

PROMINENCE + CASH CROP FARM

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The insurance described in this policy is provided in return for payment of the premium and subject to the terms and conditions as set out herein.

By the acceptance of this Policy, the "Insured" acknowledges the cancellation, from the effective date of this Policy, of any previous Policy (or renewal thereon) which is stated in the Declarations as replaced.

INSURING AGREEMENT

Coverage afforded under this Form is provided for the property described on the "Declaration Page", up to the limits stated on the "Declaration Page" or to "your" financial interest in that property, whichever is the least.

Where the insurance applies to the property of more than one person or interest, "our" total liability for loss sustained by all such persons and interest shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declaration Page."

This policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No term or condition of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

This Form contains various exclusions and limitations which eliminate or restrict coverage.

**PROMINENCE+ CASH CROP FARM
SECTION 1 – COVERAGE ON PROPERTY**

"We" insure "Property of Every Description" as described on the "Declaration Page" against "all risks" of direct physical loss or damage that is sudden and accidental, and is subject to the agreements, clauses, conditions, exclusions, limitations, terms and special provisions listed.

Tear Out: If any walls, ceilings or other parts of insured building must be torn apart before water damage from a plumbing, heating, air conditioning or domestic appliance can be repaired; "We" will pay the cost of such repairs.

Coverage on "insured property" is provided at all locations listed on the "Declaration Page". These amounts include 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. In addition, coverage is provided on the following property at locations other than those listed within this Policy:

- (1) If "you" must remove "insured property" from "your" "premises" to protect it from loss or damage, it is insured by this Policy for thirty (30) days or until "your" Policy term ends, whichever comes first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the total value of all "your" property at all locations at the time of loss.
- (2) "Farm machinery", "farm produce and supplies" and "farm livestock" are covered anywhere in Canada or the Continental United States.

SPECIAL LIMITS OF INSURANCE

"We" insure:

- (1) Books, tools, and instruments pertaining to a "business", profession, or occupation other than farming for an amount up to \$6,000 in all but only while at the locations listed in the Policy Declaration. Other "business" property, including buildings, units or detached private structures used in whole or in part for "business" purposes, and samples and goods held for sale, are not insured;
- (2) Computer software up to \$5,000 in all. "We" do not insure the cost of gathering, entering or assembling information or data;
- (3) Growing trees, plants or shrubs, within 30.5 meters or 100 feet of "your" "outbuilding" to a maximum of \$3,000 in all, but only for losses resulting from a "Specified Peril" excluding windstorm or hail. There is no coverage for "your" lawns
- (4) Un-harvested produce is covered for fire and vandalism only and up to a maximum of \$500 per acre to a maximum of \$10,000 any one occurrence.
- (5) Exterior Wiring Systems meaning Hydro Poles (including any attached lighting units, cross beams, insulators), Transmission Lines, yard transformer, yard lighting, generator transfer switch 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 \$10,000 under this form, per location, in respect of any loss.
- (6) Farm fences, farm gateways and gates, driveway construction materials (including interlocking bricks) and corrals to a maximum recovery of \$50,000 under this form, per location, in respect of any one loss.
- (7) "Farm Machinery" and tools up to a maximum limit of \$2,500 per item for unscheduled Machinery and tools.
- (8) Coverage for loss or damage to tires and tubes will be limited to not more than \$2,500 on any individual item of machinery or equipment.
This limit shall not apply to loss or damage caused by fire, windstorm, theft or vandalism and malicious acts or when the loss happens at the same time as other loss or damage insured by this coverage.
- (9) Coverage for loss or damage to fuel will be limited to not more than \$25,000 in any one storage unit on each owned premise.

Note: The above special limits of insurance are included in the sum insured for "Property of Every Description" and do not increase the total amount of insurance.

EXCLUSIONS

A. EXCLUDED PROPERTY

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

- (1) Any property illegally acquired or kept, stored or transported or property lawfully seized or confiscated by order of any public authority unless such property is destroyed to prevent the spread of fire;
- (2) 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;
- (3) Growing plants, trees, shrubs or flowers, except as insured under the SPECIAL LIMITS OF INSURANCE;
- (4) Fences, gates and corrals used in connection with farming "operations" except as insured under the SPECIAL LIMITS OF INSURANCE;
- (5) Books of account, accounts, bills, evidences of debt or title, letters of credit, passports, tickets or other documents having a market or negotiable value, except those items specifically insured elsewhere in this policy;
- (6) "Automobiles", motor trucks, all terrain vehicles, gators, "recreational motor vehicles", "self-propelled implements of husbandry", other vehicles designed or licensed for highway, commercial or recreational use or parts thereof, unless specifically described on the "Declaration Page";
- (7) Motorcycles, snow vehicles, any type of watercraft, amphibious or air cushion vehicles, aircraft, unmanned air vehicle system" spacecraft, trailers, motors or other accessories attached to or mounted on such property, or any similar equipment designed or licensed for highway use or any vehicle subject to motor vehicle registration, but this exclusion does not apply to unlicensed "farm machinery" or trailers used for farming purposes, lawnmowers, gardening equipment, snow blowers, or "electric powered vehicles" as defined including bicycles, children's toys, personal transporters and scooters;
- (8) Property on loan or on rental or sold by "you" under conditional sale, installment payment or other deferred payment plan, from the time of leaving "your" custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at "your" risk;
- (9) Property covered under the terms of any marine insurance and property while waterborne, except while on a regular ferry or railway-car transfer in connection with land transportation;
- (10) Property while undergoing any process or while being worked upon, where the loss or damage results from such process or work, but resulting damage to other property is insured;

- (11) Property at locations, which have, to "your" knowledge, been "vacant" "unoccupied" or shut down for more than thirty (30) consecutive days.

PERILS EXCLUDED

This form does not insure against loss or damage:

- (1) Caused directly or indirectly by birds, vermin, rodents, insects, groundhogs, skunks, raccoons, squirrels, bears, bats or termites. This exclusion does not apply to resulting damage to building glass;
- (2) Caused by wear and tear, gradual deterioration, hidden or latent defect, inherent vice, "fungi", "spore(s)" or mould, unless cause of loss is by a peril not excluded elsewhere in this policy, or the cost of making good faulty or improper material, faulty or improper construction or workmanship, faulty or improper design provided; however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (3) By dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, pollution, change in flavour, colour texture or finish, rust or corrosion, wet or dry rot or mould, but this exclusion does not apply to loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded elsewhere in this Policy, theft or attempt thereof or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded elsewhere in this Policy;
- (4) Caused by centrifugal force, mechanical or electrical "breakdown", derangement or change in electrical power supply caused by a brown-out unless fire ensues and then only for the loss or damage caused directly by such ensuing fire. This exclusion does not apply to any change in the electrical power supply caused by a power surge;
- (5) Caused by marring or scratching of any property or breakage of any fragile or brittle articles unless caused by a "Specified Peril", accident to a land vehicles, watercraft, aircraft, or "unmanned air vehicle systems" or theft or attempt thereof;
- (6) Caused 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 "farm outbuilding(s) and structure"; or
 - (b) patios, driveways, walks or retaining walls;
- (7) Caused by delay, loss of market, or loss of use or occupancy except as may be provided under LOSS OF FARM BUSINESS INTERRUPTION covers of this Policy;
- (8) 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;
- (9) Due to continuous or repetitive circumstances, seepage, leakage or influx of water or any other liquid from any source through building walls, foundations, or foundation floors, which has occurred over a period of time, and the resulting loss or damage, was neither sudden nor accidental;
- (10) Resulting from any willful, fraudulent, dishonest, intentional, or criminal acts or failure to act by:
 - (a) any person insured by this Policy, "your" employees or "your" "tenants", or
 - (b) any other person at the direction of any person insured by this Policy;
- (11) Mysterious disappearance or shortage of "farm contents", or "farm produce and supplies" disclosed on taking inventory;
- (12) Caused by the voluntary part with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, devise or false pretence;
- (13) Loss or damage resulting from misappropriation, secretion, conversion, infidelity, or any dishonest act on "your" part or "your" employees;
- (14) Loss or damage, caused by smoke from agricultural smudging or industrial operation or caused by a build-up or accumulation of smoke, unless such smoke damage is sudden and accidental;
- (15) Caused by snow slide, landslide, subsidence or any other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from "fire protective equipment" as described in the definitions of "Specified Perils";
- (16) Caused by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from "fire protective equipment" although this exclusion shall not be applicable to "farm livestock" farm machinery" or "farm produce and Supplies";
- (17) To the "farm outbuilding(s) and structure" caused by settling, expansion, contraction, moving, bulging, buckling, shifting or cracking except resulting damage to building glass;
- (18) Caused by vandalism, malicious acts or glass breakage occurring to "farm outbuilding(s) and structure" while under construction, or to property contained in "farm outbuilding(s) and structure" under construction;
- (19) As a consequence of alteration, reconstruction or addition to buildings ("normal" maintenance being allowed without permission);
- (20) By loss or increased costs of repair due to operation of any by-law regulating the zoning, demolition, repair or construction of "farm outbuilding(s) and structure" and their related services;
- (21) Due to the disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.
- (22) By glass breakage to buildings under construction, or to glass contained in buildings under construction or buildings that are "unoccupied" or "vacant" for more than 30 consecutive days;
- (23) As a result of spillage, discharge or contamination by "Pollutants", however caused, except as provided under Section 3 Pollution Damage – Owned Property (Land and Water Clean-up) or Farm Limited Pollution Liability of this policy.

ADDITIONAL EXCLUSIONS (in addition to the above exclusions)

"FARM OUTBUILDINGS AND STRUCTURES"

"We" do not insure loss or damage to:

- (1) "Farm outbuilding(s) and structure" caused directly or indirectly by explosion (except with respect to explosion of natural, coal or manufactured gas), rupture, bursting, cracking, burning out or bulging of the following property owned or controlled by "you", unless fire ensues and then only for the loss or damage caused 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 one hundred three (103) kilopascals (fifteen (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 in or to tanks having an internal diameter of six hundred ten (610) millimetres (twenty-four (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 test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosions; or
 - (f) Gas turbines;
 - (g) Buildings, units or structures used in whole or in part for "business" purposes (except farming) unless declared on the "Declaration Page".

