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## POLICY OVERVIEW

Thank you for choosing Heartland Farm Mutual Inc. as your insurance company.

Please read the policy and Declarations carefully. The policy has been written in plain language to make it easier for you to understand the BizFarm you have purchased.

### HOW TO READ AND UNDERSTAND YOUR POLICY

Your policy consists of the policy wordings, the Declarations which contain information that is specific to your insurance policy and which indicate the coverages you have purchased, and other forms and/or endorsements that are attached to form part of your Declarations. Together, these represent the legal contract of indemnity between you and us.

The policy wordings, the Declarations, and any attached forms and/or endorsements define in detail all of the coverages you have been provided by Heartland Farm Mutual Inc.

In order to determine what coverage you have, read your Declarations and then find the listed coverages, either in the policy wording or in any attached form and/or endorsement.

**Note that some terms are specifically defined in this policy and in the individual coverage sections; these defined terms have special meaning that would be applicable in the event of a claim.**

This policy has three (3) sections:

- (1) **Section I – Property Coverages.** The policy wording describes the insurance on your property. Where an Amount of Insurance is shown on the Declarations for the following, you have that coverage as it is defined and limited by the policy wordings.

- (a) Coverage A – Dwelling Building
- (b) Coverage B – Detached Private Structures
- (c) Coverage C – Personal Property
- (d) Coverage D – Additional Living Expenses

Your Declarations will also show if you have additional forms and/or endorsements.

- (2) **Section II – Farm Property Coverages.** The policy wording describes the insurance on your farm operation. Where an Amount of Insurance is shown on the Declarations for the following, you have that coverage as it is defined and limited by the policy wordings.

- (a) Coverage E – Farm Buildings and Structures
- (b) Coverage F – Farm Machinery and Equipment
- (c) Coverage G – Livestock
- (d) Coverage H – Produce

- (3) **Section III – Liability Coverage.** The policy wording describes the insurance coverage you have in case you are legally responsible for an injury to another person or damage to someone else's property. Where an Amount of Insurance is shown on the Declarations for Farm Liability the following, you have that coverage as it is defined and limited by the policy wordings.

- (a) Coverage I – Legal Liability
- (b) Coverage J – Voluntary Medical Payments
- (c) Coverage K – Voluntary Property Damage
- (d) Coverage L – Voluntary Compensation for Employees
- (e) Coverage M – Legal Liability for Damage to Farm Buildings and Structures

## POLICY DEFINITIONS AND COMMON EXCLUSIONS

These Policy Definitions and Common Exclusions and the Personal & Farm Common Definitions, Exclusions and Conditions Form will apply to every coverage you have purchased under this policy. We will pay compensation for loss that you have suffered as a result of an event. The event must take place within the territorial limits and not be excluded by this policy. The event must happen during the policy period.

### DEFINITIONS

Whenever used in this policy:

- (1) Actual Cash Value will take into consideration such things as the cost of replacement less any depreciation. In determining depreciation we will consider such things as:
  - (a) the condition of the property;
  - (b) the resale value of the property;
  - (c) the normal life expectancy of the property; and
  - (d) the use of the property;immediately before the loss or damage.
- (2) Bodily Injury means bodily injury, sickness or disease or resulting death.
- (3) Business Property means property on which a business is conducted, property rented in whole or in part to others, or property held for rental.
- (4) Cash Card means cards designed to store a cash value by electronic means for use as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- (5) Civil Authority referred to in Coverage D – Additional Living Expense in Section I – Property Coverages shall mean any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor on 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.
- (6) Computer Equipment means the central processing unit and any auxiliary equipment including, but not limited to mice, monitors, keyboards, printers, speakers, scanners, disk and tape drives, modems, routers, cassette tape recorders, word processing equipment, and any associated connecting cables.
- (7) Computer System means:
  - (a) your computer equipment any;
  - (b) media;
  - (c) software electronically stored on computer equipment or media; and
  - (d) data electronically stored on computer equipment or media.
- (8) Custom Farming means the use of your farm machinery or equipment for others away from your farm premises for a charge under any agreement(s) or contract(s) where your annual receipts equal or exceed \$10,000. Occasional farm work that you do for others in return for their work for you will not be considered custom farming. Custom farming does not include crop spraying.
- (9) Data means representations of information or concepts in any form.
- (10) Data Problem means:
  - (a) erasure, destruction, corruption, misappropriation, or misinterpretation of data;
  - (b) error in creating, amending, entering, deleting or using data;
  - (c) inability to receive, transmit or use data;
  - (d) damage to electronic data processing equipment or other related component system, process or device.
- (11) Dwelling Building means:
  - (a) if you are a building or mobile home owner, means a building or mobile home occupied principally as a private residence;
  - (b) if you are a tenant, means the portion of a building occupied principally as a private residence;
  - (c) if you are a condominium unit owner, means the structure occupied as a condominium unit for private residence purposes or the portion of the structure occupied as a condominium unit for private residence purposes.
- (12) Farming means the ownership, maintenance or use of premises for the production of crops or the raising or care of livestock, including all necessary operations. Farming also includes the operation of roadside stands and farm markets maintained principally for the sale of your own farm products.

- (13) Farm Employee means a person employed by you to perform duties in connection with any of your farming activities which are otherwise covered by this policy.  
Farm employee does not include:
- (a) any Named Insured;
  - (b) the spouse of any person described in (a) above. Spouse includes:
    - (i) either of two persons who are married to each other or who have together entered into a marriage that is voidable or void; or
    - (ii) either of two 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.
  - (c) the relatives of any person referred to in either (a) or (b) above while the relative is living in the same household as the Insured;
  - (d) any person under the age of 21 years in the care of any person referred to in (a), (b) or (c) above and who is living in the same household as the Insured;
  - (e) persons while performing duties in connection with your business.
- (14) Flood means waves, tides, tidal waves or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made.
- (15) Fungi includes, but is not limited to, any form or type of mould, yeast mushroom or mildew, whether or not allergenic, pathogenic or toxigenic, and any substance, vapour, or gas, produced by, emitted from or arising out of any fungi or spore(s), or resultant mycotoxins, allergens or pathogens.
- (16) 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 percolating water.
- (17) Identity Theft means the act of using, without lawful authority, your identifying information, to commit any unlawful activity that constitutes a crime or violation of any Federal, Provincial, Territorial, municipal or local law.
- (18) Insured means the Named Insured.  
If the, Named Insured is an individual, Insured also means the following members of his or her household:
- (a) his or her spouse;
  - (b) the relatives of either; and
  - (c) any person under the age of 21 years in their care.
- Spouse includes:
- (a) either of two persons who are married to each other or who have together entered into a marriage that is voidable or void; or
  - (b) either of two 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 a Named Insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from your principal residence as shown on the Declarations.
- In addition, an Insured or parent of an Insured who is dependent on the Named Insured or his or her spouse for support and maintenance, is also insured while living in a nursing home.
- Only a Named Insured may take legal action against "us".
- (19) Insured means under Section III – Liability Coverage:
- (a) if you are a partnership or joint venture, your members and your partners and their spouses, but only with respect to the conduct of your farming operations; or
  - (b) if you are an organization other than a partnership or joint venture:
    - (i) your executive officers and directors, but only with respect to their duties as your officers and directors; and
    - (ii) your shareholders, but only with respect to their liability as shareholders.
 No person or organization is insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured.
  - (c) any of your residence employees or farm employees (other than executive officers), but only for acts that:
    - (i) cause bodily injury to someone other than you or a co-employee; and

- (ii) are within the scope of the employee's employment by you and which are otherwise covered by this policy. The providing of professional health care services or the failure to provide them will not be considered to be within the scope of any employee's employment by you.
  - (d) any person or organization described in (a) above, that is legally liable for damages caused by a watercraft owned by you, and to which this insurance applies.  
This does not include anyone using or having custody of the watercraft in the course of any business operation or without the owner's permission:
  - (e) any person or organization described in (a) above, that is legally liable for damages caused by any animal(s) owned by you, and to which this insurance applies;  
This does not include anyone using or having custody of the animal(s) in the course of any business operation or without the owner's permission;
  - (f) your legal representative having temporary custody of the insured premises, if you die while insured by this policy, for legal liability arising out of the premises;
  - (g) any person who is insured by this policy at the time of your death and who continues residing on the premises.
- (20) Legal Liability means responsibility which courts recognize and enforce between persons who sue one another.
- (21) Media means materials on which software and/or data are electronically recorded such as, but not limited to, magnetic tapes, flash drive, pen drive, USB, diskettes, digital versatile discs (DVD's), compact discs (CD's), disc packs and cassettes, whether containing any software or data or not.
- (22) Named Insured means a person designated as an Insured on the Declarations.
- (23) Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- (24) Operations means your farm activities occurring at the described premises.
- (25) Period of Restoration means the period of time that:
- (a) begins with the date of direct physical loss or damage caused by or resulting from any insured peril at the described premises; and
  - (b) ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- Period of restoration does not include any increased period required due to the enforcement of any ordinance or law that:
- (a) regulates the construction, use or repair, or requires the tearing down of any property; or
  - (b) requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
- The expiration date of this policy will not cut short the period of restoration.
- (26) Premises means:
- (a) The farm premises shown on the Declarations.
  - (b) If you do not reside on the farm premises, premises means the premises where you reside and which is shown as your principal residence on the Declarations.
  - (c) If you own that residence, premises includes grounds appurtenant to it.
  - (d) If you reside in rented premises or a condominium unit, premises means the portions of the location shown on the Declarations which are used or occupied exclusively by your household for residential purposes.
  - (e) Other residential premises shown on the Declarations, except for any business property.
- (27) Premises means under Section III – Liability Coverage:
- (a) other land you use for farming purposes and new farm premises acquired during the policy period;
  - (b) individual or family cemetery plots or burial vaults;
  - (c) vacant land owned by or rented to you, other than farm land;
  - (d) land owned by or rented to you on which an independent contractor is building a one, two or three-family residence to be occupied by you;
  - (e) premises you are using or where you are temporarily residing if you do not own such premises;
  - (f) premises to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
    - (i) thirty (30) consecutive days;
    - (ii) the date the policy term expires or is terminated;
    - (iii) the date upon which specific liability insurance is arranged for such premises.

