days, and written records of these tests kept in an up-to-date log.

There is no coverage under this peril for loss resulting from:

- (i) any intentional interruption or disconnection of electrical power or fuel supply; or
- (ii) any maintenance procedures usual to the operation or while the above systems are being worked upon; or
- (iii) failure to have or keep in working order the alarm and generator systems, including the ventilation fans, described above; or
- (iv) failure to have all ventilation fans operating at maximum capacity; or
- (v) failure to keep written testing records; or
- (vi) the stocking density exceeds the number of livestock stated on the Policy Declaration Page.

PERILS INSURED – COVERAGE "B"

Livestock shown on the Coverage "AB" Schedule on the Declaration Page, is insured subject to the waiting period herein, against death or humane destruction made necessary by Perils #1 to #20 provided by Coverage "A"; and

- (24) **Hardware**, meaning the ingestion of foreign metal objects;
- (25) **Frothy bloat or grain overload**, both as a result of the ingestion of feed. There is no coverage for "obstructive" or "positional" bloat;
- (26) **Blackleg**;
- (27) **Tuberculosis, Brucellosis**, (in excess of Government Compensation);
- (28) **Physical Injury**, as a result of an accidental and external cause, but excluding injury resulting from animal birth or while engaged in competitive events;
- (29) **Aviation:** Coverage provided by this Form is extended. to livestock while being loaded, unloaded or while being transported upon an aircraft. This peril also includes collision of an aircraft on which the insured livestock is transported; Berserk (necessary destruction) and Jettison both on the orders of the pilot or other persons in authority of the aircraft. There is not coverage for loss:
 - (a) occurring outside the airways of Canada or the United States of America;
 - (b) exceeding \$10,000 in any one occurrence.

PERILS INSURED – COVERAGE "C"

Livestock shown on the Coverage "ABC" Schedule on the Declaration Page, in addition to the insurance provided by coverage "A" and "B" is insured subject to the waiting period herein, against:

- (30) **Livestock Birth** meaning death resulting from or destruction made necessary due to physical problems associated with the birth process and/or "milk fever" that may develop simultaneously with birth.
- There is no coverage for Loss:
- (a) occurring after 7 days of the birth of the offspring;
 - (b) to the offspring being birthed;
 - (c) occurring to animals 10 years of age and older.

EXTENSIONS OF COVERAGE

New Acquisitions

Coverage described on the Declaration Page is automatically extended to additional livestock similar to those shown on the Declaration Page, acquired by "You" during the term of this Policy, for a period of 30 days from the date of purchase, subject to the waiting period or expiration of this Policy.

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

In consideration of this extension, "You" must report such additions within 30 days from the date acquired and to pay premium thereon at pro rata of the coverage rate. It is agreed however, that this extension shall cease to cover such additional livestock if they are not reported to "Us" within the said 30 day period.

"We" shall not be liable under this extension for more than the purchase value of such livestock and in no event for more than \$5,000 for any one animal.

Non Owned Livestock

If "You" wish, "We" will include uninsured livestock of others, to a maximum of \$5,000 while it is on "Your" farm premises but "We" do not insure livestock which "You" are boarding for a fee.

Livestock Medicines

Up to 5% of the total limit of insurance on Livestock shown on the Declaration Page may be applied to medication for livestock while stored on "Your" premises if it is damaged or destroyed by any of the perils named in this coverage.

Professional Fees

"We" agree to pay for reasonable fees due to veterinarians or other professions who "You" employ at "Our" request to confirm the cause of death, or other documents or relevant information on "Your" business, which "We" will require following a loss to determine the amount payable under this Form.

Dead Stock Removal

We will pay costs incurred for the removal of deceased livestock, but only when death is the result of a peril for which the livestock is insured. When the damage to livestock plus the cost of dead stock removal exceed the limit of insurance on livestock, an additional 5% of the limit of insurance on livestock will be available for removal of deceased livestock.

Livestock Round Up

"We" agree to pay for reasonable fees due to persons whom you employ to roundup livestock, either insured on this policy or for which you are legally liable. We will also extend the peril of accidental shooting to cover animals shot in the roundup to prevent bodily injury or property damage to others. The most "we" will pay under this extension of coverage is \$5,000 or such other amount as shown in the Declaration Page of this policy.

