

ENHANCED FARM PRODUCE

COVERAGE

"We" insure "Your" Farm Produce subject to the terms and conditions of the Policy and this Form. This Form covers anywhere within Canada and the continental United States of America and is subject to an 80% co-insurance clause.

DEFINITIONS

"Farm Produce and supplies" includes harvested crops, seed, feed, fertilizers, insecticides, pesticides, herbicides for crop use, milk, Unfertilized eggs, fruit, vegetables and anything that is an agricultural product of the soil including packing, wrapping and advertising materials for use with harvested produce, but excludes herbicide, pesticide and seed held for resale unless specifically insured, tobacco, lumber and unharvested crops (except as otherwise provided herein).

INSURED PERILS

"We" insure "Your" Farm Produce against all risks of direct physical loss or damage subject to the Agreements, Clauses, Conditions, Exclusions, Limitations and Terms in the Policy and this Form.

EXCLUSIONS

Property Excluded

"We" do not insure loss or damage:

- (1) to any property illegally acquired, kept, stored or transported, or property subject to forfeiture;
- (2) to any property seized or confiscated, unless such property is destroyed to prevent the spread of fire;
- (3) caused by infidelity of "Your" employees or persons to whom "Your" property is entrusted;
- (4) to 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) to growing crops or crops not yet harvested, except as otherwise provided herein;
- (6) to loose straw and hay stacks, unless confined in a building, bin or silo.

Perils Excluded

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

- (7) delay, loss of use, or loss of market;
- (8) repairing, adjusting, servicing or maintenance operations unless fire or explosion ensues and then only for the loss or damage by such ensuing fire or explosion;
- (9) wear, tear, gradual deterioration, latent defect, inherent vice, mechanical or electrical breakdown or failure, corrosion, rust, vermin, extremes of temperature, wet or dry rot, fungi or spore(s), or contamination, except as otherwise provided herein.

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 Policy. 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.

EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amounts of insurance applying under this Form unless otherwise stated and are subject to all conditions of this form. All amounts payable under this Extension of coverage are subject to the Policy deductible.

Additional Acquisitions

This coverage is extended to apply to additional items which have been acquired subsequent to the effective date and during

the Policy Period. In consideration of this extension, you agree to report such acquisitions within thirty (30) days from the date acquired and to pay premiums thereon from the date acquired at pro rata of the policy rate. It is specifically understood and agreed, however, that this policy shall cease to cover such items if they are not reported to us within the said thirty (30) day period.

We shall not be liable under the provisions of this coverage for more than the Actual Cash Value of such property, and in no event for more than 25% of the individual amount of insurance as described on the "Declaration Page" for "Farm Produce and Supplies."

Removal of Debris

This coverage pays for the cost of removing debris of the property insured under this Form 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".

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 farmed by "You".

REFRIGERATED SPOILAGE EXTENSION

The following extensions of coverage are included up to \$10,000 unless otherwise stated and are subject to all conditions of this form. The amount of insurance for Refrigerated Spoilage Extension is the total amount for any one or a combination of the following extensions. All amounts payable under this Extension of coverage are subject to the Policy deductible.

Consequential Loss - Refrigerated Produce

We also insure loss or damage to produce insured hereunder, while contained in refrigeration units within building(s), 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 power interruption.

Consequential Loss - Off-Premises Power

Coverage is extended up to \$10,000, subject to all the terms and conditions of this policy for loss, destruction or damage to "farm produce and supplies" caused by damage to or destruction to off-premises public utility plants, substations, transformer or switching stations or transformers and transmission lines furnishing electrical heat, light or power to the "premises" described on the "Declaration Page" when caused by an insured peril.

Milk Contamination

Coverage is extended up to \$10,000 to insure your financial loss, if any, arising from your refrigerated milk, which is condemned by a provincial marketing board and/or regulator as a result of one of the following occurrences:

- (1) contamination of your milk from an animal treated with medication including antibiotics;
- (2) the presence of a cleaning solution; or
- (3) the failure to activate the bulk cooling tank on your farm premises.

We will pay up to \$500 which may be applied to the cost of an additional test.

We will not pay for condemned milk contaminated from:

- (1) any intentional act of you or your employees;
- (2) any medication or growth hormone not approved for use in Canada.

We will also not pay for any fines, suspension of marketing agreement or loss of market due to contaminated milk, however caused.

The most that we will pay under this extension is the lesser of:

- (1) the market value of the milk at the time of loss;
- (2) the condemned contents of the bulk milk tank on your farm premises;
- (3) the amount shown on the declaration page.

BASIS OF CLAIM PAYMENT

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

- (1) the actual cash value of the property at the time of loss;
- (2) the interest of the Insured ;
- (3) the amount shown on the Declaration Page.

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

Co-Insurance Clause

A co-insurance percentage applies to this coverage, however this clause will apply only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000. The co-insurance percentage applicable to the produce shall be 80%. "We" will not be liable in the event of loss or damage for any greater proportion of such loss or damage than the amount hereby insured bears to 80% of the actual cash value of the property insured at the time such loss or damage occurs. If this Policy covers two or more items, this condition applies to each item separately.

The Insured is required to maintain a limit of insurance to which this clause applies equal to at least the amount that is calculated when the Co- insurance percentage is multiplied against the actual cash value of the insured property at the time of the loss. Failure to do so will result in the Insured only being entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

Average Distribution Clause

The amount of insurance shall attach in each building or in the open on each premises in the proportion that the value of such produce in each building or in the open on each premises bears to the value of all produce owned by "You".

Within 60 days after the loss, "You" must submit to us, under oath if required, a 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 property affected;
- (3) the actual cash value of the property at the time of loss. If necessary, "You" must help us verify the damage.

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.

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.

Special Conditions

The following special conditions shall not increase the amounts of insurance applying under this Form and are subject to all conditions of this Form.

- (1) If within six months after the expiry or anniversary date of each period of insurance under this policy, you file with us a Premium Adjustment Form showing, for the said period, the actual cash value of the Produce insured on the last day of each month at each location, subject to verification by your accountant, the actual premium for such period will then be calculated at the rate applying to each location for the average amount of the total values declared. If the premium paid by you for such coverage exceeds the actual premium calculated above, we will refund to you any excess paid, subject to a maximum refund of 50% of the premium paid. If any monthly declared values exceed the limit of insurance, the amount of the excess will not be included in the premium adjustment calculations.