- (28) Property Damage means physical injury to, or destruction of tangible property, including the loss of use of that property.
- (29) Replacement Cost means the lower of:
- (a) the cost of repairing the property with materials of similar kind and quality; or
  - (b) the cost of new articles of similar kind, quality and usefulness; on the date of loss or damage, without any deduction for depreciation.
- (30) Residence Employee means a person employed by you to perform duties in connection with the maintenance or use of your insured premises as shown on the Declarations. This includes persons who perform household or domestic services or duties of a similar nature for you. This does not include:
- (a) any Named Insured;
  - (b) the spouse of any person described in (a) above. Spouse includes:
    - (i) either of two persons who are married to each other or who have together entered into a marriage that is voidable or void; or
    - (ii) either of two persons who are living together on 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;
  - (c) the relatives of any person referred to in either (a) or (b) above while the relative is living in the same household as the Insured;
  - (d) any person under the age of 21 years on the care of any person referred to in (a), (b) or (c) above and who is living in the same household as the Insured;
  - (e) persons while performing duties in connection to your business or farming operation.
- (31) Software means programs and instructions stored on computer equipment or media.
- (32) Specified Perils means the following perils as described and limited:
- (a) Fire or lightning.
  - (b) Explosion.
  - (c) Smoke. This peril means sudden and accidental loss or damage from smoke. This peril does not include loss or damage by smoke from agricultural smudging or industrial operations.
  - (d) Falling object. This peril means a falling object which strikes the exterior of a building.
  - (e) Impact by Aircraft, Spacecraft or Land Vehicle. This peril does not include any loss or damage to animals.
  - (f) Riot.
  - (g) Vandalism or Malicious Acts. This peril does not include loss or damage:
    - (i) occurring while the dwelling is under construction or vacant, even if permission for construction or vacancy has been given by us;
    - (ii) caused by you;
    - (iii) caused by theft, including damage caused by attempted theft.
  - (h) Water Damage. This peril means loss or damage:
    - (i) to a system from which the water or steam escapes, but only for damage caused by the freezing of any part of the plumbing, heating, sprinkler or air conditioning system, or domestic water container, which is located within the heated portion of your dwelling;
    - (ii) caused by the sudden and accidental escape of water from a water main;
    - (iii) caused by the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or air conditioning system, or domestic water container, which is located inside your dwelling;
    - (iv) caused by the sudden and accidental escape of water from a domestic water container located outside your dwelling, but such damage is not insured when the escape of water is caused by freezing; or
    - (v) caused by water that enters your dwelling through an opening which has been created suddenly and accidentally by a peril insured by this coverage form, other than water damage;but under no circumstances will we insure loss or damage:
    - (vi) caused by freezing during the usual heating season:
      - (1) occurring within a heated portion of your dwelling that is unoccupied, unless you have done at least one of the following:
        - (a) taken reasonable care to maintain the heat in the building, structure, dwelling building or detached private structure;
        - (b) shut off the water supply and have drained the system and appliance of water;

- (c) connected your heating system to an alarm which is monitored 24 hours a day, 7 days a week, 365 days a year, by a central monitoring service.
- (2) within an unheated portion of your dwelling;
- (vii) caused by continuous or repeated seepage or leakage of water;
- (viii) caused by the backing up or escape of water from a sewer, sump, or septic tank;
- (ix) caused by ground water or the rising of the water table;
- (x) caused by surface waters, unless the water escapes from a water main or from a domestic water container located outside your dwelling;
- (xi) caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
- (xii) to a water main;
- (xiii) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy.
- (i) Windstorm or Hail. This peril does not include loss or damage to the interior of a building, or the personal property inside a building, caused by rain, hail, snow, sleet, sand or dust, unless an opening in the roof or wall is made by wind or hail and the rain, hail, snow, sleet, sand or dust enters concurrently through this opening.
- (j) Weight of Ice, Snow or Sleet. This peril means the weight of ice, snow or sleet which causes damage to property contained in the building.
- (k) Collapse of a Building or Any Part of a Building. This peril does not include settling, cracking, shrinking, bulging, expansion, or the falling of ceiling or wall plaster.
- (l) Electricity. This peril means sudden and accidental damage from artificially generated electrical current.
- (33) Surface Waters means water or natural precipitation temporarily diffused over the surface of the ground, including but not limited to flood.
- (34) Volunteer means any person who donates time, to an organization for a charitable purpose or in direct service to the general public or the community.

#### **COMMON EXCLUSIONS**

- (1) **Data.** We do not insure data and any loss or damage caused directly or indirectly by a data problem. However, if loss or damage caused by a data problem results in the occurrence of further loss of or damage to property insured that is directly caused by specified perils, this exclusion shall not apply to such resulting loss or damage.
- (2) **Fungi / Spores.** We do not insure:
  - (a) loss or damage by any fungi or spores unless such fungi or spores are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;
  - (b) the cost or expense for any testing, monitoring, evaluating or assessing of fungi or spores.
- (3) **Refer to the Personal & Farm Common Definitions, Exclusions and Conditions Form for the following exclusions:**
  - (a) Disease, Illness or Infection
  - (b) Marihuana
  - (c) Nuclear
  - (d) Pollution
  - (e) Terrorism
  - (f) War

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



## **SECTION I – PROPERTY COVERAGES**

### **COVERAGE A – DWELLING BUILDING**

We insure:

- (1) The dwelling building on the premises described on the Declarations and attached structures.
- (2) Permanently installed outdoor equipment on the premises, used principally for the service of the dwelling building.
- (3) Outdoor swimming pool and attached equipment on the premises.
- (4) Materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of the dwelling building or detached private structures on the premises.
- (5) Building fixtures and fittings used principally for the service of the dwelling building while temporarily removed from the premises for repair or seasonal storage.

### **COVERAGE B – DETACHED PRIVATE STRUCTURES**

We insure detached private structures, on the premises, separated from the dwelling building by a clear space or connected to the dwelling building by only a fence, utility line or similar connection.

#### **Actual Cash Value Exception**

Any building and structure that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or business purposes, whether it is in use, unoccupied or vacant is insured for Actual Cash Value, unless shown otherwise on the Declarations.

### **COVERAGE C – PERSONAL PROPERTY**

We insure:

- (1) Personal property you own, wear or use, while on your premises. If you wish, we will include personal property of others while it is on that portion of your premises which you occupy.
- (2) Your personal property while it is temporarily away from your premises anywhere in the world. If you wish, we will include personal property belonging to others while it is in your possession or belonging to a residence employee travelling for you.

Personal property at any other location you own, rent or occupy is not insured, except while you are temporarily living there.

Personal property while in storage, including property in a safety deposit box, is insured.

Personal property of a student who is enrolled in and actually attends a school, college or university and who is dependent on a Named Insured or his or her spouse for support and maintenance, while temporarily residing away from your principal residence shown on the Declarations, is covered up to \$10,000.

- (3) Your personal property while you are moving from the premises shown on the Declarations to a new dwelling anywhere in Canada:
  - (a) for a period of thirty (30) days commencing on the date you started moving; or
  - (b) until your policy term expires or is terminated;whichever occurs first.

#### **SPECIAL LIMITS OF INSURANCE**

We insure:

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

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

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

The following Special Limits apply, without a policy deductible and without increasing the amount of insurance as shown on the Declarations for Personal Property:

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

#### **PERSONAL PROPERTY – LOSS OR DAMAGE NOT INSURED**

We do not insure:

- (1) (i) motorized vehicles or their equipment (except for watercraft, lawn mowers to 40hp, other gardening equipment, snow blowers, motorized golf carts, electric power assisted bicycles, wheelchairs, or scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability);  
(ii) camper units, truck caps, trailers, or their equipment;  
(iii) aircraft or their equipment.
- (2) Property of roomers or boarders who are not related you.
- (3) Equipment includes audio, visual, recording, or transmitting equipment, powered by the electrical system of a motorized vehicle or aircraft. Equipment does not include spare automobile parts.
- (4) Toys or hobby items such as model aircraft or children's battery powered all terrain vehicles using no more than a 12 volt battery or that can attain speeds no greater than 8 kilometers per hour (5 miles per hour) are not considered motorized vehicles or aircraft.

- (5) Sporting equipment where the loss or damage is due to its use.
- (6) Breakage of eyeglasses, statuary, marbles, bric-a-brac, porcelain, and similar fragile articles (other than jewellery, gems, watches, bronzes, precious and semi-precious stones, cameras and photographic lenses) unless the loss or damage is caused by:
  - (a) any of the specified perils;
  - (b) collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer, or of any conveyance of a common carrier, in which the insured property is being carried; or
  - (c) theft, including damage caused by attempted theft.
- (7) Animals, birds or fish unless the loss or damage is caused by any of the specified perils other than impact by aircraft, spacecraft or land vehicle.
- (8) Property at any fairground, exhibition or exposition, for the purpose of exhibition except as provided for in Exhibition Coverage under Additional Coverages of Section I – Property Coverages.
- (9) Evidences of debt or title.

### **COVERAGE D – ADDITIONAL LIVING EXPENSES**

The Amount of Insurance for Coverage D – Additional Living Expenses is the total amount for any one or a combination of the following coverages. The periods of time stated below are not limited by the expiration of this policy. We do not insure loss or expense due to the cancellation of a lease or agreement.

- (1) **Additional Living Expenses.** If because of an insured loss, your Dwelling Building is unfit for occupancy or you have to move out while repairs are being made, we insure any necessary increase in living expenses, including moving expenses, incurred by you, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild your Dwelling Building, or if you permanently relocate, the reasonable time required for your household to settle elsewhere.
- (2) **Fair Rental Value.** If an insured loss makes that part of the Dwelling Building or Detached Private Structures rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payments shall be for the reasonable time required to repair or replace that part of the Dwelling Building or Detached Private Structures rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the Dwelling Building or Detached Private Structures rented or held for rental is unfit for occupancy.
- (3) **Prohibited Access.** If a civil authority prohibits access to your premises:
  - (a) as a direct result of damage to neighbouring premises by an insured peril in this policy, we insure any resulting Additional Living Expenses and Fair Rental Value loss for a period not exceeding thirty (30) days; or
  - (b) by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, we insure any resulting necessary and reasonable increase in living expense incurred by you for the period access is prohibited, not exceeding thirty (30) days.

You are not insured for any claim arising from evacuation resulting from:

- (a) any loss excluded under Section I – Property Coverages, Loss or Damage Not Insured;
- (b) flood; or
- (c) earthquake.

### **ADDITIONAL COVERAGES**

- (1) **Automatic Principal Residence Coverage.** When you purchase a Dwelling Building to replace your principal residence as shown on the Declarations, and you notify us within thirty (30) days of the title registration to you, the insurance afforded to your principal residence by this policy is extended to cover both residences:
  - (a) for a period of thirty (30) days before or after that registration; or
  - (b) until the policy term expires or is terminated;
 whichever occurs first.

This is additional insurance, however we will not pay more for either residence than the principal residence Amount of Insurance shown on the Declarations.

- (2) **Bylaws.** If there is a loss insured by this policy, we will pay up to a maximum of \$20,000 for the additional cost of demolition, construction or repair which is required to comply with any law regulating demolition, construction or repair of Dwelling Buildings. We will not pay more than the minimum amount required to comply with an enforceable law.
- (3) **Change of Temperature.** We insure your personal property damaged by change of temperature resulting from physical damage to your Dwelling Building or equipment by an insured peril. This only applies to personal property kept in the Dwelling Building.
- (4) **Credit or Debit Cards, Forgery and Counterfeit Money.**
- (a) We will pay up to \$10,000 for:
    - (i) your legal obligation to pay because of the theft or unauthorized use of credit cards issued to you or registered in your name;
    - (ii) loss caused by theft of your debit or automated teller cards;
    - (iii) loss caused by forgery or alteration of any cheque or negotiable instrument; and
    - (iv) loss sustained through acceptance in good faith of counterfeit Canadian or United States paper currency.
  - (b) We do not pay for loss:
    - (i) unless you have complied with all the conditions under which the cards have been issued; or
    - (ii) caused by the use of your cards by a resident of your household or by a person to whom cards have been entrusted.

At our option and expense we may defend any claim against you under (4) (a) (i), (4) (a) (ii) and (4) (a) (iii) above.

This is additional insurance. No deductible applies to this coverage.

- (5) **Conviction Reward.** We will pay \$1,000 each, for information which leads to a conviction of any person(s):
- (a) who robs, steals or burglarizes your insured personal property; or
  - (b) for arson in connection with a fire loss to property insured by this policy.

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

- (6) **Debris Removal.** We will pay the reasonable expenses incurred by you in the removal of debris of property insured under Section I – Property Coverages as a result of an insured peril.

If the amount payable for loss, including expense for removal of debris, is greater than the Amount of Insurance applicable to the lost or damaged property, then an additional 5% of that amount will be available to cover your debris removal expense.

- (7) **Emergency Services Forced Entry.** We will pay up to \$5,000 in all for loss or damage caused to the Dwelling Building or Detached Private Structures when the fire, police or ambulance service has to force entry to the buildings because of an emergency or perceived emergency involving you or your family. No deductible applies to this coverage.

- (8) **Exhibition Coverage.** We will pay up to \$5,000 for direct physical loss or damage to property insured under Coverage C – Personal Property while at any fairground, exhibition or exposition for the purpose of exhibition or sale, caused by an insured peril. This Additional Coverage does not increase the amount of insurance applying to the damaged property.