"FARM MACHINERY" AND EQUIPMENT

"We" do not insure loss or damage:

- (1) To "farm machinery" engaged in "custom farming" work or commercial contracting work, unless it is specified on the "Declaration Page" that the item is used for such work. This exclusion shall not apply where the total compensation received for "custom farming" is less than \$10,000 within the Policy Period;
- (2) To portable sawmills or to "farm machinery" used for forestry or logging operations, commercial or "business" purposes;
- (3) To "farm machinery" as a result of:
 - (a) damage to tires and tubes, except as covered under Special Limits of Insurance
 - (b) breaking or falling through ice;
 - (c) 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;
 - (d) 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;
 - (e) weight of a load exceeding the rated capacity of any machine;
 - (f) while in any Race or Speed Test or Tractor Pull Contents.

"FARM PRODUCE AND SUPPLIES"

"We" do not insure loss or damage to:

- (1) Un-harvest "farm produce and supplies", except as covered under Special Limits of Insurance.
- (2) "Farm produce and supplies" due to mechanical or electrical "breakdown" or failure, vermin, extremes of temperature, contamination or spoilage except as covered under Section 3, Extensions of Coverage, Consequential Loss Produce.
- (3) Loose straw and hay stacks, unless confined in a "farm outbuilding and structures".

**PROMINENCE+ CASH CROP FARM
SECTION 2 – LOSS OF INCOME – ACTUAL LOSS SUSTAINED AND “GROSS RENTAL” INCOME AND RENTAL VALUE
(APPLICABLE ONLY IF SHOWN ON THE “DECLARATION PAGE”)**

Indemnity Agreement

“We” will pay “your” Actual Loss Sustained of “Farm Earnings” for the shortest of the following periods, commencing 72 hours after the time of loss of “Farm Earnings”, but not limited by the expiration date of this Policy:

- (1) The time required to resume “your” “normal” farm “operations” with all due diligence and dispatch, to the income level immediately prior to the loss or;
- (2) Twelve (12) months, unless specifically extended to a longer period as shown in the Policy Declarations and additional premium paid; or
- (3) If Contingent Business Interruption is shown on the declaration page, the time that would be required, with the exercise of due diligence and dispatch, to rebuild, repair or replace such part of the Contributing or Recipient Property(ies) as has been damaged or destroyed if Contingent “Business” Interruption coverage is applicable. The time that would be required, with due diligence and dispatch, to rebuild, repair or replace such part of the “Contributing Property” as has been destroyed or damaged.

If “you” decide not to resume “normal” farm “operations”, loss of “Farm Earnings” coverage shall be limited to that period of time as would normally be required, with the exercise of due diligence and dispatch, to rebuild, repair or replace the damaged property.

In determining loss under this coverage, due consideration will be given to:

- (1) The earnings of the farm “operation” before the date of damage or destruction to property, and to the probable earnings thereafter had no loss occurred;
- (2) The continuation of operating expenses, including payroll expense to the extent necessary to resume farm “operations” with the same quality of service which existed immediately preceding the loss;
- (3) The reduction of loss which could be made possible by “you” by resuming complete or partial “operation” of farm “operations”;
- (4) Expenses necessarily incurred for the purpose of reducing any loss of “Farm Income” (except expenses incurred to extinguish a fire), not exceeding however the amount by which the loss of “Farm Earnings” is thereby reduced;

Professional fees, is covered as stated in Section Four of this policy, for reasonable fees charged by “your” auditor, accountant or other professional for assisting in the preparation of a claim under this coverage. This extension only applied to professional fees incurred in establishing the quantum of a claim, liability for which has already been accepted by the Insurer(s).

LOSS OF RENTAL INCOME

If an Insured Peril under Section One makes that part of outbuildings rented to others unfit for occupancy, “We” insure “your” loss of rental income from such rented outbuildings to a maximum of \$50,000. Payment shall be for the reasonable time required to repair or replace that part of the outbuilding rented or used by others. “We” will not pay “you” for rental value of any outbuilding not rented or occupied prior to a loss occurring.

Rental income shall not include any expense that does not continue while that part of the outbuilding rented or used by others or held for rental or use by others, is unfit for occupancy. In no case do “We” insure the cancellation of a lease or agreement.

INTERRUPTION BY “CIVIL AUTHORITY”

Coverage under this Section is extended to include the actual loss, insured hereunder, during the period of time, not exceeding three weeks, while access to the “premises” of the “contributing property” is prohibited by order of “civil authority”, but only when such order is given as a direct result of damage to neighbouring “premises” of the “contributing property” by a peril insured against by this Policy but only if Contingent Business Interruption is shown on the declaration page.

This Form is extended to include the actual loss, insured hereunder, during the period of time, not exceeding three (3) weeks, while access to the described “premises” of the “contributing property” is prohibited by order of “civil authority”, but only when such order is given as a direct result of damage to neighbouring “premises” of the “contributing property” by a peril insured against by this Policy.

NEWLY ACQUIRED LOCATIONS

This coverage is extended to cover the loss of income sustained by “you” at newly acquired locations as described elsewhere in this Policy. All other terms and conditions of coverage remain unchanged.

PAYROLL COVERAGE

“Your” entire “ordinary payroll” expense is insured for a period of time not in excess of ninety (90) consecutive days immediately following the date of loss, which may continue during a total or partial suspension of operations, insuring only to the extent necessary to resume “your” “normal” farm “operations” or “business operations” with the same quality of service which existed immediately preceding the destruction or damage by the perils insured against, and which would have been earned had no destruction or damage by perils insured against occurred. However, this coverage will not apply if the employee(s) is engaged in any work, on or related to any of “your” activities other than “your” “normal” farm “operations.”

EXCLUSIONS APPLICABLE TO SECTION 2

“We” will not be liable under this Section for:

- (1) Any increase of loss due to interference at the described “premises” by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption or continuation of “business”;
- (2) Loss due to fines or damage for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (3) Loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect “your” “Farm Earnings” after the period following any loss during which indemnity is payable, but this exclusion does not apply to temporary suspension of contract authorized by any supplier, distributor or Marketing Board;
- (4) Any increase of loss resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or demolition, repair or construction of “farm outbuilding(s) and structure”, or those of the “contributing property” except as provided under Section 3 – Ordinance Or By-law Coverage.

CONDITION APPLICABLE TO SECTION 2

RESUMPTION OF OPERATIONS

It is a condition of this insurance that if "you" can reduce the loss resulting from the interruption of "your" farm "operation" by a complete or partial resumption of operations, such reduction will be taken into account in arriving at the amount of loss payable by this insurance.

It is also a condition, with respect to Rental Income that "you" take all reasonable steps to reduce or minimize "your" loss.

**PROMINENCE+ CASH CROP FARM
SECTION 3 – EXTENSIONS OF COVERAGE**

This section modifies the coverage provided under the respective Form applicable to insured property, and is subject to the conditions, limitations, deductible and other terms of this Form and the respective Form. The Limits of Liability provided under the following Extensions of Coverage Summary, unless stated otherwise in this Form, are in addition to and not included in, the limits of insurance provided by the respective Form.

Unless specifically endorsed on the "Declaration Page", the Limits stated below are the "Occurrence" Limits under this Policy.

EXTENSIONS OF COVERAGE SUMMARY	LIMIT OF LIABILITY
Accounts Receivable	\$100,000
Automatic Fire Suppression System Recharge Expense	\$25,000
Broad Blanket By-Laws Coverage ("Farm Outbuilding and Structures" Only)	Included
"Farm Outbuilding and Structures" Damage by Theft	\$10,000
Computer Breakdown – Mobile Farm Equipment	\$25,000
Consequential Loss Assumption ("Farm produce and supplies" only)	\$10,000
Debris Removal	5% over and above POED limit
Dog (Farm/working dog)	\$1,500
EDP (Electronic Data Processing) Equipment	\$50,000
Environmental Upgrade Option Extension	\$50,000
Exhibition Insurance	\$25,000
Exterior Glass	Included
Exterior Signs	\$25,000
"Extra Expense	\$15,000
"Extra Expense" – Nutrient Management/Environmental Farm Plans	\$3,500
Fire Department Charges	\$100,000
Inflation Protection ("Farm Outbuilding and Structures" only)	Included
Installation Coverage	\$10,000
Loss of Use – "Farm Machinery"	\$100,000
Master Key	\$10,000
"Media" Limitation	Included
Newly Acquired Location:	
"Farm Outbuilding and Structures" (30 days coverage from the acquisition date)	\$1,000,000* See special restriction
Newly Acquired "Farm Fixed Equipment" (30 days coverage from the acquisition date)	\$100,000
Newly Constructed "Farm Outbuildings and Structures" or Additions (60 day coverage from start date)	\$100,000
Non-Owned "Farm Machinery"	\$250,000
Off "Premises" Power Interruption (Business Income Extension)	\$15,000
Parcel Post	\$2,500
Pollution Damage to Owned Property (Land and Water Clean-Up- First Party Pollution)	\$50,000
Professional Fees	\$25,000
Property of Others	\$25,000
Removal to Prevent Loss or Damage	Included
Removal of Windstorm Debris	Included
Salesman Representatives	\$2,500
Tenants Leasehold Interest (Rents)	\$10,000
Valuable Papers and Records	\$100,000
Agri Protector Plus (Cash Crop Operations)	
• Additional Acquisitions "Farm Produce and Supplies"	
• Farm Tools and Parts Coverage	
• Peak Season	
• Premium Adjustment Form "Farm Produce and Supplies" only	
• Refrigerated "Farm Produce and Supplies" in transit	
• GPS Software (Reprogramming or configuration)	

OPTIONAL COVERAGE (IF SPECIFIED ON "DECLARATION PAGES")

Contingent Business Interruption	Optional
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ACCOUNTS RECEIVABLE

This Extension covers loss or damage by an insured peril to insured property that results in loss to:

- (1) All sums due to "you" from customers, provided "you" are unable to effect collection thereof as a direct result of loss of or damage to records of accounts receivable;
- (2) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- (3) Collection expense in excess of "normal" collection cost and made necessary because of such loss or damage;
- (4) Other expenses when reasonably incurred by "you" in re-establishing records of accounts receivable following such loss or damage.

AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPENSE

This Extension insures any automatic fire suppression system recharge expense incurred by "you" due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at "your" "premises" where such discharge or leakage is caused by or results from a peril insured against under this Form.

BROAD BLANKET BY-LAWS COVERAGE ("FARM OUTBUILDING AND STRUCTURES" ONLY)

This Extension, except as specifically modified hereunder, applies only to those "Farm Outbuildings and Structures", which are insured under the respective Form. The coverage provided under this extension shall, without increasing the amount of insurance, and only as a result of a peril insured against, extend to indemnify "you" for:

- (1) loss occasioned by the demolition of any undamaged portion of the "Farm Outbuildings and Structures" or
- (2) cost of demolishing, and clearing the site of, any undamaged portion of the "Farm Outbuildings and Structures", or
- (3) any increase in the cost of repairing, replacing, constructing or reconstructing "Farm Outbuildings and Structures" on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy;

arising from the enforcement of the minimum requirements of any by-law, regulation, or ordinance of law which:

- (a) regulates zoning or the demolition, repair or construction of damaged "Farm Outbuildings and Structures"; and
- (b) is in force at the time of such loss or damage.

"We" shall not be liable under this Extension for losses occasioned by the enforcement of any by-law, ordinance or law which prohibits "you" from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy.

"FARM OUTBUILDINGS AND STRUCTURES" DAMAGE BY THEFT

This Extension insures damage (except by fire) to that part of a "Farm Outbuildings and Structures" occupied by "You" directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the "You" are not the owner of such "Farm Outbuildings and Structures" and is legally liable for such damage and the "Farm Outbuildings and Structures" is not otherwise insured under this form.

COMPUTER "BREAKDOWN" – MOBILE "FARM EQUIPMENT"

Applicable only to mobile "Farm Equipment" 15 years of age or less. "We" will extend coverage to "your" mobile "Farm Equipment" to cover against direct physical loss or damage to on-board computer equipment attached to and forming part of said mobile "Farm Equipment", from mechanical "breakdown", machinery "breakdown", short circuit, burn-out or other electrical damage to computer modules, apparatus, devices or wiring, including errors in design or use of faulty materials in the development, manufacture or installation of the computer equipment, provided such installation has not been done by "you" or "your" employees. Each claim for loss or damage under this additional coverage is subject to the deductible shown in the Declaration Page of this policy, subject to the minimum deductible of \$1,000 per "occurrence".

CONSEQUENTIAL LOSS ("FARM PRODUCE AND SUPPLIES" only)

"We" will pay up to the limit specified for loss, destruction of damage to "Farm produce and Supplies" on the "premises" described in the Policy Declarations or off premises; due to change in temperature resulting from damage caused by:

- (1) the perils insured against in Section One.
- (2) mechanical "breakdown" of a refrigeration unit; or
- (3) the accidental interruption of electrical power to the refrigeration unit.

"We" shall not be liable for loss or damage:

- (1) due to inherent vice or natural spoilage;
- (2) due to spoilage as a result of manual disconnection of the power supply within the "farm outbuilding(s) and structure" containing the refrigeration unit, whether accidental or deliberate;
- (3) resulting from any process of refinishing, renovation or repairing of the refrigeration unit; or
- (4) resulting from "your" failure to use all reasonable means to save and preserve the "insured property". Note: All amounts payable under this Extension of coverage are subject to the Policy deductible.

DEBRIS REMOVAL

"We" will indemnify "you" for expenses incurred in the removal from the "premises" of debris of the "insured property", occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under the respective form except debris removal caused by pollution damage. If the total amount for both loss to property and debris removal expense exceeds the amount of insurance applying to the property, an additional amount of insurance up to 5% of the limit shown will apply to the debris removal expense.

This Extension of coverage does not apply to costs or expenses:

- (1) to "clean up" "pollutants" from land or water; or
- (2) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Debris removal expense shall not be considered in the calculation of the value for the purpose of applying co-insurance. However, this coverage does not increase the overall amount of coverage, except as provided under the 5% specified above.

DOG (FARM/WORKING DOG)

This Extension covers loss or damage by an insured peril to Farm and working dog on the premises.

EDP (ELECTRONIC DATA PROCESSING) EQUIPMENT

This Extension insures electronic data processing and word processing equipment, including their component parts, newly acquired equipment, and similar property of others, for which "you" are legally liable, while such property is at a location described on the "Declaration Page", at any temporary or newly acquired location or in transit, in Canada or the continental United States.

ENVIRONMENTAL UPGRADE OPTION EXTENSION

- (1) Insurance is extended to include:
 - (a) Any increase in the direct cost to repair or replace damaged "Farm Outbuildings and Structures" using "environmentally friendly" material or modes of construction or "energy-efficient" materials or modes of construction;
 - (b) Additional fees incurred by "You" for an accredited professional certified by Canada Green Building Council/LEED Canada to participate in the design and construction for repairing or rebuilding physically damaged "Farm Outbuildings and Structures" as "environmentally friendly" or "energy-efficient"; and
 - (c) The additional cost incurred by "You" for certification or re-certification of the repaired or replaced "Farm Outbuildings and Structures" as "environmentally-friendly" or "energy-efficient".Coverage under sub-paragraphs (a), (b) and (c) above is subject to the following provisions:
 - (i) Replacement shall be "Your" option and effected by "You" with due diligence and dispatch
 - (ii) Settlement for the increased costs of repair or replacement of the "Farm Outbuildings and Structures" shall be made only when the repair or replacement has been effected by "You", and in no event shall it exceed the amount actually expended;
 - (iii) This endorsement applies to "Farm Outbuildings and Structures" only;
 - (iv) Failing compliance by "You" with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect.
- (2) Co-insurance
If a coinsurance clause applies to the insurance to which this endorsement attaches, any increase in coverage extended by this extension is not to be considered in determining coinsurance clause compliance.
- (3) Limits of Liability
"We" shall not be liable under this extension for more than the limits as shown on the EXTENSION SUMMARY PAGE attached to this form, regardless of the number of insured items to which this form attaches.
- (4) Exclusions
This extension does not apply:
 - (a) To materials, equipment and supplies on the "premises" for maintenance of and "normal" repairs and minor alterations to the building or for building services.
 - (b) In instances where no "environmentally-friendly" or "energy-efficient" equivalent exist, we will pay only to replace with standard materials, modes of construction, equipment and products.

EXHIBITION INSURANCE

This insurance covers "farm livestock" from the time it leaves "your" "premises" stated on the "Declaration Page", while in transit to the exhibition site, while at such exhibition site and while in transit back to "your" "premises".

EXTERIOR GLASS

This Extension insures damage to exterior glass or vitrolite and lettering ornamentation thereon, applicable to insured "Farm Outbuildings and Structures", caused by accidental breakage of such glass.

EXTERIOR SIGNS

This Extension insures the actual loss sustained to exterior signs located on "your" "premises".

"EXTRA EXPENSE"

This Extension insures the necessary "Extra Expense" incurred by "you" in order to continue as nearly as practicable the "normal" conduct of "your" farming "business" following damage to or destruction by the perils insured against to "Farm Outbuildings and Structures" thereto, insured under the respective form but not exceeding such length of time commencing with the date of the loss and not limited by the date of expiration of this Policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described "Farm Outbuildings and Structures" thereto as may be destroyed or damaged.

"EXTRA EXPENSE" – NUTRIENT MANAGEMENT/ENVIRONMENTAL FARM PLANS

"We" agree that, in the event of a total loss or damage to a "Farm Outbuildings and Structures" insured by this policy and subject to the Company approved rebuilding of such structure, "We" will pay up to a maximum of \$3,500 towards the filing of an Environmental Farm Plan and/or a Nutrient Management Plan.

FIRE DEPARTMENT CHARGES

In the event "you", as a result of a fire covered by the respective Form(s), are charged by a municipality for fire fighting services, this Policy shall reimburse "you" for such costs.

INFLATION PROTECTION ("FARM OUTBUILDINGS AND STRUCTURES" ONLY)

It is agreed that:

- (1) the amount of insurance applicable to "Farm Outbuildings and Structures" shall be increased during the policy period by the proportion by which the latest published "Building Construction Index" has increased since the last "premium due date".
- (2) at the premium due date, the amount of insurance shall be increased automatically in accordance with the latest published "Building Construction Index" and the appropriate premium charged.
- (3) if the amount of insurance applicable to "Farm Outbuildings and Structures" is changed as requested by "You" during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of such change.
- (4) if the Policy insures two or more items, the foregoing shall apply separately to each item to which this endorsement applies.

Definitions

"Building Construction Index" means the relevant Regional Index of the Non-residential Building Construction Input Price Indexes published by Statistics Canada.

"Premium due date" means the inception date of this Policy or any renewal or anniversary date.

INSTALLATION COVERAGE

This Extension insures, subject to the following additional exclusions, supplies, machinery, equipment and materials ("Your" property or for which "You" are legally liable) which "You" have contracted to install or which will be used in completing an installation contract, anywhere within Canada and the United States of America, its territories or possessions, but only while such property is in transit to the premises of installation or while thereat awaiting installation or while being installed, it being agreed that coverage on all property ceases when:

- (1) the "Your" interest ceases; or

- (2) the property installed has been accepted; or
 - (3) thirty (30) days after completion of the installation; or
 - (4) this Policy expires;
- whichever shall first occur.

Additional Exclusions

This Extension does not insure loss or damage to:

- (1) buildings, but building materials and supplies are covered until such time as they become part of any realty;
 - (2) accounts, bills, deeds, jewellery or precious stones, plans, blueprints, designs, specifications or any similar property;
 - (3) tools, contractor's equipment and any property not a part of or destined to become a part of any installation undertaken by "You" except tools and equipment, the cost of which was included in the contract price;
 - (4) any installation or part thereof from the commencement of use for purposes for which it was intended;
 - (5) property while in airborne transit, unless by scheduled airlines;
- against loss or damage covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an Insured under this Form.