LOSS OR DAMAGE NOT INSURED

"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) delay, loss of market, depreciation in value or inability to perform functions or duties for which the livestock is kept;

"We" do not insure:

- (3) livestock while upon an aircraft, except as otherwise provided by the aviation peril under Coverage "B";
- (4) animals that were sick or diseased prior to the loss or damage;
- (5) loss under Coverage "B" and "C" occurring to animals on pasture without daily supervision or care;
- (6) any property illegally acquired or kept, stored, transported or property subject to forfeiture;
- (7) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire

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 of or damage to property insured that is directly caused by fire, explosion, smoke, water damage, all as described "Specified Perils", this exclusion shall not apply to such resulting loss or damage.

"Specified Perils"

Subject to the exclusions and conditions in this Form. Specified Perils means:

- (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 object which strikes the exterior of a building;
- (6) impact by aircraft, spacecraft or land vehicle;
- (7) riot;
- (8) vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
- (9) windstorm or hail.

BASIS OF CLAIM PAYMENT

"We" will pay whichever is the least of (1) and (2) or (3):

- (1) the fair market value of the animal at the time of loss;
- (2) \$5,000 for any unscheduled animal;
- (3) the amount specified on the Declaration Page for the scheduled animal;

Deductible

Each claim for loss or damage shall be adjusted separately.

When a deductible is shown in the Declaration Page for this coverage the amount of this deductible shall be deducted from the amount of insurance applicable to each insured loss.

Co-Insurance Clause

Livestock must be insured to 80% of their fair market value. If the amount of insurance carried fails to meet 80% of the total fair market value of all the livestock at the time of the loss, "You" shall only be entitled to receive that portion of the loss in the same proportion that the amount of insurance carried bears to the amounts of insurance required to be maintained by this clause.

If this Form covers more than one class of Livestock, this clause applies to each class separately. This clause does not apply to scheduled Livestock insured for an amount greater than \$5,000.

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.

Livestock Market Fluctuation Protector

We will automatically increase the amount of insurance to a maximum limit of 20% on your livestock, provided you are insured to 100% of the fair market value as indicated, on a statement of value filed with us, for the current policy term. This increase shall be solely attributable to the fluctuation in current market value for the livestock at the time for loss and shall not take into consideration any other factors such as change in livestock numbers.

If this Form covers more than one class of Livestock, this clause applies to each class separately. This clause does not apply to scheduled Livestock insured for an amount greater than \$5,000.

CONDITIONS

Requirements After Loss

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

- (1) the amount, place, time and cause of loss;
- (2) the interest of all persons in the livestock affected;
- (3) the fair market value of all "Your" livestock at the time of loss.

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

Notice To Police

In the event of loss by suspected Insured Perils #6 through #12, "You" shall give immediate notice to the police or other law enforcement agency having jurisdiction.

Veterinarian Certificate

In the event of loss suspected by Insured Perils #13 through #30, "You" shall, at "Your" own expense, immediately provide for adequate attendance and treatment by a qualified Veterinary Surgeon who shall furnish a report verifying whether or not the death or necessary destruction is a result of a peril insured by this Form. "We" shall reimburse "You" for reasonable fees incurred by this condition.

Waiting Period – Coverage "B" And "C"

Insurance provided under Perils Insured - Coverage "B" and Perils Insured – Coverage "C" does not take effect:

- (1) until 30 days after the inception date of these coverages being added to the Policy or in the case of newly acquired animals, until 30 days from the acquisition date. This condition shall not apply to newly purchased acquisitions if,

- within 7 days from the date of purchase, "We" are supplied with a veterinarians evaluation verifying that the new acquisition is in good health;
- (2) on newborn animals until after they reach 60 days of age.

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 insurance is used up. In all other cases, "Our" Policy will pay its rateable proportion of the loss or claim.

Reinstatement

Unscheduled Livestock: any loss shall not reduce the amount of insurance provided by this Form. However, should coverage be deleted after such loss during the term of the Policy the minimum retained premium shall be the premium applicable to the amount of insurance paid for such loss.

Scheduled Livestock: any loss under this Form shall reduce the amount of insurance by the sum paid and any premium applicable to this amount of insurance shall be considered earned by "Us".