- (9) **Farm Office Furnishings and Farm Office Equipment Coverage.** We insure your farm office furnishings and farm office equipment while located in an insured building on a premises described on the Declarations. The most we will pay under this Additional Coverage is \$5,000. This is additional insurance.

- (10) **Fire Department Charges (Applicable to Section I – Property Coverages and Section II – Farm Property Coverages).** We will pay to reimburse you if you are charged for fire fighting services incurred in response to an occurrence caused by an insured peril at your premises, provided a fire department was also called to respond. This is additional insurance. No deductible applies to this coverage.

- (11) **Food Freezer and Food Spoilage.** We will pay for loss or damage to your food freezer(s) and your frozen food contained in the freezer(s). Comprehensive Form insured perils apply to your food freezer(s) and your frozen food contained in the freezer(s). In addition, your frozen food contained in the freezer(s) is insured for spoilage caused by:
- (a) by a power failure originating on or off your premises; and
  - (b) by the mechanical breakdown of your food freezer(s).
- This Additional Coverage is in addition to the Amount of Insurance applicable to property insured under Coverage C – Personal Property. No deductible applies to this coverage.
- (12) **Inflation Protection Coverage.** During the term of this policy, we will automatically increase the Amount of Insurance on Coverage A – Dwelling Building, Coverage B – Detached Private Structures, Coverage C – Personal Property and Coverage D – Additional Living Expenses by a pro rate proportion of the annual percentage shown on the Declarations. The pro rate proportion will be based on the number of days the policy term has been in effect.
- If, at your request, we change the Amount of Insurance on Coverage A – Dwelling Building or Coverage C – Personal Property, we will apply this inflation protection coverage on the changed amounts of insurance from the date the change is made.
- (13) **Lock Replacement Coverage.** We will pay up to \$1000 to replace or re-key, at our option, locks on the premises described on the Declarations, if your keys are stolen. This Additional Coverage is in addition to the Amount of Insurance applicable to property insured under Coverage A – Dwelling Building. No deductible applies to this coverage.
- (14) **Outdoor Trees, Plants, Shrubs and Lawns.** You may use up to 5% of either the Coverage A – Dwelling Building or Coverage C – Personal Property Amount of Insurance to cover any trees, plants, shrubs and lawns on your premises.
- We insure these items against loss caused by fire or lightning, explosion, vandalism or malicious acts, or impact by aircraft, spacecraft or land vehicle all as described and limited in specified perils.
- We do not insure items grown for commercial purposes, or items located more than 75m (250ft) from the building.
- If the amount payable for loss to property insured under Coverage A – Dwelling Building and Coverage C – Personal Property including your trees, plants, shrubs and lawns, is greater than the combined Amount of Insurance shown on the Declarations for Coverage A – Dwelling Building and Coverage C – Personal Property at the described location, then an additional 5% of that amount will be available to cover any trees, shrubs, plants and lawns at that described location.
- We will not pay more than \$1,000 for any one tree, shrub or plant, including its debris removal expense.
- (15) **Property Removed.** If you must remove insured property from your principal residence shown on the Declarations, to protect it from loss or damage, it is insured by this policy:
- (a) for a period of thirty (30) days commencing on the day you begin removing the property; or
  - (b) until the policy term expires or is terminated;
- whichever occurs first.
- This coverage does not increase the Amount of Insurance applying to the property being removed.
- (16) **Tear Out.** If you are a homeowner any walls, ceilings or other parts of the insured buildings or structures must be torn apart before covered water damage can be repaired, we will pay the costs of such work and its restoration. This Additional Coverage does not increase the Amount of Insurance applicable to property insured under Coverage A – Dwelling Building. The cost of tearing out and replacing property to repair damage related to outdoor swimming pools or public water mains is not insured.
- (17) **Tombstones, Monuments and Headstones.** We will pay up to \$2,000 for loss or damage to tombstones, monuments and headstones that mark the grave of a spouse, child, parent or grandparent of an Insured, caused by any of the specified perils. This is additional insurance. No deductible applies to this coverage.

- (18) **Water Escape.** This addition of coverage only applies to those locations that show water escape coverage on the Declarations. Coverage is limited to the amount shown on the Declarations and is subject to the policy deductible.

You are insured for sudden and accidental direct physical loss or damage to the Dwelling Building, Detached Private Structures and Personal Property as listed on the Declarations which resulted from a single Occurrence and is caused by:

- (1) Flood; or
- (2) Sewer, Septic tank, Drain, or Sump Back Up.

**Exclusions**

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

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

**Definitions**

- (1) Flood means water that accumulates upon or submerges land resulting from the unusual and rapid accumulation of water from any source, including the breaking out or the overflow of any body of water or watercourse, whether natural or artificial.
- (2) Single Occurrence means all events that occur within any 72 consecutive hours commencing during the term of this policy. The single occurrence must have occurred on or after the effective date of the addition of water escape coverage. The expiration of this policy will not reduce the 72 consecutive hour period.
- (3) Sewer, Septic Tank, Drain, or Sump Back Up means sudden and accidental leakage or escape of water from a sewer, drain, sump, septic tank or sump pit within the insured Dwelling Building and Detached Private Structures.

- (19) **Identity Theft Expense Coverage.** We will pay up to \$25,000 in all, during the term of this policy, for the following costs and expenses incurred by you due to an identity theft occurrence. No deductible applies to this coverage.

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

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

#### Requirements after Loss

You are required to contact your local law enforcement agency and report the identity theft occurrence.

#### Exclusions

- (1) We do not insure against loss or damage resulting from, contributed to or caused directly or indirectly by:
- (a) your own use of your identity;
  - (b) your intentional misuse of your identity;
  - (c) your commercial or business pursuits; or
  - (d) fraudulent, dishonest, criminal or intentional misuse of your identity by you, or any person acting with you, by any resident of your household or your authorized representative, whether acting alone or in collusion with others.
- (2) Nor do we insure:
- (a) any losses covered by the use of your credit card, automated teller card (debit card) or any other card or forgery and counterfeit money; or
  - (b) any losses covered by credit card insurance, bank insurance or other coverage available to you.

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

- (20) **Extended Warranty Coverage.** This coverage doubles the original manufacturer's warranty up to a maximum of one (1) year for normal household purchases of items for use in connection with the Dwelling Building insured by this policy subject to the exclusions and conditions below. The extended warranty applies only to parts and/or labour costs resulting from mechanical breakdown or failure of the covered item. We will not pay more than the original purchase price to repair or replace the item subject to a maximum payable of \$10,000 in any one event. No deductible applies to this coverage.

#### Exclusions:

This coverage does not apply to:

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

#### Conditions:

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

### LOSS OR DAMAGE NOT INSURED

We do not insure:

- (1) loss or damage caused by:
  - (a) wear and tear, gradual deterioration, extremes of temperature, latent defect, or any quality in property that causes it to damage or destroy itself;
  - (b) mechanical breakdown, except for Food Freezer and Food Spoilage under Additional Coverages in Section I – Property Coverages;
  - (c) marring, denting and scratching, rust or corrosion, condensation, dampness of atmosphere, wet or dry rot or contamination;
  - (d) vermin or rodents, including but not limited to raccoons, squirrels, and ground-hogs;
  - (e) birds; or
  - (f) insects including but not limited to termites and moths; however, resulting loss or damage caused by specified perils, theft, including damage caused by attempted theft, or resulting damage to building glass is insured;

- (2) loss or damage to Personal Property undergoing any process or being worked on where damage results from such process or work, but resulting damage to other property is insured;
- (3) loss or damage occurring after your dwelling has, to your knowledge, been vacant for more than thirty (30) consecutive days;
- (4) loss or damage to structures or buildings used in whole or in part for business or farming purposes. If any structure or building has been converted for your private personal use, Coverage B – Detached Private Structures, Actual Cash Value Exception is to apply;
- (5) loss of damage resulting directly or indirectly from contamination by radioactive material;
- (6) loss or damage resulting from your intentional or criminal acts;
- (7) any property illegally acquired, kept, stored, or transported, or property subject to forfeiture;
- (8) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (9) loss or damage resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
- (10) any loss or damage resulting from any illegal activity:
  - (a) of the Insured;
  - (b) of any tenant of the Insured; or
  - (c) the relatives or residence employees of either;
 This includes any alteration of the “premises” to facilitate such illegal activity.
- (11) the cost of making good, faulty design, material or workmanship; or any damage that occurs due to any such fault, except that resulting damage by any of the Insured Perils is insured.

## CONDITIONS

### (1) Basis of Claim Payment

We will pay for insured loss or damage up to your financial interest in the property but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence. This applies even if more than one person or organization has an insurable interest in the property insured.

(a) **Building.** If you repair or replace the damaged or destroyed building(s) with building(s) of the same size and occupancy, constructed with materials of similar quality, within a reasonable time after the damage, we will pay the cost of repairs or replacement (whichever is less) without deduction for depreciation. Subject to policy limit that would otherwise apply to replace the damaged building(s) on the same site, replacement may occur on any site.

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

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

If your claim involves Personal Property on which the Special Limits of Insurance in Coverage C – Personal Property apply, the limitations apply to losses exceeding the deductible amount.

(c) **Reinstatement.** Any loss or damage shall not reduce the amounts of insurance provided by this policy.

Subject to Bylaw Insurance under Additional Coverages, in determining the cost of repairs or replacement we will not pay or include the increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services.

In the absence of repair or repair the basis of settlement will be on an Actual Cash Value basis.

### (2) Combined Limit

If the Declarations shows Combined Limit we agree that in the event of loss, should the Amount of Insurance shown on the Declarations for any one or more of the following coverages become depleted, you may apply any unused limits from the remainder of the following coverages until the total limits for all the coverages listed below have been exhausted:

- (a) Coverage A – Dwelling Building;
- (b) Coverage B – Detached Private Structures;



- (c) Coverage C – Personal Property; or
- (d) Coverage D – Additional Living Expenses.

However, where a building insured under Coverage A – Dwelling Building is also insured for Guaranteed Rebuilding Cost or Limited Guaranteed Rebuilding Cost and the building loss exceeds the limit shown on the Declarations under Coverage A – Dwelling Building, this Combined Limit will only apply to the coverages listed in (b), (c) and (d) above.

**(3) Guaranteed Rebuilding Cost – Coverage A – Dwelling Building**

If the Declarations shows Guaranteed Rebuilding Cost for Coverage A – Dwelling Building, we will pay for the insured loss to your Dwelling Building on the basis of full rebuilding cost regardless of the Amount of Insurance shown on the Declarations provided you:

- (a) Insure your dwelling for 100% of its replacement value as of the original inception date of this policy as well as of the effective date of all subsequent renewal terms. For the purposes of this coverage, we will consider a dwelling insured to 100% of its replacement value if you provide us with a replacement cost calculator acceptable to us, beginning with the original inception date of the policy, and also allow the Dwelling Building Amount of Insurance to be increased annually, on renewal, by an inflationary percentage established by us.
- (b) Repair, rebuild or replace the Dwelling Building with a building of the same size, and occupancy, constructed with material of similar quality. Subject to policy limit that would otherwise apply to replace the damaged building(s) on the same site, replacement may occur on any site.
- (c) Notify us within thirty (30) days of the start of work if you make additions or improvements to your Dwelling Building that will increase its replacement cost by 5% or more, and pay any resulting additional premium.

Guaranteed Replacement Cost does not apply to losses or increased costs of repair or replacement due to the operation of any law or subordinate authority, including but not limited to any by-law, decree, executive order, guidelines, ordinance, policy, regulation, rule, ruling, building code requirement, or requirements of law, governmental or other public authority regulating the zoning, demolition, repair, construction or reconstruction of buildings and their related services, other than that coverage provided under bylaws insurance Extension of Coverage.