LOSS OF USE — "FARM MACHINERY"

This coverage is provided in the event of loss or damage to "Farm Machinery" for which indemnity is provided under Section One of this Policy. "We" will pay as the result of loss of use of the "Farm Machinery" for expenses reasonably incurred for the rental of a substitute piece of equipment, limited to a maximum amount of \$100,000 in total, provided always that:

- (1) Reimbursement is limited to such expense incurred commencing from the time of loss or damage occurs and terminating, regardless of the expiration of the policy period,
 - (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;
- (2) No indemnity is provided by this coverage unless the loss or damage to the equipment exceeds the applicable deductible amount specified in the "Declaration Page" for "Property of Every Description";
- (3) This coverage does not apply to hand tools, riding lawn mowers, and miscellaneous machinery valued at less than \$5,000.
- (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.

MASTER KEY

Coverage is extended to cover the cost of "replacement" of keys and changing or "replacement" of locks necessitated by the loss or theft of keys.

"MEDIA" LIMITATION

With respect to loss resulting from damage to or destruction at the "premises" or that of the "contributing property", of "media" for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including "data" thereon, by peril(s) insured against, the length of time for which "We" will be liable under this Policy, will not exceed:

- (1) thirty (30) consecutive days; or
- (2) the length of time that would be required to rebuild, repair or replace such property herein described as has been damaged or destroyed, whichever is the lesser length of time.

NEWLY ACQUIRED LOCATION: "FARM OUTBUILDINGS AND STRUCTURES"

This Extension automatically covers newly acquired "Farm Outbuildings and Structures", subject to the broadest coverage available under this Policy for currently insured "Farm Outbuildings and Structures" and all the terms and provisions of the Policy, acquired by "you" provided notice of such acquisitions is given to "us" within thirty (30) days of the date of acquisition. Any newly acquired "Farm Outbuildings and Structures" not reported to "us" within the thirty (30) days period are not insured. All newly acquired "Farm outbuildings and structures" must be 80 feet detached from all current "Farm Outbuilding and structures" insured under this policy. If the newly acquired "Farm Outbuildings and Structures" are less than 80 feet detached, the maximum limits of liability on each newly acquired "Farm Outbuilding and structure" will be \$1,000,000.

NEWLY ACQUIRED "FARM FIXED EQUIPMENT"

This Extension automatically covers newly acquired "Farm Fixed Equipment", usual to a building insured under the respective Form(s), subject to the broadest coverage available under this Policy for currently insured "Farm Fixed Equipment" and provided notice of such acquisitions is given to "us" within thirty (30) days of the date of acquisition and located within the Province of Ontario. Any newly acquired "Farm Fixed Equipment" not reported to "us" within the thirty (30) days period are not insured.

NEWLY CONSTRUCTED: "FARM OUTBUILDINGS AND STRUCTURES" OR ADDITIONS

This Extension insures, subject to all terms and conditions of the Policy, the actual cost of the completed construction to date for newly constructed "farm outbuilding(s) and structure" or new constructed additions to "farm outbuilding(s) and structure" intended for agricultural occupancy constructed during the Policy Period and situated within the territorial limits of Ontario, but in no event shall "our" liability under this Extension for loss or damage exceed the limit specified in Section 3 – Extensions of Coverage in any one "occurrence". This coverage shall cease:

- (1) at the inception of more specific insurance;
 - (2) at the expiration of the Policy; or
 - (3) sixty (60) days from the inception of such acquisition
- whichever occurs first. Coverage shall be subject to:
- (a) "Specified Perils" coverage; and
 - (b) the Rebuilding Clause as described
 - (c) a deductible as stated on the "Declaration Page" is applicable to this Extension of coverage.

If coverage applies to more than one "farm outbuilding(s) and structure" on the "premises", the total amount of insurance shall be divided in the proportions that the value of each structure has to the value of all structures on the "premises" that are in the course of construction at the time of loss.

NON-OWNED "FARM MACHINERY"

Such insurance as provided for "farm machinery" is extended to cover loss or damage to "non-owned "farm machinery" that is in "your" care, custody or control and caused by the perils insured against. This extension also applies to non-owned "farm machinery" in "Your" control through any rental or lease agreement. "We" shall not be liable under the provisions of this clause for more than the Actual Cash Value, and an "Aggregate Limit" of \$250,000. All amounts payable under this Extension of coverage are subject to the Policy Deductible.

ON AND OFF "PREMISES" POWER INTERRUPTION

This Extension insures loss of income (as defined in the Loss of Income, Section 2, if applicable, to this Policy) resulting from the necessary interruption of "business" caused by damage to or destruction of Off "Premises" Power Sources (Public Utility plants, transformer or switching stations, sub-stations, and pumping stations) which furnish heat, light, power or gas to "your" "premises", provided such loss or damage is caused directly by the perils insured against under this Policy (but excluding loss resulting from damage to or destruction of Off "Premises" poles and towers).

For the purpose of this Extension, 'Off Premises' shall be considered to mean the area outside the property lines at the location(s) described in the Policy Declaration.

This cover does not attach until twenty-four (24) hours following the initial interruption.

Coverage is also extended, 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.

PARCEL POST

This extension insures loss or damage to any one package, pertaining to "Your" "business operation", in course of transit by parcel post within Canada or the continental United States of America.

POLLUTION DAMAGE TO OWNED PROPERTY (LAND and WATER CLEAN-UP - First Party Pollution)

Coverage is extended to remove and restore "insured property" on the premises insured which is ordered under Chapter 9 of the Ontario Environmental Protection Act for damage resulting from:

- (1) expenses incurred to "Clean Up" "Pollutants" at the "Premises", and
- (2) loss or damage to property insured caused directly by "Pollutants" provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants":
 - (a) is sudden, unexpected and unintended from "your" standpoint,
 - (b) is not otherwise insured under the Form to which this insurance is attached, and
 - (c) first occurs during the policy period.

Notwithstanding the Reinstatement Clause in this Policy, the amount of insurance specified herein for this coverage is the aggregate amount payable during any one policy period.

Exclusions

"We" shall not be liable for:

- (1) expenses for "Clean Up" away from or beyond the "Premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants" even if the "Pollutants" emanated from the "Premises";
- (2) expenses for "Clean Up" of or loss or "damage to "insured property"" caused directly by any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "Pollutants" that began before the effective date of this coverage;
- (3) fines, penalties, punitive or exemplary damages;
- (4) expenses incurred for the "Clean Up" of "Pollutants" 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.

PROFESSIONAL FEES

This Extension insures reasonable fees payable to "your" Architects, Auditors, and Engineers for producing and certifying particulars or details of "your" farming "business" required by "us" in order to arrive at the loss payable under this Policy in the event of a claim. "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.

PROPERTY OF OTHERS

This Extension provides, at "Our" option, any loss may be paid to "You" or adjusted with and paid to the customer or the owner of the property.

REMOVAL TO PREVENT LOSS OR DAMAGE

If any of the "insured property", under the respective Form(s), is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under the respective form that exceeds the amount of "our" liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all. This extension of coverage shall not increase the amounts of insurance applying under the respective form and is subject to all the conditions of the respective form.

REMOVAL OF WINDSTORM DEBRIS

"We" will also indemnify "you" for expenses incurred in the removal of debris or other property which is not insured by this policy, but which has been blown onto "your" "premises" by windstorm. However, the most "We" will pay for removing the debris of trees, plants and shrubs is included in the \$3,000 Special Limits as provided under Section 1, Growing trees, plants or shrubs.

The amount payable under this extension shall not exceed the sum of:

- (1) the total amount payable for the direct loss of or "damage to "insured property";
- (2) and the amount of the applicable deductible.

This Extension of coverage does not apply to costs or expenses:

- (1) to "clean up" "pollutants" from land or water; or
- (2) for testing, monitoring, evaluating or assessing of an actual, alleged, potential,

(3) or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants". Debris removal expense shall not be considered in the calculation of the value for the purpose of applying co-insurance.

SALES REPRESENTATIVE

This Extension insures, subject to all the terms and provisions of the Policy "Farm Livestock" and "Farm Produce and Supplies" whether in transit or otherwise, in the custody of a sales representative of "Yours".

TENANTS LEASEHOLD INTEREST – RENTS

If as a result of an insured peril, the landlord terminates "Your" lease, "We" agree to pay the difference between current rental value, and the rent actually paid prior to the loss, subject to the lesser of the actual loss sustained or \$1,000 per month. "We" are not liable for any loss of leasehold interests resulting from "You" exercising an option to cancel the lease. Coverage applies for the balance of the lease term, or twelve (12) months, whichever occurs first. No lease renewal options will be considered in any loss settlement unless an offer to renew has been made to and accepted by the landlord, in writing, prior to the loss.

The most that "We" will pay under this extension of coverage is \$10,000 or the actual loss sustained by "you", whichever is less.

VALUABLE PAPERS AND RECORDS

This Extension insures Valuable Papers and Records (meaning written, printed or otherwise inscribed documents and records, including books, maps, films, tapes, discs, drawings, abstracts, deeds, mortgages and manuscripts or other magnetic recording or storage "media" for electronic data processing but excluding money or securities), "your" property or for which "you" may be responsible or liable to others.

All other terms and conditions of the Policy remain unchanged.

AGRI PROTECTOR PLUS

This addendum modifies the coverage provided under the respective form applicable to insured property, and is subject to the conditions, limitations, deductible and other terms of this form and the respective form. The limits of liability provided under the following Agri Protector Plus are in addition to and not included in, the limits of insurance provided by the respective form.

ADDITIONAL ACQUISITIONS "FARM PRODUCE AND SUPPLIES"

5% or \$25,000

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 5% of the limit of insurance or \$25,000 whichever is less.

FARM TOOLS AND PARTS COVERAGE

\$10,000

"We" will pay up to \$10,000 against losses covered by this policy while the tools or parts are on the insured premises. We will pay up to \$2,000 for tools or equipment while in transit and at temporary locations anywhere in Canada against losses covered by this policy.

PEAK SEASON

\$25,000

We agree to extend coverage up to \$25,000 for sixty (60) days at the insured premises to provide for any increase in your stock caused by seasonal variations. This extension will not apply unless the amount of insurance for the contents will be equal to at least 100% of your average monthly values for the twelve (12) month period immediately preceding the date of loss or, in the event that you have been in business less than twelve (12) months, for such shorter period of time.

PREMIUM ADJUSTMENT FORM ("FARM PRODUCE AND SUPPLIES" ONLY)

Included

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.