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

**(4) Limited Guaranteed Rebuilding Cost – Coverage A – Dwelling Building**

If the Declarations shows Limited Guaranteed Rebuilding Cost for Coverage A – Dwelling Building, we will pay for the insured loss to your Dwelling Building an amount which is not to exceed 125% of the Amount of Insurance shown on Declarations provided you:

- (a) Insure your dwelling for 100% of its replacement value as of the original inception date of this policy as well as of the effective date of all subsequent renewal terms. For the purposes of this coverage, we will consider a dwelling insured to 100% of its replacement value if you provide us with a replacement cost calculator acceptable to us, beginning with the original inception date of the policy, and also allow the Dwelling Building Amount of Insurance to be increased annually, on renewal, by an inflationary percentage established by us.
- (b) Repair, rebuild or replace the Dwelling Building with a building of the same size, and occupancy, constructed with material of similar quality. Subject to policy limit that would otherwise apply to replace the damaged building(s) on the same site, replacement may occur on any site.
- (c) Notify us within thirty (30) days of the start of work if you make additions or improvements to your Dwelling Building that will increase its replacement cost by 5% or more, and pay any resulting additional premium.

Limited Guaranteed Replacement Cost does not apply to losses or increased costs of repair or replacement due to the operation of any law or subordinate authority, including but not limited to any by-law, decree, executive order, guidelines, ordinance, policy, regulation, rule, ruling, building code requirement, or requirements of law, governmental or other public authority regulating the zoning, demolition, repair, construction or reconstruction of buildings and their related services, other than that coverage provided under bylaws insurance Extension of Coverage.

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

(5) **Personal Property**

- (a) **Software.** We will only pay for the cost of replacing licensed software and only from duplicates or from licensed originals of the lost or damaged version of the software.
- (b) **Electronic Data.** We will pay the cost of replacing electronic data from backup copies or duplicates, but we will not pay for the cost of gathering or assembling any of the information required to reproduce the electronic data.
- (c) **Non-Electronic Records.** Non-electronic records including financial statements, books of account, legal documents such as mortgage documents and wills, transcripts, drawings, or card index systems. We will not pay the cost of research to reproduce these documents, but we will pay the cost of blank books, pages, cards, or other materials, plus the cost of transcribing or copying the records from duplicates.
- (d) **Additional Personal Property.** We will only pay for the actual cash value of the following personal property:
  - (i) articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings, and statuary;
  - (ii) articles with an age or history that substantially contributes to their value, such as memorabilia, souvenirs, and collector's items;
  - (iii) property that has not been maintained in good or workable condition; or
  - (iv) property that is no longer used for its original purpose.

All other Personal Property will be paid for on an actual cash value unless the Declarations indicate otherwise.

- (6) **Replacement Cost on Contents.** If the Declarations shows that Replacement Cost on Contents is included, we will pay for loss or damage to the following property on a replacement cost basis for all property insured under Coverage C – Personal Property. We will pay on the basis of replacement cost only if the lost or damaged property is repaired or replaced as soon as reasonably possible. Otherwise we will pay on the basis of actual cash value.

You may choose to settle the loss to property eligible for Replacement Cost on Contents Coverage on an actual cash value basis initially. If you do you may still make an additional claim for the difference between the actual cash value and replacement cost basis provided such claim is made within 180 days after the date of loss or damage.

## HOMEOWNERS COMPREHENSIVE FORM

If the Declarations shows that a location is a Homeowners Comprehensive Form your covered property at that location is insured against the following perils:

### INSURED PERILS

Where the Declarations show an Amount of Insurance for:

- (1) Coverage A – Dwelling Building
- (2) Coverage B – Detached Private Structures
- (3) Coverage C – Personal Property

that covered property is insured against all risks of direct physical loss or property damage.

### LOSS OR DAMAGE NOT INSURED

We do not insure losses excluded under Section I – Property Coverages – Loss or Damage Not Insured.

We do not insure losses or damage caused by or resulting from:

- (1) settling, expansion, contraction, moving, bulging, buckling, cracking, or the falling of ceiling or wall plaster. If loss or damage to building glass results, we will pay only for that resulting damage;
- (2) smoke from agricultural smudging or industrial operations;
- (3) theft, including damage caused by attempted theft of property in or from a Dwelling Building under construction, or of materials and supplies for use in the construction, until the Dwelling Building is completed and ready to be occupied;
- (4) theft, including damage caused by attempted theft from the part of the Dwelling Building rented to others, committed by any tenant, tenant's employee or member of the tenant's household;
- (5) hail, whether driven by wind or not, to the outer metal cover of any mobile home, unless the cover is punctured by the hail;

- (6) vandalism or malicious acts or glass breakage occurring while your Dwelling Building is under construction or vacant, even if permission for construction or vacancy has been given by us;
- (7) water:
  - (a) damage to a system from which the water or steam escapes, except for damages caused by freezing to any part of the plumbing, heating, sprinkler or air conditioning system, or domestic water container, which is located within the heated portion of your Dwelling Building;
  - (b) unless the loss or damage resulted from the sudden and accidental escape of water from a water main;
  - (c) unless the loss or damage resulted from the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or air conditioning system, or domestic water container, which is located inside your Dwelling Building;
  - (d) unless the loss or damage resulted from the sudden and accidental escape of water from a domestic water container located outside your Dwelling Building, but such damage is not insured when the escape of water is caused by freezing;
  - (e) unless the loss or damage resulted from water that enters your Dwelling Building through an opening which has been created suddenly and accidentally by a peril insured by this coverage form, other than water damage; or
  - (f) unless the loss or damage resulted from water that enters your Dwelling Building through a roof due to the accumulation of ice or snow on the exterior of the roof or eaves trough;
 but under no circumstances will we insure loss or damage:
  - (g) caused by freezing during the usual heating season:
    - (i) occurring within a heated portion of your dwelling that is unoccupied, unless you have done at least one of the following:
      - (1) taken reasonable care to maintain the heat in the building or structure;
      - (2) shut off the water supply and have drained the system and appliance of water;
      - (3) connected your heating system to an alarm which is monitored 24 hours a day, 7 days a week, 365 days a year, by a central monitoring service;
    - (ii) within an unheated portion of your dwelling;
  - (h) caused by continuous or repeated seepage or leakage of water other than in (7)(f) above;
  - (i) caused by the backing up or escape of water from a sewer, sump, or septic tank;
  - (j) caused by ground water or the rising of the water table;
  - (k) caused by surface waters, unless the water escapes from a water main or from a domestic water container located outside your dwelling;
  - (l) caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
  - (m) to a water main;
  - (n) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
- (8) snowslide, earthquake, landslide, or any other earth movement. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;
- (10) (a) freezing;
- (b) thawing; or
- (c) pressure or weight of water, ice, snow or sleet, whether driven by wind or not to any fence, deck, patio, pavement, swimming pool or attached equipment, water main, foundation, retaining wall, bulkhead, pier, wharf or dock;
- (11) fuel oil leakage, unless the loss or damage is caused by or resulting from the sudden and accidental escape of fuel oil from a permanently installed domestic fixed fuel tank, any attached equipment, apparatus or piping but we do not insure:
  - (a) loss or damage caused by prior fuel oil leakage; or
  - (b) loss or damage caused by or resulting from continuous or repeated seepage or leakage of fuel oil.

## SECTION II – FARM PROPERTY COVERAGES

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

#### DEFINITIONS

- (1) **Farm Buildings and Structures** includes farm barns, implement sheds, storage buildings, silos, bulk feed tanks and grain bins owned by you which are designed and built for the storage or housing of produce and/or livestock and/or agricultural equipment.
- (2) **Farm Machinery and Equipment** includes farm tools, machinery and implements usual to the operation of a farm, which are not fixed to any Farm Building or Structure, only while in use for agricultural purposes and materials and supplies on premises insured under Section II – Farm Property Coverages of this policy intended for use in construction, alteration or repair of a building insured under this policy.  
Vehicles subject to registration under any government authority are not included.
- (3) **Livestock** includes such classes of livestock as horses, cattle, sheep, goats, swine, poultry, rabbits, mink and chinchilla. Cats, dogs, birds and fish are not considered livestock.
- (4) **Produce** includes harvested grain, feeds, seed, fertilizers, herbicides and pesticides, milk, unfertilized eggs, fruit, vegetables and anything that is an agricultural product of the soil, excluding tobacco, flax, trees or fuel, lumber, unharvested crops and commercial fertilizers, herbicides and pesticides held for resale.

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

Produce shall also include packing, wrapping and advertising materials for use with harvested produce.

#### LIMITS OF COVERAGE

You are insured for the following coverages relating to your farm operation, up to the aggregate limit shown on the Declarations, subject to the terms and conditions of the policy:

- (1) Coverage E – Farm Buildings and Structures
- (2) Coverage F – Farm Machinery and Equipment
- (3) Coverage G – Livestock
- (4) Coverage H – Produce

Section II – Farm Property Coverages is not included under the provisions of the Combined Limit clause.

#### LOSS OR DAMAGE NOT INSURED

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

- (1) fences, corrals, gateways and gates used in connection with farming operations unless insured as an Extension of Coverage in Section II – Farm Property Coverages;
- (2) infidelity of your employees or persons to whom you have loaned or entrusted the property;
- (3) property illegally acquired, kept, stored or transported or property subject to forfeiture;
- (4) intentional, criminal, or illegal act(s) or failure to act by you, your tenant, your relative, resident employee or their relatives or any other person at your direction;
- (5) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (6) by mysterious disappearance;
- (7) from the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretenses;
- (8) delay, loss of market or use;
- (9) damage directly or indirectly from contamination by radioactive material;
- (10) a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
- (11) the cost of making good, faulty design, material or workmanship; or any damage that occurs due to any such fault, except that resulting damage by any of the Insured Perils is insured;

#### EXTENSIONS OF COVERAGE

This section is subject to the conditions, limitations, deductible and other terms of this form. The limits of insurance provided under the following Extensions of Coverage, unless stated otherwise in this form, are in addition to and not included in, the limits of insurance provided. The limits stated below are the occurrence limits under this policy.

- (1) **Accounts Receivable - \$50,000**

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

- (a) 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;
  - (b) interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
  - (c) collection expense in excess of normal collection cost and made necessary because of such loss or damage; or
  - (d) other expenses when reasonably incurred by you in re-establishing records of accounts receivable following such loss or damage.
- (2) **Automatic Fire Suppression System Recharge Expense - \$10,000**  
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.
- (3) **Farm Building and Structures Damage by Theft - \$5,000**  
This extension insures damage (except by fire) to that part of a Farm Building and Structure occupied by you directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided that you are not the owner of such Farm Buildings and Structures and is legally liable for such damage and the Farm Buildings and Structures is not otherwise insured under this form.
- (4) **Computer Breakdown Mobile Farm Equipment - \$10,000**  
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 Extension of Coverage is subject to the deductible shown on the Declarations of this policy and subject to the minimum deductible of \$1,000 per occurrence.
- (5) **Dog (Farm/Working Dog) - \$1,500**  
This extension insures loss or damage by an insured peril to farm and working dog on the premises.
- (6) **Environmental Upgrade Option Extension - \$25,000**
- (a) Insurance is extended to include:
    - (i) Any increase in the direct cost to repair or replace damaged Farm Buildings and Structures using environmentally friendly material or modes of construction or energy-efficient materials or modes of construction.
    - (ii) 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 Buildings and Structures as environmentally friendly or energy-efficient.
    - (iii) The additional cost incurred by you for certification or re-certification of the repaired or replaced Farm Buildings and Structures as environmentally-friendly or energy-efficient.
  - (b) Coverage under sub-paragraphs (i), (ii) and (iii) 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 Buildings 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 Buildings and Structures only; or
    - (iv) failing compliance by you with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect.
  - (c) Co-insurance. If a co-insurance 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 co-insurance clause compliance.
  - (d) Limits of Insurance. We shall not be liable under this extension for more than the limit, regardless of the number of insured items to which this form attaches.

(e) Exclusions. This extension does not apply:

- (i) To materials, equipment and supplies on the premises for maintenance of and normal repairs and minor alterations to the building or for building services.
- (ii) 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.

**(7) Exterior Signs - \$15,000**

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

**(8) Extra Expense - \$10,000**

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 Buildings and Structures thereto, insured 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 Buildings and Structures thereto as may be destroyed or damaged.

**(9) Farm Fences, Corrals and Gates - \$50,000**

This extension insures farm fences, corrals, gateways, gates, and driveway construction materials (including interlocking bricks).

**(10) Installation Coverage - \$5,000**

This extension insures, subject to the following exclusions, supplies, machinery, equipment and materials (your property or for which you are legally liable) which you have been contracted to install or which will be used in completing an installation contract, but only while such property is in transit to the premises of installation or while waiting to be installed or while being installed.

It is agreed that coverage on all property ceases when:

- (a) your interest ceases; or
  - (b) the property installed has been accepted; or
  - (c) thirty (30) days after completion of the installation; or
  - (d) this policy expires;
- whichever occurs first.

**Exclusions**

The extension for Installation Coverage does not insure loss or damage to:

- (a) buildings, except for building materials and supplies which are covered until such time they become part of any building or structure;
- (b) accounts, bills, deeds, jewellery or precious stones, plans, blueprints, designs, specifications or any similar property;
- (c) 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;
- (d) any installation or part thereof from the commencement of use for purposes for which it was intended; or
- (e) property while in airborne transit, unless by scheduled airlines.

Nor does this coverage insure against any loss or damage which is 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.

**(11) Professional Fees - \$15,000**

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 professionals 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.

**(12) Property of Others - \$10,000**

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.

(13) **Valuable Papers and Records - \$50,000**

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.

**BASIS OF CLAIM PAYMENT**

- (1) **Claim Payment.** We will pay whichever is the least of the following:
- (a) the Actual Cash Value of the property at the time of loss;
  - (b) what it would cost to repair or replace the property with materials of similar quality at the time of loss;
  - (c) the fair market value of the animal at the time of loss, subject to a maximum amount of \$5,000 per animal; or
  - (d) the amounts shown on the Declarations for Section II – Farm Property Coverages.

- (2) **Agricultural Tractors and Non-Motorized Mobile Implements up to and including 5-years of Age.** If you repair or replace the damaged or destroyed property we will pay without deduction for depreciation, the lesser of:
- (a) the cost of repairs; or
  - (b) the cost of new machinery of similar kind, quality and usefulness;

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

- (a) for the cost of repairs; or
  - (b) if repair or replacement is not made as soon as reasonable possible; or
  - (c) for property which is older than five (5) years; or
  - (d) for property no longer in use for its originally intended purposes; or
  - (e) for property which has been used for custom farm work; or
  - (f) for machinery or parts which are obsolete or by their inherent nature cannot be replaced with a comparable article; or
  - (g) for livestock drawn implements.
- (3) **Deductible.** We are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of deductible shown on the Declarations in any one occurrence.  
Any loss or damage shall not reduce the amounts of insurance provided by this policy.
- (4) **Fair Market Value.** The fair market value will take into account such things as the cost of replacement with similar livestock at the time of loss, less any depreciation and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.
- (5) **Replacement Cost Clause.** In the event of loss or damage to farm buildings and structures, we agree to make settlement:
- (a) on a cost of repairs basis to the property; or
  - (b) on the replacement cost of the property (which ever is less);
  - (c) with material of like kind and quality;
  - (d) without deduction for depreciation.

Subject to the following provisions:

- (a) the repairs or replacement must be executed promptly;
- (b) settlement on a replacement cost basis shall be made only when replacement has been effected by you and in no event shall it exceed the amount actually and necessarily expended for such a replacement;
- (c) if repair or replacement with material of like kind and quality is restricted by any bylaw, ordinance or law, any increased cost of repair or replacement due thereto shall not be covered by this clause;
- (d) if this policy insures two or more items subject to replacement cost, this coverage applies separately to each item.

In the event of loss or damage, our limit of liability shall be the least of the following:

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

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

- (6) **Actual Cash Value.** Payment of claims based on Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, use of the property, the resale value and the normal life expectancy.
- (7) **Insurance Under More Than One Policy.** If you have insurance on specifically described property, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, our policy will pay its rateable proportion of the loss or claim.

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

### **LIMIT OF COVERAGE**

You are insured for buildings and structures coverage relating to your farm operation, up to the limit shown on the Declarations, subject to the terms and conditions of the policy.

### **COVERAGE**

We insure your buildings and structures related to farming operation being carried on at the premises described on the Declarations. Farm Buildings and structures coverage is not included under the provisions of the Combined Limit clause which forms part of this policy.

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

Coverage on your Farm Buildings and Structures include:

- (1) the foundation and all additions in contact therewith, glass, permanent appliances, fittings and fixtures for lighting, plumbing, heating or ventilating the building; fuel used for heating the building; corrals and stables attached to the building or structure. Silos and grain bins, whether or not attached to any building or structure, are not covered unless insured specifically;
- (2) permanently installed agricultural fittings, fixtures and equipment except that equipment which is shown in the Loss or Damage Not Insured of Section I – Property Coverages;
- (3) materials and supplies on the premises or adjacent thereto, intended solely for use in construction, alteration or repair of such building or structure; or
- (4) building fixtures and fittings temporarily removed from the premises for repair or seasonal storage.

Our liability under (3) and (4) above shall not exceed 10% of the limit of insurance on the building covered under (1) above.

### **INSURED PERILS**

Where the Declarations shows coverage for Enhanced Farm Buildings and Structures, we insure your farm buildings and structures against all risks of direct physical loss or damage subject to the terms and conditions in the policy.

Where the Declarations shows coverage for Basic Farm Buildings and Structures, we insure your buildings and structures against direct loss or damage caused by the following named perils:

- (1) Fire or Lightning.
- (2) Explosion.
- (3) Smoke. This peril means smoke due to a sudden, unusual and faulty operation of any heating unit in or on the premises.
- (4) Falling Object. This peril means a falling object which strikes the exterior of a building but not objects which strike the building because of snowslide, iceslide, landslide or any other earth movement. This peril does not include loss to the inside of a building or property contained in the building unless the exterior of the building is first struck by a falling object. This peril does not include damage to glass which forms part of the building.
- (5) Glass Breakage. We insure glass that forms part of the building including glass in storm windows and doors, against accidental breakage. This peril does not include loss or damage to greenhouses or occurring while a building is under construction, vacant or unoccupied even if permission has been given by us.
- (6) Impact by Aircraft or Land Vehicle. This peril does not include any loss or damage to animals.
- (7) Riot.



- (8) Vandalism or Malicious Acts. This peril does not include:
- (a) loss or damage occurring while the building is under construction, vacant or unoccupied even if permission has been given by us;
  - (b) damage caused by you; or
  - (c) loss or damage caused by theft or attempted theft.
- (9) Water Damage. This peril means:
- (a) the sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, water bed, swimming pool or equipment attached and public water mains;
  - (b) the sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam, or lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water;
  - (c) freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance within a building heated during the usual heating season; or
  - (d) water which enters through an opening which has been created suddenly and accidentally by an insured peril.

But we do not cover loss or damage:

- (a) caused by continuous or repeated seepage or leakage of water;
  - (b) caused by the backing up of or escape of water from a sewer or drain, sump or septic tank, eaves trough or downspout;
  - (c) caused by ground water or rising of the water table;
  - (d) caused by surface waters, unless the water escapes from a water main or swimming pool;
  - (e) to water mains or outdoor plumbing systems and equipment attached (including but not limited to swimming pools, hot tubs or spas) caused by freezing, water or rupture;
  - (f) to the system or appliance caused by rust or corrosion;
  - (g) to the system or appliance from which the water escaped;
  - (h) occurring while the Dwelling Building is under construction or vacant even if we have given permission for construction or vacancy has been given by us; or
  - (i) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or domestic appliance unless it happens within a Dwelling Building heated during the usual heating season and you have not been away from your premises for more than 4 consecutive days. However, if you had arranged for a competent person to enter your Dwelling Building daily to ensure that heating was being maintained or if you had shut off the water supply and had drained all the pipes and appliances you would still be insured.
- (10) Windstorm or Hail. Under this peril loss or damage to roof covering shall be depreciated not less than 5% per year according to the age of the roof covering, notwithstanding whether the coverage is written subject to replacement cost or actual cash value.

This peril does not include loss or damage:

- (a) to windmills and wooden silos;
- (b) to awnings and roof signs, outside radio and/or television antennae, or satellite earth receiver (dish) and appurtenances;
- (c) to fences anywhere on the premises;
- (d) to roll roofing of any kind;
- (e) to all other property outside of buildings except:
  - (i) realty fixtures attached and belonging to the individual buildings insured; or
  - (ii) permanently installed yard fixtures;
- (f) to the interior of buildings insured unless damage occurs concurrently with and results from an opening caused by windstorm or hail; or
- (g) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not:
  - (i) snow load or ice-load; or
  - (ii) tidal wave, tsunamis, high water, overflow, flood, waterborne objects, waves, ice land subsidence or landslide.

- (11) Theft, including damage by attempted theft.

- (12) **Weight of Ice, Snow or Sleet.** This coverage applies only to buildings shown on the Declarations and designated snow load. This peril means physical injury to a building insured or containing the property insured caused by weight of snow, ice or sleet. You are not insured for loss or damage to outdoor equipment, gutters and down spouts, fences, foundations, retaining walls when such loss is caused by freezing, thawing or by pressure or weight of ice or water driven by wind or due to windstorm or not except as the direct result of the collapse of a building.

### **ADDITIONAL COVERAGES**

The following Additional Coverages is in addition to the amount(s) of insurance applying under Section I – Property Coverages and is subject to all conditions of this policy.

- (1) **Removal of Debris.** This coverage pays for the cost of removing debris of the property insured under this policy as a result of any Insured Peril. When the damage to the property plus the cost of cleaning and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged insured property will be available to cover debris removal expenses.

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

- (2) **Exterior Wiring Systems.** We insure exterior wiring systems meaning hydro poles (including any attached lighting units, cross beams, insulators), transmission lines, transformers and permanently installed outside electric wiring, which is owned by you and located on your premises, for damage caused by an Insured Peril. Coverage does not include any increased costs as a result of any ordinance or law regulating the standards, construction or device. This Additional Coverage shall be limited to a maximum recovery of \$10,000 under this policy, per location, in respect of any one loss.

### **SPECIAL CONDITION**

- (1) **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 (60) 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.