REFRIGERATED "FARM PRODUCE AND SUPPLIES" IN TRANSIT

\$10,000

We insure loss or damage to produce insured hereunder, while contained in mobile refrigeration units on vehicles due to a change in temperature as a result of physical damage to such mobile refrigeration units, caused by an insured peril, or due to mechanical or electrical breakdown of the mobile refrigeration unit. The term "mobile refrigeration unit" means a highway truck or trailer unit manufactured or designed to carry farm products that require cooling or heating to prevent spoilage.

We only insure refrigerated produce owned by you, or for which you are legally responsible.

Warranty: In consideration of the foregoing extension of coverage, it is understood and agreed that this policy shall not cover loss or damage caused by any sudden or accidental refrigeration or heating unit breakdown unless you, and/or your agents, exercise due diligence in maintaining in complete working order, all refrigeration or heating units and equipment pertaining to such units by means of protective safeguard measures in accordance with Manufacturers specified service procedures. Records of the maintenance work shall be kept and are subject to company audit by Insurers.

If you fail to:

- (1) perform such inspections;
- (2) make required repairs;
- (3) perform the maintenance specified by the manufacturer; and
- (4) maintain written records,

we will not pay for loss caused by or resulting from spoilage or change in temperature under this coverage extension.

GPS SOFTWARE (programming or configuration)

\$1,000

It is agreed that in the event of loss or damage to GPS equipment attached to "farm machinery", "we" will pay to a maximum of \$1,000 for software programming or configuration unless otherwise scheduled on the "declaration page."

OPTIONAL COVERAGE

CONTINGENT "BUSINESS" INTERRUPTION (APPLICABLE ONLY IF SHOWN ON THE "DECLARATION PAGE")

This coverage only applies to cover loss sustained directly resulting from physical damage by the perils insured against by this Policy, to "farm outbuildings and structures", machinery, equipment commencing 72 hours after the time of loss, only at Contributing Property (Supplier) or Recipient Property (being property to which you products are shipped) locations for which a name, location and limits of liability are stated on the "Declaration Page. It is further understood and agreed that each claim for loss insured under this coverage will be adjusted separately, and from the amount of each such adjusted claim, the deductible amount shown in the Policy Declarations will be deducted.

PROMINENCE+ CASH CROP FARM

SECTION 4 – DEFINITIONS APPLICABLE TO “DECLARATION PAGE”, INSURING AGREEMENT, SECTIONS 1, 2, 3 AND 5

“**AGGREGATE LIMIT**” means our total limit of liability in any one annual Policy term for any and all payments made. Any and all payments made shall reduce, by the amount of the payment, the limit of coverage stated.

“**AUTOMOBILE**” mean any self-propelled land motor vehicle, trailer or semi-trailer (including machinery, apparatus, or equipment attached thereto) which is principally designed and is being used for transportation of persons or property on public roads and is required by law to be insured under a contract evidenced by a motor vehicle liability Policy, or any vehicle insured under such a contract.

“**BREAKDOWN**” means a sudden and accidental failure of equipment resulting in physical damage to the equipment, which requires the repair or “replacement” of the equipment or a part of the equipment. “Breakdown: does not mean:

- (1) depletion, deterioration, corrosion or erosion of material;
- (2) wear and tear;
- (3) vibration or misalignment;
- (4) the functioning of any safety device or protective device; nor
- (5) the failure of a structure or foundation supporting the equipment or a part of the equipment.

“**BUSINESS**” means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation except farming.

“**BUSINESS EARNINGS**” are defined as the sum of:

- (1) total “net sales”, and
- (2) other earnings derived from operations of the “business”;

less

the

cost of:

- (a) merchandise sold, including packaging materials therefore;
- (b) materials and supplies consumed directly in supplying the service(s) sold by “you”; and
- (c) service(s) purchased from outsiders (not “your” employees) for resale which do not continue under contract.

No other costs shall be deducted in determining “business earnings”. In determining “business earnings”, due consideration shall be given to the experience of the “business” before the date of damage or destruction and the probable experience thereafter had no loss occurred.

“**BUSINESS OPERATIONS**” means only those “business” operations as described on the “Declaration Page”.

“**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.

“**CLEAN UP**” means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “pollutants” including testing which is integral to any of these processes.

“**CLEAN UP COSTS**” means expenses for the removal or neutralization of “pollutants.”

“**CONTRIBUTING PROPERTY**” means any source or supplier of materials, products, feed, seed or goods that are necessary to carry on operations, or any marketer, distributor, wholesaler, retailer or received of “your” services, products or materials provided that no alternatives or substitutes are reasonably available or because contractual obligations prevent such alternatives or substitutions from being made and provided that such contributor has been stated on the “Declaration Page” forming part of this Policy.

“**CUSTOM FARMING**” means the use of “your” “farm machinery” or equipment for others away from “your” farm “premises” for compensation. Occasional farm work “you” do for others in return for their work for “you” will be considered as neighbourly exchange of work and will not be considered “custom farming”.

“**DAMAGE TO INSURED PROPERTY**” means direct physical injury to or destruction of, or contamination of tangible property described in this policy in which “you” have an insurable interest.

“**DATA**” means representations of information or concepts, in any form.

“**DATA PROBLEM**” means:

- (1) erasure, destruction, corruption, misappropriation, misinterpretation of “Data”;
- (2) error in creating, amending, entering, deleting or using “”; or
- (3) inability to receive, transmit or use “Data”;
- (4) damage to electronic data processing equipment or other related component system, process or device.

“**DECLARATION PAGE**” means the Coverage Summary Page, including any supplementary pages or schedule of coverage attached thereto and applicable to this Form and Policy.

“**DWELLING**” means a building located on “premises” and wholly or partially occupied by “you” or “your” “tenant” as a private residence, which includes:

- (1) the “dwelling” and attached structures;
- (2) permanently installed outdoor equipment on the “premises”, within 30.5 meters or 100 feet of the “dwelling”; and
- (3) outdoor swimming pool and attached equipment on the “premises”.

“**ELECTRIC POWERED VEHICLE**” includes a bicycle with an added battery powered electric motor that does not exceed 500 watts and can assist the cyclist up to a speed of 32 km/h, an electric powered children’s toy vehicle, a personal transporter (commonly referred to as a “Segway”) that is a self balancing, electric-powered transportation device able to turn in place and designed for one person, with a top speed of 20 km/h, and an electric powered scooter.

“ENERGY-EFFICIENT” means those products or modes of construction that are ENERGY STAR or Canada Green Building Council/LEED Canada rated or accredited.

“ENVIRONMENTAL DAMAGE” means the injurious presence of “pollutants” in or upon land, the atmosphere, or any watercourse or body of water.

“ENVIRONMENTALLY FRIENDLY” means materials or modes of construction that are Canada Green Building Council/LEED Canada accredited.

“EXTRA EXPENSE” is defined as the excess (if any) of the total cost for the purposes of continuing “your” farming “operations” or other “business operations” over and above the total cost that would normally have been incurred to conduct the “business” during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns, or other similar necessary emergency expenses. In no event, however, shall “We” be liable for loss of “farm earnings” or other “business earning” nor for “extra expense” in excess of that necessary to continue as nearly as practicable the “normal” conduct of “your” “business”, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the “normal” cost of such repairs or “replacement” necessarily incurred for the purpose of reducing the total amount of “extra expense”; liability for such excess cost however shall not exceed the amount by which the total “extra expense” otherwise payable under this Policy is reduced. “We” shall also be liable for “extra expense” incurred in obtaining property for temporary use required for the conduct of “your” “business”; any salvage value of such property remaining after resumption of “normal operations” shall be taken into consideration in the adjustment of any loss hereunder.

“FARM CONTENTS” means:

- (1) furniture, fittings, utensils and appliances usual to a farm “operation”, which do not form a permanent part of any “farm outbuilding(s) and structure”, excluding “farm machinery” and “personal property”;
- (2) tenant’s improvements which are defined as building improvements, alterations and betterments made at “your” expense to a “farm outbuilding(s) and structure” occupied by “you” and which are not otherwise insured, provided “you” are not the owner of such “farm outbuilding(s) and structure”. If “you” had purchased the use interest in tenant’s improvements made by a predecessor “tenant”, this Form applies as though such tenants’ improvements had been made at “your” expense.
- (3) Generally all contents usual to “your” “business operations” as described on the “Declaration Page” including furniture, furnishings, fittings, appliances, packing, wrapping and advertising materials usual to that operation which do not form a permanent part of any “farm outbuilding(s) and structure.”
- (4) Similar property belonging to others, which “you” are under obligation to keep, insured or for which “you” are legally liable.

“FARM EARNINGS” are defined as the sum of:

- (1) total “net sales” of farm livestock” and “farm produce and Supplies”.
- (2) Other earnings derived from farming “operations” as stated on the “Declaration Page”, less the cost of:
 - (a) “farm produce and Supplies” or “farm livestock” sold, including packaging materials;
 - (b) materials and supplies consumed directly in supplying the products or services sold by the farm; and
 - (c) services purchased from outsiders (not “your” employees) for resale that do not continue under contract.

No other costs shall be deducted in determining “farm earnings”. In determining “farm earnings” due consideration shall be given to the experience of the farm before the date of damage or destruction and the probable experience thereafter had no loss occurred.

“FARM FIXED EQUIPMENT” means all machinery, equipment and implements used in the farm “operation”, which are fixed but do not form permanent part of any “farm outbuilding(s) and structure” or the ground of the “premises”.

“FARM MACHINERY” means all machinery, tools, equipment and implements used in the farm “operation”, which are not fixed to any “farm outbuilding(s) and structure” or the ground, however the term “farm machinery” does not include any “automobile”, “recreational motor vehicle” or “self propelled implement of husbandry”.

“FARM LIVESTOCK” means all animals kept for use on farming operations.

“FARM OUTBUILDINGS AND STRUCTURES” means farm barns, implement shed, storage buildings, silos and grain bins owned by “you” which are designed and built for the storage or housing of “farm produce and supplies” and/or “livestock” and/or agricultural equipment described on the “Declaration Page” and includes:

- (1) fixed structures pertaining to the building(s) and located on the “premises”;
- (2) additions and extensions communicating and in contact with the building(s);
- (3) permanent fittings and fixtures attached to and forming part of the building(s);
- (4) materials, equipment and supplies on the “premises” for maintenance of and “normal” repairs and minor alterations to the building or for building services.