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

- (1) We do not insure:
- (a) sewers, sumps, septic systems, drains, watermains or waterlines, except for that portion which is located within the confines of building(s) insured by this policy.
  - (b) buildings, units or structures used in whole or in part for business purposes (except farming) unless declared on the Declarations;
  - (c) fences, corrals, gateways or gates, except as provided under Special Limits in Section I – Property Coverages or Extensions of Coverage in Section II – Farm Property Coverages;
  - (d) property sold by you under conditional sale agreement;
  - (e) property otherwise more specifically insured;
  - (f) television or radio antenna or any satellite receiving apparatus, unless specifically insured;
  - (g) electronic scales and related equipment, unless specifically insured;
  - (h) silos or grain bins whether or not they are attached to any insured building, unless insured specifically. However, bulk feed tanks which form an integral part of a feed system are included;
  - (i) computer data or software;
  - (j) manure storage or holding tanks unless they form an integral part of the foundation walls of the building(s) insured by this coverage;
  - (k) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for

the storage of hot water for domestic use); caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:

- (iii) manually portable gas cylinders;
  - (iv) explosion of natural, coal or manufactured gas; or
  - (v) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
- (2) We do not insure loss or damage caused by:
- (a) earthquake, landslide, snow slide or any other earth movement. However, ensuing damage which results from fire, explosion and/or smoke is covered;
  - (b) 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;
  - (c) (i) seepage, leakage or influx of water and/or any other liquid from any source through building walls, foundations, or foundation floors;
  - (ii) by entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by an Insured Peril;
  - (d) dampness of atmosphere, dryness of atmosphere, changes of temperature, heating, shrinking, leakage of contents, contamination, rust or corrosion;
  - (e) animals, birds, vermin, rodents, reptiles or insects;
  - (f) consequence of alteration, reconstruction or addition to buildings (normal maintenance being allowed without permission);
  - (g) breakdown or derangement, latent defect, faulty material, faulty design or workmanship, improper construction, inherent vice, gradual deterioration or wear and tear of any building, fittings, fixtures and/or equipment;
  - (h) losses or increased costs of repair due to operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
  - (i) settling, expansion, contraction, moving, shifting or cracking;
  - (j) smoke from either agricultural smudging or industrial operations;
  - (k) occurring after your building has to your knowledge, been vacant or unoccupied for more than thirty (30) consecutive days;
  - (l) centrifugal force or mechanical breakdown, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
  - (m) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
    - (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;
    - (ii) piping and apparatus of parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
    - (iii) other vessels and apparatus and pipes connected therewith while under pressure or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
    - (iv) moving or rotating machinery or parts thereof;
    - (v) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured thereunder that has been damaged by such explosion; or
    - (vi) gas turbines.

## COVERAGE F – FARM MACHINERY AND EQUIPMENT

### COVERAGE

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

### INSURED PERILS

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

### ADDITIONAL COVERAGES

- (1) **Damage to Non-Owned Farm Equipment.** (Excluding rented or leased equipment – unless, you are bound by contract to provide coverage). At your option, you may apply up to 10% of farm property limit of coverage, to a maximum of \$100,000 for loss or damage to Non-Owned Farm Machinery and Equipment, including fuel, GPS software and removal of debris while in your care, custody or control and caused by a peril insured against.
- (2) **Equipment Loss of Use.** It is agreed that in the event of loss or damage to farm machinery valued over \$5,000 which is covered by this policy, we agree to reimburse up to \$75,000 you incur for the rental of a substitute machine subject to the terms and conditions of Section II - Farm Property.  
Provided that:
  - (a) We will not pay for such expense in excess of 5% of the value of the damaged individual item per occurrence.
  - (b) Reimbursement is limited to such expense incurred commencing:
    - (i) on the date of completion of repairs or replacement of the property lost or damaged, or
    - (ii) upon such earlier date that we make or tender settlement of the loss or damage, or
    - (iii) 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.
  - (c) No indemnity is provided unless the loss or damage to the equipment exceeds any applicable deductible amount specified in the form for such loss or damage.
  - (d) There shall be no coverage under this addition for farm machinery used for custom farming operations or commercial contracting work unless shown on the Declarations or the gross annual receipts received is less than \$10,000 within the policy period.
- (3) **Newly Acquired Equipment.** If you acquire any additional equipment we will automatically insure these provided you tell us within thirty (30) days of acquisition and agree to pay premiums thereon from the date of acquisition. Under this addition we will cover up to \$75,000 for any newly acquired equipment.
- (4) **Tires and Tubes.** Coverage to tires and tubes is limited to \$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.

### LOSS OR DAMAGE NOT INSURED

- (1) We do not insure:
  - (a) automobiles and motor trucks or any motorcycles, snowmobiles or similar equipment designed or licensed for highway use or any vehicle subject to motor vehicle registration, all terrain vehicles (ATV), gators, air cushion vehicles, aircraft, unmanned air vehicles, watercraft, portable saw mills or machinery and equipment used in logging or forestry operation;
  - (b) tires or tubes unless:
    - (i) the loss or damage is caused by fire, windstorm, theft, vandalism and malicious acts, impact from attached vehicle, or
    - (ii) the loss is coincident with other loss or damage insured by this policy.
- (2) We do not insure loss or damage caused by or resulting:
  - (a) from wear and tear, denting, deterioration, latent defect, inherent vice, mechanical or electrical breakdown or failure, corrosion, rust, vermin, wet or dry rot, mould, dampness or dryness of atmosphere, freezing, or extremes in temperature;
  - (b) from work being performed on the insured property and directly resulting therefrom or caused by any repairing, adjusting, servicing or maintenance operations unless fire or explosion ensues and then only for loss or damage caused by such ensuing fire or explosion;

- (c) by short circuit or other electrical disturbances of any kind, exclusive of lightning, within electrically equipped machinery or equipment, unless fire ensues, and then for loss or damage caused by fire only;
- (d) from the weight of a load exceeding the rated capacity of any machine;
- (e) while in any race or speed test or tractor pull contest;
- (f) from breaking or falling through ice; or
- (g) by freezing or extremes of temperature.

## **COVERAGE G – LIVESTOCK**

### **COVERAGE**

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

### **INSURED PERILS**

We insure Livestock owned by you against direct damage resulting in death or humane destruction made necessary by:

- (1) Fire.
- (2) Explosion.
- (3) Windstorm or Hail.
- (4) Hurricane.
- (5) Flood meaning rising waters.
- (6) Earthquake.
- (7) Collapse of buildings, bridges or culverts.
- (8) Falling objects directly striking the livestock.
- (9) Impact by aircraft or land vehicle. There is no coverage for impact by vehicles owned or operated by you, your employee, or any household member of either.
- (10) Collision, derailment or overturn of a land vehicle on which the insured livestock is transported.
- (11) Stranding, sinking, burning or collision of marine vessels on which the insured livestock is being transported.
- (12) Vandalism or malicious acts.
- (13) Riot, riot attending a strike or civil commotion.
- (14) Theft. There is no coverage under this peril for loss or damage resulting from escape or mysterious disappearance or because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretences;
- (15) Accidental shooting. Excluding accidental shooting by you, your employee, or any household member of either.
- (16) Lightning or electrocution.
- (17) Blizzard, rain, sleet or snowstorm.
- (18) Drowning, excluding choking on their own internal fluids.
- (19) Attack by wild animals or non-owned dogs (in excess of Government Compensation).
- (20) Rabies (in excess of Government Compensation).
- (21) Smoke or fumes. There is no coverage under this peril for loss resulting from any intentional fire by you or any electrical power interruption or any electrical or mechanical breakdown of any equipment;
- (22) Huddling, piling, stampeding, smothering, freezing or change in temperature, but only as an immediate and direct result of actual physical damage caused by an insured peril (1) through (17) above, occurring to the building in which the livestock is confined or to the equipment of this building.
- (23) Entrapment. Meaning the accidental and physical ensnaring or entrapping of the livestock by an external means whether or not while voluntarily or involuntarily restrained. There is no coverage under this peril for loss due to:
  - (a) to animals in the process of being bred, either by natural or artificial means;
  - (b) the animal having been split or spratted;
  - (c) internal disorder of any kind, unless as a direct result of hardware, meaning the ingestion of foreign metal objects or colic meaning a primary intestinal disorder related to distension of the colon tract or spasms, caused by gas or impaction, obstruction or torsion. There shall be no coverage under this peril for horses with a prior history of colic;
  - (d) choking on feed, medicine or foreign objects;
  - (e) animal birth, or any sickness or disease; or

- (f) the animal becoming trapped or cast by the contours or depressions of the land including but not limited to any furrow, gully, ditch, hill or any slope.

#### **ADDITIONAL COVERAGES**

- (1) **Animal Birth.** If shown on the Declarations, we will pay up to the limit shown for direct loss to farm livestock resulting from animal birth, meaning death from or destruction made necessary due to physical problems associated with the birth process and/or milk fever that may develop simultaneously with birth. Coverage includes the removal of deadstock as a result from animal birth.  
There is no coverage for loss:
  - (1) occurring after 7 days (168 hours) of the birth of the offspring;
  - (2) to the offspring being birthed;
  - (3) occurring to animals five (5) years of age and older;This animal birth mortality coverage does not take effect until after thirty (30) days from the nuptial inception of this coverage or for newly acquired animals until after thirty (30) days from the acquisition date.
- (2) **Dead Stock Removal Expenses.** If shown on the Declarations, we will cover the expenses incurred for the removal of dead farm livestock when death is caused by, or destruction is made necessary by a peril insured against. Coverage will be the actual cost of the removal of the dead farm Livestock. The deductible as shown on the Declarations does not apply. 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.
- (3) **Emergency Veterinary Services.** If shown on the Declarations in the event of a loss or damage to farm livestock which is insured under this policy, we will pay up to \$2,500. Veterinarian expenses incurred by you for emergency attendance and treatment of farm livestock insured by this policy by a qualified veterinarian, but only when made necessary by a peril which the farm livestock is insured against.

#### **EXTENSION OF COVERAGE**

- (1) **New Acquisitions.** Coverage is automatically extended to additional livestock acquired by you during the term of this policy, for a period of thirty (30) days from the date of purchase. On livestock purchased at a recognized auction sale, coverage provided by this addition commences at the drop of the auctioneers hammer.  
We shall not be liable under this extension for more than the purchase value of such livestock and in no event for more than \$5,000 for any one animal.

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

We do not insure loss or damage cause by or resulting from:

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

### **COVERAGE H – PRODUCE**

#### **COVERAGE**

We insure your produce grown for your own consumption or sale related to the farming operation being carried on at the premises described on the Declarations.

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

#### **INSURED PERILS**

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

#### **ADDITIONAL COVERAGES**

- (1) **Refrigerated Produce.** We also insure loss or damage to produce to a limit of \$10,000, while contained in refrigeration units within building(s) insured on this policy, due to change of temperature as a result of physical damage to said building(s) or equipment therein, caused by an Insured Peril, or due to mechanical breakdown of the refrigeration unit or electrical power interruption.

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

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

We do not insure loss or damage:

- (1) to growing crops or crops not yet harvested; or
- (2) to loose straw or haystacks, unless confined in a bin or silo.

### **BUSINESS INTERRUPTION COVERAGE – ACTUAL LOSS SUSTAINED**

#### **INDEMNITY AGREEMENT**

In the event that the business shall be interrupted as a direct result of property damage at the insured premises we will indemnify you for the loss of income as well as your increase in cost of operations suffered during the indemnity period resulting from such damage, in accordance with the terms and conditions of this form.

Coverage under this section does not start until 72 hours following the initial interruption, which is not to be limited by the expiry date of this policy.

#### **LIMIT OF INSURANCE**

We, regardless of the number of persons and interests insured under this form, shall not be liable for more than the actual loss of income plus your increased cost of operations suffered during the indemnity period. The amount payable under this form will be the lesser of:

- (1) The actual loss of income and increased cost of operations sustained by you as a result of damage; or
- (2) If the Declarations shows a limit of insurance in respect of Business Interruption Coverage, the actual loss of income and increased cost of operations sustained by you as a result of damage up to that limit of insurance shown.

#### **DETERMINATION OF LOSS AMOUNT**

- (1) Loss of income is determined by multiplying the revenue shortfall of your business during the indemnity period by the business income percentage.
- (2) Increase in cost of operations:
  - (a) is the additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the reduction in revenue which but for that expenditure would have taken place during the indemnity period as a consequence of the damage, but not exceeding the sum obtained by multiplying the amount of the reduction thereby avoided by the business income percentage; and
  - (b) less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the damage.

#### **EXTENSIONS OF COVERAGE**

These Extensions of Coverage are subject to the limit of insurance as shown in each extension and are in addition to income loss and amounts payable in respect of the increase in the cost of operations as calculated under determination of loss amount.

- (1) **Accountant Fees.** This extension provides coverage for the reasonable charges payable by you to your professional accountants for producing particulars or details or other proofs, information or evidence as may be required by us for the purpose of investigating or verifying any claim under this form and reporting that such particulars or details are in accordance with your records.

There is no coverage under this extension for fees incurred for accounting services that are required in the regular course of your business.

The most we will pay under this extension of coverage is \$10,000.

- (2) **Additional Time Required for Rebuilding Due to the Operation of Bylaws.** In the case of damage the insurance provided by this form extends to insure any increase in loss of income resulting from or contributed to by, the operation of any bylaw, ordinance or law which:
  - (a) regulates zoning or the demolition, repair, or construction of damaged buildings or structures; and
  - (b) is in force at the time of damage.

- (3) **Contingent Business Interruption.** This extension provides coverage for your loss of income as a direct result of physical loss or damage at a contributing property or recipient property during the policy period, caused by an Insured Peril under this policy.

The most we will pay under this extension of coverage is \$25,000.

- (4) **Interruption by Civil Authority.** This form, subject to its terms and conditions, is extended to insure your loss of income suffered during the period of time, not exceeding two (2) weeks, while access to the premises is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by a peril insured under this policy.

- (5) **Newly Acquired Property.** This extension provides coverage for your loss of income and increased cost of operations that result from loss of or damage to your farm building, equipment, stock, produce or livestock at any location that is:

- (a) acquired by you after the beginning of the current policy period;
- (b) owned, leased, occupied or controlled by you, and
- (c) within the territorial limits.

This coverage begins when you first acquire farm building, equipment, stock, produce or livestock at your new location and will cease on the earliest of:

- (a) sixty (60) days from the date of acquisition of such property;
- (b) the date values for such property are reported to us; or
- (c) the expiration date of this policy.

Premium for this coverage is payable from the date of the acquisition of your newly acquired farm building, equipment, stock, produce or livestock.

The most we will pay under this extension of coverage is \$25,000.

- (6) **Off-Premises Utilities.** This extension provides coverage for your loss of income and increased cost of operations that result from interruption to the supply of heat, light, water, power or gas to the premises. The interruption must be caused by an insured peril under this policy resulting in physical loss or damage to public utility plants, transformers or switching stations, sub-stations, transformers or pumping stations, including underground transmission lines and pipes, that are located within 100km from the premises and that generate or supply heat, light, water, power or gas to the premises.

This extension does not provide coverage for your loss of income or increased cost of operations resulting from partial or total interruption to the supply of heat, light, water, power or gas arising from:

- (a) loss of or damage to any above ground electrical transmission lines or distribution lines or their supporting structures, except for those located on the premises;
- (b) lack of sufficient capacity; or
- (c) intentional reduction in supply.

Coverage under this extension does not attach until 24 hours following the initial interruption.

The most we will pay under this extension of coverage is \$25,000.

- (7) **Ordinary Payroll Expense.** This form, subject to its terms and conditions, is extended to insure ordinary payroll expense which may continue during a total or partial interruption of the business. Indemnity is provided for ordinary payroll only to the extent necessary to resume business operations with the same quality of service which existed immediately preceding the damage and which would have been earned had no damage occurred.

The most we will pay under this extension of coverage is \$10,000, or the amount shown on the Declarations.

## **LOSS OR DAMAGE NOT INSURED**

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

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



- (8) damage resulting directly or indirectly from contamination by radioactive material;
- (9) your intentional or criminal acts;
- (10) any property illegally acquired, kept, stored, or transported, or property subject to forfeiture;
- (11) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (12) a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
- (13) any loss or damage resulting from any illegal activity:
  - (a) of the insured;
  - (b) of any tenant of the insured; or
  - (c) the relatives or residence employees of either;
- (14) the cost of making good, faulty design, material or workmanship; or any damage that occurs due to any such fault, except that resulting damage by any of the Insured Perils is insured;

## CONDITIONS

- (1) **Accounting Methods.** Determination of amounts payable under this form will be done in accordance with generally accepted accountancy methods for your business, except as otherwise specified in this form.
- (2) **Alternate Trading.** If during the indemnity period goods are sold or services are rendered (at the premises or elsewhere) for the benefit of your business, either by you or by others on your behalf, the money paid or payable in respect of such sales or service will be included when calculating the revenue during the indemnity period.
- (3) **Obligation to Minimize Loss.** In the event of damage resulting claim made under this form, you agree to cooperate with us and do all things which may be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss payable under this form.

## DEFINITIONS

- (1) Business means your operations as shown on the Declarations.
- (2) Business income percentage means the percentage obtained by dividing the sum of the net income (before taxes) of your business plus the amount of your business expenses that are required to continue during the indemnity period by the revenue of your business.
- (3) Contributing property is a premises within the territorial limits that supplies materials to your business and which is not owned, rented or controlled in whole or in part by you.
- (4) Damage means the direct physical loss or damage to property at the premises from a peril insured against on the policy to which this form is attached.
- (5) Expected revenue means the revenue of your business during a period comparable to the indemnity period in the twelve (12) months immediately before the occurrence of loss of or damage to insured property. Adjustments to expected revenue will be made to provide for:
  - (a) trends in your business; and
  - (b) variations and circumstances affecting your business;
 so that the adjusted expected revenue will represent as nearly as reasonably possible the actual revenue during the indemnity period had no damage occurred.
- (6) Indemnity period means the period beginning with the occurrence of damage and ending at the earliest of:
  - (a) the date at which the results of your business are no longer affected by the consequences of loss of or damage to insured property; or
  - (b) twelve (12) months.
- (7) Ordinary Payroll means the entire payroll expense for all employees of the insured other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.
- (8) Recipient property is a premises within the territorial limits to which your business products are shipped and which are not owned, rented or controlled in whole or in part by you.
- (9) Revenue means all financial transactions paid and payable to you for goods and services sold, delivered and rendered in the course of your business, after allowing for returns and discounts and gross rental income for real estate leased or rented to others.
- (10) Revenue shortfall means the difference between the expected revenue of your business and the actual revenue of your business during the indemnity period.

## SECTION III – LIABILITY COVERAGE

### COVERAGE

This insurance applies only to accidents or occurrences which take place during the term of this policy. The limits of insurance are shown on the Declarations.

- (1) Coverage I – Legal Liability
- (2) Coverage J – Voluntary Medical Expenses
- (3) Coverage K – Voluntary Property Damage
- (4) Coverage L – Voluntary Compensation for Employees
- (5) Coverage M – Legal Liability for Damage to Farm Buildings and Structures

### CONDITIONS

- (1) **Notice of Accident or Occurrence.** When an accident or occurrence takes place, you must promptly give us notice (in writing if required). The notice must include:
  - (a) your name and policy number;
  - (b) the time, place and circumstances of the accident;
  - (c) the names and addresses of witnesses and potential claimants
- (2) **Co-operation.** You are required to:
  - (a) help us obtain witness, information and evidence about the claim and co-operate with us in any legal action if we ask you; or
  - (b) immediately send us everything received in writing concerning the claim, including legal documents.
- (3) **Unauthorized Settlements under Coverage I – Legal Liability and Coverage M – Legal Liability for Damage to Farm Buildings and Structures.** You shall not, except at your cost, voluntarily make any payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of the accident.
- (4) **Action Against Us under Coverage I – Legal Liability and Coverage M – Legal Liability for Damage to Farm Buildings and Structures.** You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until the amount of your obligation to pay has been finally determined, either by judgment against you or by an agreement which has our consent
- (5) **Action Against Us - Coverage J – Voluntary Medical Expenses and K – Voluntary Property Damage.** You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until sixty (60) days after the required proof of loss form has been filed with us.
- (6) **Payment of Claim - Coverage J – Voluntary Medical Expenses and K – Voluntary Property Damage.** Payment by us under either of these coverages is not an admission of liability by you or us.

### OPTIONAL LIMITATIONS OF COVERAGE

If the following coverage limitations show on the Declarations, coverage is limited under this section of the policy.

- (1) **Property Damage Deductible.** Our obligation under Coverage I – Legal Liability to pay compensatory damages on your behalf for property damage applies only to the amount compensatory damages in excess of the property damage deductible amount shown on the Declarations.

We may pay any part or all of the deductible amount to effect settlement of any claim or action, in which case you shall promptly reimburse us for the deductible amount as has been paid by us.
- (2) **Bodily Injury and Property Damage Deductible.** Our obligation under Coverage I – Legal Liability is to pay compensatory damages on your behalf for bodily injury and property damage applies only to the amount of compensatory damages in excess of the bodily injury and property damage deductibles amount shown on the Declarations.

We may pay any part or all of the deductible amount to effect settlement of any claim or action, in which case you shall promptly reimburse us for the deductible amount as has been paid by us.
- (3) **Insurance Under More Than One Policy.** If you have other insurance which applies to a loss or claim, or would have applied if this policy did not exist, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

## COVERAGE I – LEGAL LIABILITY

### INSURING AGREEMENTS

We will pay all sums which you become legally liable to pay as compensatory damages because of unintentional bodily injury or property damage to which this insurance applies.

We will not pay punitive or exemplary damages, meaning that part of an award by a court which is in excess of compensatory damages as is stated or intended to be a punishment to you. The limit of insurance shown for Coverage I – Legal Liability on the Declarations is the maximum amount we will pay, under one or more sections of Coverage I – Legal Liability, for all compensatory damages in respect of one occurrence, regardless of the number of:

- (1) persons insured;
- (2) claims made or actions brought; or
- (3) persons or organizations making claims or bringing actions.

If there is a claim payable under Coverage I – Legal Liability that is insured by more than one policy with us, we will pay up to the greatest limit available on any one policy. With respect to damages arising out of the products hazard, the limit of insurance shown for Coverage I – Legal Liability is also the maximum amount we will pay for all occurrences during any twelve (12) month period commencing with the effective date of this policy and the effective date of each subsequent renewal. If the policy is extended for an additional period of less than twelve (12) months, the additional period will be considered part of the last proceeding twelve (12) month period for the purposes of determining the amount of insurance.

All bodily injury and/or property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

In the case of products hazard all damages arising out of one crop or one prepared or acquired lot of goods or products manufactured, sold, handled or distributed by you shall be considered as arising out of one occurrence.

### CROSS LIABILITY

Without increasing the limit of insurance shown on the Declarations, the insurance under Coverage I – Legal Liability applies separately to each insured person against whom claim is made or a suit is brought. However, this does not apply where a claim is made or a suit is brought against an insured person by his or her spouse or any of the following if living in the same household as the insured person at the time of the occurrence of the bodily injury or property damage in respect of which the claim is being made or the suit is being brought:

- (1) relatives of either the insured person or his or her spouse; or
- (2) any person under the age of 21 in their care.

### COVERAGE

Subject to all exclusions and Conditions of this policy, you are insured for claims made against you arising from your legal liability for:

- (1) **Personal Liability.** Bodily injury or property damage arising out of your personal actions anywhere in the world, if you are an individual.
- (2) **Premises Liability.** Bodily injury or property damage arising out of the ownership, use or occupy of the insured premises.
- (3) **Farm Operations Liability.** Bodily injury or property damage arising out of your farming operations.
- (4) **Contractual liability.** Bodily injury or property damage for which you are obligated to pay compensatory damages because prior to the occurrence for which the claim is made you assumed liability of others in a written contract or agreement pertaining to the insured premises. You are not insured for liability assumed in any contract or agreement:
  - (a) where you assume liability for the sole negligence of the party or parties to the contract or agreement; or
  - (b) in connection with any business or businesses use of the insured premises.
- (5) **Tenants Legal Liability.** Property damage to premises you do not own, including their contents, which you are using, renting or have in your care, custody or control.
- (6) **Employer's Liability.** Bodily injury or residence employees and farm employees arising out of and in the course of their employment by you. Your legal liability for bodily injury to farm employees is insured only if the Declarations shows that employer's liability is included. You are not insured for claims made against you

resulting from the ownership, use or operation of any aircraft or air cushion vehicle while being operated or maintained by your employee. You are not insured for liability imposed upon or assumed by you under any worker's compensation statute, or assumed by you under any contract or agreement with an employee. You are not insured for claims made against you for bodily injury to a person employed by you in violation of any law relating to age.