“FARM PRODUCE AND SUPPLIES” means all harvested crops, feed, seed, insecticide, fertilizer, herbicide, pesticide, milk, eggs, fruit and other products grown in the soil or produced from “livestock”. Produce also includes packing, wrapping and advertising materials for use with harvested produce. Produce does not include un-harvest crops (except as otherwise provided herein) tobacco, lumber, trees or fuel.

“FIRE PROTECTIVE EQUIPMENT” includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- (1) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- (2) any water mains or appurtenances located outside of the described “premises” and forming a part of the public water distribution system; or
- (3) any pond or reservoir in which water is impounded by a dam.

“FLOOD” means tides, tidal waves and the rising of, the breaking out or the overflow of, any body of water, whether natural or manmade.

“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, vapor or gas produced by, emitted from or arising out of any “fungi” or “spore(s)” or resultant mycotoxins, allergens, or pathogens.

“GROUND WATER” means water in the soil beneath the surface of the ground including but not limited to water in wells and in

underground streams, and in percolating waters.

“HAZARDOUS SUBSTANCE” means any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment.

“INSURED” means the person(s) named as Insured on the “Declaration Page” and while living in the same household:

- (1) his or her spouse;
- (2) the relatives of either; and
- (3) any person under twenty-one (21) in their care.

Spouse means:

- (1) either of a man and a woman who are married to each other or who have together entered into a marriage that is voidable or void, or
- (2) either of two (2) persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of three (3) years or, if they are the natural or adoptive parents of a child, for a period of one (1) year.

In addition, a student who is enrolled in and actually attends a school, college or university and who is dependent on the Named Insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the “dwelling” occupied by “you” as a full time residence stated on the “Declaration Page.”

If the Named Insured is a Corporation, Partnership, Society or other legal entity, “you” and “your” refers to the legal entity. Only the person(s) named on the “Declaration Page” may take legal action against “us”.

“INSURED PROPERTY” means property for which there is coverage under the Policy including:

- (1) “your” property; or
- (2) property of others in “your” care, custody or control and for which “you” are legally liable;

However “Insured Property” does not include live animals.

“MEDIA” means any computer hardware, including attached and operating peripherals and equipment, or software used for record keeping, “data” storage, information processing or operational needs.

“NET SALES” (turnover) is defined as the money paid or payable to “you” for goods sold and delivered and for services rendered in the course of the “business” at the “premises”.

“NON-OWNED FARM MACHINERY” means “farm machinery” owned by others.

“NORMAL” means the condition that would have existed had no interruption to “your” operation occurred.

“NORMAL OPERATIONS” means the physical state “your” operations would be in if there had been no loss.

“OCCURRENCE” means a loss resulting from or due to any event, disaster or atmospheric disturbance occurring within any period of one hundred sixty-eight (168) hours, during the term of this Policy, and irrespective of the area or number of locations over which the loss occurs.

“OPERATIONS” means “your” “normal” farm “operations”. “Business” pursuits other than farming are not included in “operations” unless indicated on the “Declaration Page”.

“ORDINARY PAYROLL” means the entire payroll expense for all of “your” employees, except officers, executives, managers, employees under contract, permanent staff, foremen and other important employees as designated by “you” whose services would not be dispensed with should the “business” be interfered with or interrupted. Salaries of key personnel should be included under basic coverage.

“PERSONAL PROPERTY” means the contents of “your” “dwelling” occupied by the Insured on a full time basis and other “personal property” “you” own, wear or use, which is usual to ownership or maintenance of a “dwelling” but is not used in the farming “operation”. If “you” wish, “We” will include uninsured “personal property” of others while it is on “your” “premises” but “We” do not insure property of roomers, boarders or “tenants” who are not related to “you”.

“POLLUTANTS” means any solid, liquid, gaseous or thermal irritant or contaminants including odor, vapor, fumes, acids, alkalis, chemicals and waste but does not include heat, sound, vibration or radiation. Waste includes materials to be recycled, reconditioned or reclaimed.

“POLLUTION INCIDENT” means an unexpected and unintentional discharge of any “pollutants” from or out of a structure or container provided:

- (1) such discharge is detected by any person within one hundred twenty (120) hours after the commencement of the discharge;
- (2) such discharge results in “environmental damage”, and
- (3) such discharge does not occur in a quantity or with a quality that is usual to “your” “operation”.

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

“PRINCIPAL RESIDENCE” means a “dwelling” building located on “premises” described on the “Declaration Page” and occupied by “you” as “your” permanent residence.

“PREMISES” means the land contained within the lot lines on which “your” property is situated.

“PROPERTY OF EVERY DESCRIPTION” means all manner of property, including but not limited to “farm outbuildings and structures”, “farm contents”, “farm machinery”, “farm livestock”, and “farm produce and supplies” as defined in this Policy but excludes “dwelling”, and “personal property”.

“RECREATIONAL MOTOR VEHICLE” means:

Any land motor vehicle designed for recreational use off public roads and is not evidenced by a motor vehicle liability Policy. However, the term

"recreational motor vehicle" does not include:

- (1) an "automobile";
- (2) any "farm machinery";
- (3) any "self propelled implements of husbandry"; (d) golf carts;
- (4) any motorized snow vehicle or its trailers;
- (5) any motorcycles, including motorcycles designed for recreational use off public roads; (g) any dune buggies.

"REPLACEMENT" means repair, construction or reconstruction with new property of like kind and quality.

"REPLACEMENT COST" means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property with new property of like kind and quality and for like occupancy without deduction for depreciation.

"RESIDENCE EMPLOYEE" means a person employed by "you" to perform duties in connection with the maintenance or use of the insured "premises". This includes persons who perform household or domestic services or duties of a similar nature for "you". This does not include persons while performing duties in connection with "your" farming or "business" operations.

"SELF-PROPELLED IMPLEMENT OF HUSBANDRY" means a self-propelled vehicle manufactured, designed, redesigned, converted or reconstructed for a specific use in farming as defined under the Ontario Highway Traffic Act, its governing statutes or regulations.

"SPORE(S)" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

"STATEMENT OF VALUES" means the signed statement provided by "you" at the inception date of this Policy, and each subsequent renewal, showing the "breakdown" of values of each building, structure, equipment and other property to be insured by this Policy.

"SURFACE WATERS" means, but is not limited to, water on the surface of the ground where water does not usually accumulate in ordinary watercourses, lakes or ponds.

"TENANT" means one who rents property from another for "farm outbuildings and structures" purposes.

"TERRORISM" means an ideologically motivated unlawful act or acts, 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" or outbuilding 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.

"UNMANNED AIR VEHICLE SYSTEM" means a power-driven aircraft that is operated without a flight crew member onboard, with its flight controlled either autonomously by onboard computers or by the remote control of an operator. This includes the airframe, motor, propellers, rotors, battery, spare parts, vehicle navigation system or flight controller, and ground control systems.

"UNOCCUPIED" means the "farm outbuilding" is uninhabited.

"VACANT" means the occupant(s) has/have moved out with no intent to return, even if partially or fully furnished. A newly constructed building is "vacant" after it is completed and before the occupant(s) move(s) in. Furthermore, the building is also "vacant" when the occupant(s) move(s) out and before any new occupant(s) move(s) in.

"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 "you" and disclosed in the application for this insurance.

"YOU" and **"YOUR"** means the person(s) named as Insured on the "Declaration Page" and, while living in the same household, his or her spouse, and the relatives of either or any person under 21 in their care. "Spouse" includes either of two persons who are not married to each other and have lived together continuously for a period of not less than three years or in a relationship of some permanence where there is a child born of whom they are the natural or adoptive parents, and have cohabited within the preceding year. Only the person(s) named on the "Declaration Page" may take legal action against "Us". If the Named Insured is a Corporation, Partnership, Society or other legal entity then "You" and "Your" refer to the legal entity.

"WE", "US" and "OUR" means the Company (the insurer) providing this insurance.

SPECIFIED PERILS

When referred to in this Policy **"Specified Perils"** means the perils of:

- (1) FIRE or LIGHTNING
- (2) EXPLOSION: Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - (a)
 - (i) 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;
 - (i) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (ii) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
 - (iii) smelt dissolving tanks;
 - (b) other vessels and apparatus and connected pipes, 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, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - (c) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical

- breakdown;
- (d) any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other "insured property" that has been damaged by such explosion;
- (e) gas turbines;

The following are not explosions within the intent or meaning of this section:

- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure or freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- (3) FALLING OBJECT which strikes the exterior of a building
- (4) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE: The terms Aircraft and Spacecraft include articles dropped from them. There shall in no event be any liability for cumulative damage or for loss or damage:
- (a) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - (b) to aircraft, spacecraft or land vehicles causing the loss;
 - (c) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
- (5) RIOT: The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees. There shall in no event be any liability for loss or damage:
- (a) due to cessation of work or by interruption to process or "business" operations or by change(s) in temperature;
 - (b) due to "flood" or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under 2c.
 - (c) due to theft or attempted theft.
- (6) VANDALISM OR MALICIOUS ACT, not including loss or damage caused by theft or attempted theft;
- (7) SMOKE: The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.
- (8) WINDSTORM OR HAIL: There shall in no event be any liability for loss or damage:
- (a) to the interior of the "building" or to "contents" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (b) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, "flood", waterborne objects, waves, ice, land subsidence, landslide.

PROMINENCE+ CASH CROP FARM
SECTION 5 – BASIS OF CLAIM PAYMENT

The General Conditions and Statutory Conditions contained in the Policy to which this Form is attached are hereby specifically referred to and made a part of this Form, except where they are in conflict with any portion of this Form in which case the wording of this Form will apply.

(1) **STATED AMOUNT CO-INSURANCE**

If this clause is specified on the "Declaration Page" it is substituted for the Co-Insurance Clause cited in this Form, and is subject to all conditions of this form.

"We" agree to pay any loss under "Property of every description" as stated on the "Declaration Page" without application of any co-insurance requirement, providing the following conditions are met:

- (a) "you" must attest to and file a "Statement of Values" with "Us" every year within 60 days of the effective date of each policy period;
- (b) the values declared in "your" "Statement of Values" will be established using appraisal and calculation methods acceptable to "Us"
- (c) "you" must maintain an amount of insurance on "property of every description" (as stated on the "Declaration Page") which is not less than 100% of the total values as declared in "your" "Statement of Values";
- (d) "you" will advise "Us" within thirty (30) days of any work performed on "your" "buildings" or any change to other "insured property" which would result in an increase in the "Statement of Values" or the sum insured by an amount equal to or greater than \$50,000; and

If "you" do not comply with these conditions, any loss under this Policy is subject to the following co-insurance clause.

(2) **CO-INSURANCE CLAUSE**

This clause applies separately to items for which a co-insurance percentage is specified on the "Declaration Page" in any one "occurrence" and only where the total loss exceeds the lesser of 5 percent (5%) of the applicable amount of insurance or \$10,000.

"You" shall maintain insurance concurrent with this Form on the property insured to the extent of at least the amount produced by multiplying the "replacement cost" value of the property by the co-insurance percentage specified on the "Declaration Page" and failing to do so, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of the loss bears to the amount of insurance required to be maintained by this clause.

(3) **LIMIT OF LIABILITY**

"We" will pay for the insured loss or damage up to "Your" financial interest in all property included in the "Property of every Description" however this payment will not exceed the amount of insurance applicable to the damaged building(s) as either itemized in the schedule or thus designated on the "Declaration Page" for any insured loss arising out of any one "occurrence".

"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 on the "Declaration Page".

(4) **OBsolete AND OUTMODDED CONSTRUCTION SETTLEMENT CLAUSE**

It is agreed in the event of loss or damage to "farm outbuildings and structures" covered by this Policy, that wherever the Policy refers to "Replacement Cost", "replacement" will be on the basis of standard building materials, craftsmanship and methods of construction currently available and accepted as standard in the agricultural industry.

Further, "our" limit of liability for a "farm outbuilding and Structures" of such unique construction or design that it cannot be easily replicated, or the materials or craftsmanship used in its construction are of such a type or quality as to be obsolete by current standards of construction or not easily available at reasonable cost, shall not exceed the value of construction so calculated, by "Us", unless "you" have provided "Us" with a proper cost estimate, acceptable to "Us", prior to a loss, and carried insurance equal to 100 percent of that value so indicated and full "Replacement Cost", for such "farm outbuilding", is stated on the "Declaration Page."

(5) **"REPLACEMENT COST" CLAUSE**

In the event of loss or damage to the property described in the Policy Declarations, "We" agree to make settlement on the basis of the cost of repairs to, or the "replacement cost" of the property (whichever is lesser), with property of like kind and quality without deduction for depreciation, subject to the Policy Exclusions and the following provisions:

- (a) the repairs, "replacement" or reinstatement must be executed promptly;
- (b) settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the insured and in no event shall it exceed the amount actually and necessarily expended for such a "replacement";
- (c) any other insurance effected by "you" or on "your" behalf with respect to the perils insured against by "Replacement Cost" as set forth here.
- (d) this coverage shall not apply to antiques, fine arts, paintings, rare books, manuscripts, photographs, negatives, souvenirs, and other similar articles whose age, history or rarity contribute significantly to their value. This coverage also does not apply to property that at the time of loss has become obsolete or unusable for its originally intended purpose.
- (e) In respect to "farm equipment" up to and including five years of age, "We" will pay without deduction for depreciation, the lesser of:
 - i. the cost of repairs; or
 - ii. the cost of new equipment of similar kind, quality and usefulness.

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

- 1. if the property is not repaired or replaced;
- 2. if repair or "replacement" is not made as soon as reasonably possible;
- 3. for property no longer in use for its original intended purpose;
- 4. for property which is or has been used for commercial use other than farming or "custom farming" work;
- 5. for equipment or parts which are obsolete or by their inherent nature cannot be replaced with a comparable article;
- 6. "farm livestock" drawn implements.
- (f) this coverage shall not apply to any item or items where it is indicated on the Policy Declarations that the basis of settlement is Actual Cash Value.

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

- i. the amount of actual expenditure for repair or "replacement"; or
- ii. the amount of insurance applicable to the property.

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

(6) **INCREASE DUE TO CURRENCY FLUCTUATION**

In the event of a shortfall due to currency fluctuation, we will automatically increase the amount of insurance on your farm machinery and equipment, as shown on the current inventory dated and filed with us for the policy term. The increase shall be solely attributable to mid-term fluctuation of the U.S. exchange rate at the time of loss and will not take into consideration any other factors. This clause will attach to the policy when the U.S. exchange rate trades 10% or higher than the Canadian dollar within the policy term. This clause will not increase the overall limit of insurance as shown on the declaration page for all farm machinery and equipment

(7) **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. In developing depreciation "We" will consider the condition immediately before the damage, use of the property, the resale value, upkeep and maintenance of the property, and the "normal" life expectancy.

(8) **IMPENDING PERIL**

In the event that the "farm outbuildings and structures" housing the "farm livestock", are threatened by a peril that would be covered by this policy, and there is a likelihood of loss or injury to the "farm livestock" insured by this policy from that impending peril, then the Insurer agrees to pay all reasonable expense, incurred by the Insured, to move the "farm livestock" away from the impending peril, to a safe location, including additional expense for temporary accommodation.

(9) **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 the deductible shown on the "Declaration Page" in any one "occurrence", but this deductible shall not apply to losses which exceed the greater of \$25,000 or five (5) times the deductible amount whichever is greater.

Should one "occurrence" give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

(10) **LIMITATION OF LOSS:**

By accepting this policy, the Insured understands and agrees that the Insurer shall pay no more than the Limit of Insurance, specified in the Policy Declarations, for any one loss or event giving rise to a claim for any one premise location covered by this policy.

Where this policy covers two or more premise locations, then in no event shall the Insurer pay more than the aggregate limitation of loss specified in the Policy Declarations for any one loss, event, "occurrence", casualty or disaster.

(11) **REBUILDING CLAUSE – Deferred Payment (applicable to "farm outbuildings and structures")**

In the event of "farm outbuildings and structures" insured under this Policy being 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 50 percent only of the loss payable on the "farm outbuilding(s) and structures" subject to the following:

- (a) If "you" notify "Us" of "your" intention to repair, rebuild or replace the damaged "farm outbuilding(s) and structures" on one of the "premises" listed on the "Declaration Page" with a "farm outbuilding(s) and structures" of like use, and furnish proof satisfactory to "Us" within twelve (12) 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 (30) days;
- (b) If "you" notify "us" of "your" intention to repair, rebuild or replace the damaged "farm outbuilding(s) and structures", but not at a "premises" listed on the "Declaration Page", with a "farm outbuilding(s) and structures" of like use, and furnish proof satisfactory to "us" within twelve (12) 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 75 percent of "your" insured loss within thirty (30) days;
- (c) If, due to any ordinance or law regulating construction or repair, "you" are prohibited from repairing, rebuilding or replacing the damaged "farm outbuilding(s) and structure" on a "premises" listed on the "Declaration Page", and "you" notify "us" of "your" intention to rebuild or replace the destroyed "farm outbuilding(s) and structures" with a "farm outbuilding(s) and structures" of like use on land owned by "you" on other than those "premises" listed on the "Declaration Page" and furnish proof satisfactory to "us" within twelve (12) 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 in respect thereof, "we" will pay the balance of "your" insured loss within thirty (30) days; and
- (d) Failing compliance by "you" with the provisions of Clauses (a), (b), or (c), the initial payment shall be the only payment under this policy in respect to the loss.

Rebuilding of any "farm outbuildings and structures" is within the Province of Ontario only.

(12) **REQUIREMENTS AFTER LOSS – "FARM LIVESTOCK"**

In the event of loss to "farm livestock" alleged to have been killed or destroyed by one of the perils insured, "you" shall immediately provide for adequate attendance by a qualified Veterinary Surgeon who shall furnish a report verifying cause of death or necessary destruction. Necessary and reasonable expenses incurred by "you" to furnish a veterinary report shall be taken into consideration in the adjustment of any 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:

- (a) the amount, place, time and cause of loss;
- (b) the interest of all persons in the "Farm Livestock" affected;
- (c) the fair market value of all "Your" "Farm Livestock" at the time of loss. If necessary, "You" must help "Us" verify the damage.

PROMINENCE+ CASH CROP FARM
SECTION 6 – GENERAL PROVISIONS, CONDITIONS AND EXCLUSIONS

AGREEMENT

"We" provide the insurance described in this Policy in return for payment of the premium and subject to the terms and conditions set out. It is a condition precedent to the Insurer's Agreement to insure under this Policy that no part of the "premises" or any building or other structure on the "premises" shall be used in whole or in part for any purpose that is prohibited by law.

All amounts of insurance, premiums and other amounts expressed in this Policy are in Canadian Currency.

GENERAL EXCLUSIONS

The following exclusions apply to all Sections

- (1) War Exclusion
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.
- (2) "Terrorism" Exclusion
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". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
- (3) Nuclear Exclusion
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,
 - (b) contamination by radioactive material.
- (4) Pollution Exclusion
This policy does not insure:
 - (a) 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", but this exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this form;
 - (ii) loss or damage caused directly by a peril not otherwise excluded under this form.
 - (b) 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."
- (5) "Fungi" and "Spore(s)" Exclusion
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 resulting 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".
- (6) "Data" Exclusion
This Policy does not insure:
 - (a) "DATA"; or
 - (b) 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:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion;
 - (d) Smoke;
 - (e) Falling object which strikes the exterior of a building;
 - (f) Impact by aircraft, spacecraft or land vehicle;
 - (g) Riot;
 - (h) Vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
Windstorm or hail.

ADDITIONAL CONDITIONS

ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed hereon; if, however, the Named Insured shall die or be adjudged bankrupt or insolvent, within the policy period, this Policy, unless cancelled, shall, if written notice be given to the Insurer within sixty days after the date of such death or adjudication, cover the Named Insured's legal representative as the Named Insured.

ABANDONMENT

There can be no abandonment to "Us" of any property.

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 Section II of this Form, with respect to all duties and obligations imposed on any Insured under this Form, 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 Insured's agree that the first Named Insured on

the "Declaration Page" is authorized to so act on their behalf.

AUTOMOTIVE FUELS

Any fuels used for automotive purposes must be stored in accordance with government regulations.

BANKRUPTCY

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve "Us" of "Our" obligations under this Form.

BASIS OF SETTLEMENT

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs; and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

BREACH OF CONTRACT

If "You" do not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. "We" will not deny a claim for this reason if "you" prove that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if "you" fail to comply with a condition in part of the "premises" over which "you" have not control.

CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.

CLAIMS AGAINST THIRD PARTIES

In the event of any loss of or damage to the property covered under the terms of this Policy, "you" must immediately make a claim in writing against the carrier(s), bailee(s) or others involved.

DECLARATIONS

By acceptance of this Policy, the Named Insured agrees that the statements in the declarations are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations, and that this Policy embodies all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

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 defense 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.

EXAMINATION OF BOOKS AND RECORDS

"We" may examine and audit any Insured's books and records as they relate to this Policy.

EXAMINATION UNDER OATH

After a loss which may be insured under this Policy, "you" shall, as often as "We" reasonably require at such reasonable place and time as is designated by "Us" or "our" representative:

- (a) submit to examinations under oath and subscribe the same; and
- (b) produce employees, members of "your" household or others for examinations under oath to the extent it is within "your" power to do so; and
- (c) produce for examination, all documents in "your" possession or control that relate to the matters in question, and permit extracts and copies thereof to be made.

IMPAIRMENT OF RECOVERY RIGHTS

Any act or agreement by "you" before or after a loss or damage whereby any of "your" rights to recover in whole or in part for loss or damage to property covered under the terms of this agreement against any carrier, bailee or other party liable therefore, is leased, impaired or lost, will render this insurance null and void, but "your" right to retain or recover the premium will not be affected. "We" are not liable for any loss or damage which, without "our" written consent, has been settled or compromised by "you".

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.

INSPECTION - AUDIT

The Named Insured shall permit the Insurer to inspect the insured "premises", operations and elevators and to examine and audit the Named Insured's books and records at any time during the policy period (and any extension thereof, and within one year after the termination of this Policy), as far as they relate to the premium basis or the subject matter of this insurance. The Insurer assumes no responsibility and waives all rights by reason of such inspection, examination audit or the omission thereof.

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.

LIBERALIZATION CLAUSE

During the term of this Policy, if "We" adopt and publish for use any forms, endorsements or rules by which would extend or broaden the insurance provided by this Policy, without additional premium charge, either by endorsement or substitution, then such extended or broadened insurance will apply to loss occurring after the effective date of such adoption and publication as though such endorsement or substitution of form had been made.

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.

NON WAIVER

This Policy is subject to the terms and conditions set forth in it together with such other terms and conditions as may be endorsed or added to it. No terms or conditions of this Policy will be deemed to be waived in whole or in part by "Us" unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by "Us".

NO BENEFIT TO BAILEE

This insurance does not apply directly or indirectly to the benefit of any carrier or other bailee.

NOTICE TO AUTHORITIES

Where the loss is, or is suspected to be, due to malicious acts, burglary, robbery, theft or attempted theft, "you" must give immediate notice to the police or other law enforcement agency having jurisdiction.

OTHER INSURANCE

The insurance afforded by this Policy is primary insurance, except when stated to apply in excess of, or contingent upon, the absence of other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this Policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Insurer shall not be liable under this Policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- (a) **Contribution by Equal Shares:**
If all of such other valid and collectable insurance provides for contribution by equal share, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one Policy or the full amount of the loss is paid, and with respect to any amount of loss not paid the remaining insurers then continue to contribute equal shares of the remaining amount of loss until each insurer has paid its limit in full or the full amounts of the loss is paid.
- (b) **Contribution by Limits:**
If any such other insurance does not provide for contribution by equal shares, then this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability, under this Policy for such loss, bears to the total applicable limit of liability of all valid and collectable insurance against such loss.

PAIR AND SET

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, "We" will pay only a reasonable and fair proportion of the total value of the set, and such loss or damage will not be understood to mean total loss of set.

PARTS

In the case of loss of or damage to any part of the "insured property" whether scheduled or unscheduled, consisting, when complete for

use, of several parts, "We" will not pay for more than the insured value of the part lost or damaged, including the cost of installation.

PERMISSION

Permission is hereby granted:

- (a) 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.
- (b) 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.
- (c) 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".

PREMIUM AND ADJUSTMENT OF PREMIUMS

Unless otherwise stated, the premium stated in the declarations is an estimated deposit premium only. Adjustment of premiums shall be made at least annually and for this purpose the premium bases and rates shown in the declarations, or in any endorsement attached hereto, shall be used in ascertaining the earned premium with respect to the specific hazards mentioned herein.

- (a) In the case of any hazards existing and covered under coverage rider(s) attached but not specific in the declarations, or in any endorsement, the earned premium with respect thereto shall be computed in accordance with the Insurer's rules, rates, rating plans and minimum premiums applicable to such hazards.
- (b) Subject to the retention by the Insurer of the minimum premium provided for in the declarations, if the earned premium for this Policy, thus computed, exceeds the estimated deposit premium paid, the Named Insured shall pay such excess to the Insurer. On the other hand, if the estimated deposit premium exceeds the earned premium, the Insurer shall return to the Named Insured such excess.
- (c) The Named Insured shall maintain for each hazard, hereby insured against, a record of the information necessary for the premium computation on the basis stated, and shall submit such record to the Insurer at the end of the policy period and at such other times during the policy period as the Insurer may direct.

PREMIUM AUDIT

- (a) "We" will compute all premiums for this Form 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.

REINSTATEMENT

Any loss under the terms of this policy will not reduce the amount of insurance.

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:

- (a) the amount, place, time and cause of loss;
- (b) the interest of all persons in the "livestock" affected;
- (c) the fair market value of all "your" "livestock" at the time of loss. If necessary, "you" must help "us" verify the damage.

SUBROGATION

The Insurer, upon making any payment or assuming liability therefore under this Policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

SUE AND LABOUR

It is the duty of the Insured, in the event that any property insured hereunder is lost, to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interest of the parties.

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO "US"

"Your" rights to recover any part of "your" loss, for which "we" have made or agreed to make payment under this Policy, are transferred to "us". "You" must not impair those rights and must help "us" enforce them. When the net amount recovered after deducting the costs of recovery is not enough to provide a complete indemnity for the loss or damage suffered, that amount will be divided between "you" and "us" in the proportion in which the loss or damage has been borne by "you" and "us".

VERIFICATION

"We" or "our" duly appointed representative shall be permitted at all reasonable times during the term of this Policy, or within a year after termination or expiration, to inspect the property insured and to examine the "your" books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Policy.

"YOUR" DUTY AFTER LOSS

It is "your" duty in the event that any property insured by this Policy is lost to take all reasonable steps to recover such property. "We" will contribute pro rata towards any reasonable and proper expenses in connection with such efforts according to the respective interests of the parties.

Special Liability Condition

LIMITS OF LIABILITY – TWO OR MORE POLICIES OR RIDERS

The following Condition applies to all Liability Forms and Endorsements attached to this Policy.

In the event that injury, loss or damage occurs, which is covered by this Policy and also by any other Policy, Rider or Endorsement of liability issued by Heartland Farm Mutual Inc. to "you", the maximum limit of liability that will be paid by "us" under all such Policies, Riders or Endorsements combined for such injury, loss or damage is the highest applicable limit of liability of any one of such policies.

PROMINENCE+ CASH CROP FARM
SECTION 7 — CONDITIONS & STATUTORY CONDITIONS

CONDITIONS APPLICABLE TO THE VARIOUS COVERAGES PROVIDED HEREIN

The Conditions herein, or attached hereto, set forth under the titles Statutory Conditions, Policy Conditions and Additional Conditions apply with respect to insurance provided under all Forms, all Coverage and all Perils of this Policy unless modified, amended or supplemented by this Policy or by the Forms or Endorsements attached to this Policy.

Statutory Conditions 1,3,4,5 and 15 only apply to Forms specifically covering LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE, MEDICAL PAYMENTS and RESIDENCE VOLUNTARY COMPENSATION.

STATUTORY CONDITIONS

MISREPRESENTATION - 1

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

PROPERTY OF OTHERS - 2

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated.

CHANGE OF INTEREST - 3

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.

MATERIAL CHANGE - 4

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment, the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

TERMINATION - 5

- (1) This contract may be terminated:
 - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - (b) by the Insured at any time on request.
- (2) Where this contract is terminated by the Insurer
 - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the insured, the insurer shall refund, as soon as practicable, the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (a) of sub condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

REQUIREMENTS AFTER LOSS - 6

- (1) Upon the "occurrence" of any loss of or damage to the "insured property", the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
 - (a) forthwith give notice thereof in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer, a proof of loss verified by statutory declaration:
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
 - (iii) stating that the loss did not occur through any willful act or neglect or procurement, means or connivance of the Insured;
 - (iv) showing the amount of other insurance and the names of other insurers;
 - (v) showing the interest of the Insured and of all others in the property, with particulars of all liens, encumbrances and other charges upon the property;
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - (vii) showing the place where the property insured was at the time of loss.
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, and actual cash value;
 - (d) if required and if practicable, produce books of account, warehouse receipts and stocks lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (c) and (d) of sub-paragraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

FRAUD - 7

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars vitiates the claim of the person making the declarations.

WHO MAY GIVE NOTICE AND PROOF OF LOSS - 8

Notice of loss may be given by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and such absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

SALVAGE - 9

- (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further loss or damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph (1) of this condition according to the respective interests of the parties.

ENTRY, CONTROL, ABANDONMENT - 10

After loss or "damage to "insured property"", the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the "insured property", and without the consent of the Insurer there can be no abandonment to it of "insured property".

APPRAISAL - 11

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefore is made in writing and until after a proof of loss has been delivered.

WHEN LOSS PAYABLE - 12

The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

REPLACEMENT - 13

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do, within 30 days after receipt of the proofs of loss;
- (2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

ACTION - 14

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

NOTICE - 15

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in the contract by letter personally delivered or by registered mail addressed to the Insured at the latest post office address, of the Insured, as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

ADDITIONAL CONDITION**WAIVER OF TERM OR CONDITION**

No term or condition of this Policy is deemed to be waived by "Us", in whole or in part, unless the waiver is clearly expressed in writing and signed by a person authorized by "Us", for that purpose. Neither "you" nor "We" will be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Policy.