(7) **Watercraft Liability.** Bodily injury or property damage arising out of:

- (a) Watercraft you own. The ownership of, maintenance of, use or operation of watercraft equipped with an outboard motor or motors of not more than 19kW (25hp) in total when used with or on a single watercraft. You are also insured if your watercraft has an inboard or an inboard/outboard motor of not more than 38kW (50hp) for any other type of watercraft not more than 8 meters (26 feet) in length. If you own watercrafts other than those stated above, you are insured only if watercraft is shown on the Declarations. If they are acquired after the effective date of this policy, you will be held insured automatically for a period of thirty (30) days only from the date of their acquisition.
- (b) Watercraft you do not own. Your use or operation of watercraft that you do not own, provided:
  - (i) the watercraft is being used or operated with the owner's consent; and
  - (ii) the watercraft is not owned by anyone included in the definition of you or your.

You are not insured for damage to the watercraft itself.

**Exclusions**

(a) **Watercraft Use or Operation.**

We do not insure claims made against you arising from the use or operation of any watercraft, whether owned by you or not, while it is:

- (i) being used for carrying passengers for compensation;
- (ii) being used in any race or speed test, except for sailboats up to 8 meters in length in non-professional races organized by a yacht club of which you are a member;
- (iii) rented to others;
- (iv) being operated or controlled by you while you are under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the operation or control of the watercraft;
- (v) being operated or controlled by you while your alcohol-blood ratio exceeds 80 milligrams or alcohol in 100 millimetres of blood;
- (vi) not being operated in accordance with the Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements.

(8) **Motorized Vehicle Liability.** Bodily injury or property damage arising out of:

- (a) Vehicles you own. The ownership, maintenance, use or operation of the following motorized vehicles, including their trailers and attachments, provided they are not subject to motor vehicle registration or used for compensation or hire:
  - (i) motorized wheelchairs and motorized scooters having more than two wheels and specifically designed for carrying a person who has a physical disability;
  - (ii) self-propelled lawn mower, snow blowers, farm or garden tractors, or farm implements if these are used or operated mainly on the insured premises; and
  - (iii) motorized golf carts.
- (b) Vehicles you do not own. Your use or operation of any self-propelled land vehicle or amphibious vehicle while you do not own, provided that:
  - (i) the vehicle is not subject to motor vehicle registration and is designed primarily for use off public roads;
  - (ii) you are not using it for business or organized racing.
- (c) Attached Machinery. The functional use or operation, for your farming purposes, of machinery or apparatus mounted on or attached to a motorized vehicle, while at the site of the use or operation of such machinery or apparatus.

You are not insured for property damage to the vehicle itself.

This insurance (motorized vehicle liability) does not apply, either as primary or excess coverage, to bodily injury or property damage with respect to which any motor vehicle liability insurance is in effect or is required by law to be in effect.

(9) **Trailer liability.** Bodily injury or property damage arising out of your ownership, maintenance, use or operation of any utility, boat, camp or home trailer or its equipment, provided that such trailer is not being towed by, attached to or carried on a motorized vehicle.

(10) **Business and Business Property Liability.** Bodily injury or property damage arising out of:

- (a) your work for someone else as a sales representative, collector, messenger, clerk or teacher, provided the claim does not involve physical disciplinary action to a student or injury to a fellow employee;
- (b) the occasional rental of your residence to others; rental to others of a one-family dwelling or a two-family dwelling usually occupied in part by you as a residence, provided that there is no more than one (1) roomer or boarder per family;
- (c) the rental space in your residence to others for incidental office, school or studio occupancy;
- (d) the occasional rental of your residence to others, or holding for rent, of not more than three (3) car spaces or stalls in garages or stables;
- (e) activities during the course of your trade, profession or occupation which are ordinarily considered to be non-business activities;
- (f) the temporary or part time business pursuits of an insured person under the age of 21 years.

You are insured for claims made against you arising from the following business pursuits, only if the properties or operations are declared on the Declarations:

- (a) The rental of residential buildings containing not more than six (6) private households;
- (b) The use of part of your residence by you for incidental office, school or studio occupancy.

(11) **Limited Pollution Liability.** The amount of insurance for this coverage is \$100,000 with an aggregate of \$300,000.

**Insuring Agreement**

- (a) Bodily injury and property damage

We will pay those sums that you become legally obligated to pay as compensatory damages because of bodily injury or property damage resulting from a pollution incident.

- (b) Clean-up costs

We will pay for necessary and reasonable clean-up costs that you incur as a result of an obligation imposed by law provided that such clean-up costs are incurred because of environmental damage resulting from a pollution incident.

**Exclusions**

There is no coverage under this endorsement for:

- (a) bodily injury, property damage or clean-up costs arising out of a pollution incident which is expected or intended by you;
- (b) bodily injury, property damage or clean-up costs caused by a pollution incident originating at, in or on any waste facility or caused by a pollution incident arising from or incidental to the delivery, handling, storage, disposal, processing or treatment of waste at, in, or on any waste facility;
- (c) bodily injury, property damage or clean-up costs arising out of a pollution incident that results from or is attributable to a failure to comply with any applicable statute, regulation, ordinance, directive or order relating to the protection of the environment and promulgated by any government body, provided that failure to comply is a willful or deliberate act or omission by you;

**Limits of Insurance**

- (a) Regardless of the number of:

- (i) Insureds;
- (ii) claims made or actions brought; or
- (iii) persons or organizations making claims or bringing actions.

- (b) The limits of insurance shown on the Declarations is the most we will pay for:

- (i) compensatory damages because of bodily injury or property damage; or
- (ii) clean-up costs.

- (c) The limits of insurance shown on the Declarations are respectively part of, not in addition to the each occurrence limit of liability and the aggregate limit of liability shown on the Declarations.

**Definitions**

- (a) Clean-up costs means the costs incurred for the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of pollutants including testing which is integral to

these processes.

- (b) Environmental damage means the injurious presence of pollutants in or upon land, the atmosphere, or any watercourse or body of water.
- (c) Pollution incident means an unexpected and unintentional discharge, dispersal, release or escape of any pollutants, that is sudden and accidental, provided:
  - (i) such discharge, dispersal, release or escape is detected by any person within 120 hours after the commencement of the discharge; and
  - (ii) such discharge, dispersal, release or escape results in environmental damage; and
  - (iii) such discharge does not occur in a quantity or with a quality that is routine or usual to the Insured's operation.

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

**Deductible**

- (a) Our obligation under this coverage is to pay compensatory damage and clean-up costs on your behalf applies only to the amount of compensatory damages and clean-up costs in any one occurrence in excess of the deductible amount shown on the Declarations. The limits of liability for these coverages shall not be reduced by the application of such deductible amount.
- (b) The deductible amount applies as follows:
  - (i) Bodily Injury Liability, Property Damage Liability and Clean-up Costs respectively:
    - (1) to all compensatory damages for bodily injury as the result of any one occurrence;
    - (2) to all compensatory damages because of property damage as the result of any one occurrence; or
    - (3) to all clean-up costs as the result of any one occurrence.
  - (ii) Bodily Injury Liability and Property Damage Liability combined:
    - (1) to all compensatory damages because of bodily injury and property damage sustained as the result of any one occurrence; or
    - (2) To all clean-up costs as the result of any one occurrence.
- (c) The terms of this insurance, including those with respect to:
  - (i) our right and duty to defend any action seeking those compensatory damages; and
  - (ii) your duties in the event of an occurrence, claim or action, apply irrespective of the application of the deductible amount.
- (d) We may pay any part or all of the deductible amount to effect settlement of any claim or action and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

Except as specifically modified by this coverage, the terms, conditions, exclusions and limits of liability of the policy are unchanged.

**DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS**

We will defend you against any suit, which makes claims against you for which you are insured under Coverage I – Legal Liability and which alleges bodily injury or property damage and seeks compensatory damages, even if it is groundless, false or fraudulent. We reserve the right to investigate, negotiate and settle any claims suit if we decide this is appropriate.

In addition to the limit of insurance under Coverage I – Legal Liability, we will pay:

- (1) all expenses which we incur;
- (2) all costs charged against you in any suit insured under Coverage I – Legal Liability;
- (3) any interest accruing after judgement on that part of judgement which is within the amount of insurance of Coverage I – Legal Liability;
- (4) premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the amount of insurance, but we are not obligated to apply for or provide these bonds;
- (5) expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this policy.

## EXCLUSIONS

You are not insured for claims made or actions brought against you for:

- (1) Bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading, unloading or entrustment to others of any motorized vehicle, trailer or watercraft, including the equipment of any of them, except those for which coverage is provided under Motorized Vehicle Liability, Trailer Liability, Watercraft Liability in this section of the policy. This exclusion does not apply to Employer's Liability.
- (2) Bodily Injury or property damage arising from the ownership, maintenance, use, operation, loading, unloading or entrustment to others of any aircraft or air cushion vehicle.
- (3) Bodily injury or property damage arising from the ownership existence, maintenance, use or operation of any property used as an airport or aircraft landing strip and all necessary or incidental operations.
- (4) Property damage to:
  - (a) Property owned by you or by any person residing in your household other than a residence employee.
  - (b) Property you use, occupy or lease, property in your care, custody or control, or property as to which you are for any purpose exercising physical control, except property for which coverage is provided under Tenants Legal Liability in this section of the policy.
  - (c) Personal property or fixtures as a result of work done on them by you or anyone on your behalf.
- (5) Property damage you cause while you are unlawfully on premises of others, or any obligation to share compensatory damages with or repay someone else who must pay compensatory damages for property damage arising out of acts committed by you or such other person while unlawfully on premises of others.
- (6) Bodily injury to you or to any person residing in your household other than a residence employee.
- (7) Bodily injury if you are an organization to any exclusive officer, partner. Director or shareholder of the organization or the spouse or relative of any of them, if such person resides on the farm premises.
- (8) Bodily injury arising out of abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological or emotional abuse, molestation, or harassment, including corporal punishment caused directly or indirectly by:
  - (a) any insured person;
  - (b) any insured person having knowledge of such an activity taking place;
  - (c) any insured person failing to prevent such an activity from taking place;
  - (d) or at the direction of any insured person;
  - (e) any person who is an employee, volunteer or invitee of any insured person;nor are you insured for any claim or action for negligence, vicarious liability, occupiers liability, fiduciary duty, breach of trust abuse of authority, or any other obligation of an insured person arising from:
  - (a) employment, including failure to adequately or properly investigate the prior employment history of,
  - (b) supervision of,
  - (c) continuing employment of, or
  - (d) failure to report to the proper authorities where allegations of abuse or molestation have been made against any person involved with or subject to allegations of any conduct as described in this Exclusion 9.
- (9) Bodily injury or property damage arising out of any business or business use of the insured premises except as may otherwise be specified in this policy.
- (10) Bodily injury or property damage arising out of the rendering of or failure to render any professional service.
- (11) Bodily injury or property damage caused directly or indirectly by any intentional or intentional act or failure to act by:
  - (a) any insured person, or
  - (b) any other insured person at the direction of any insured person.
- (12) Bodily injury or property damage caused by an animal you own or for which you are responsible and which, prior to the occurrence which gives rise to the claim, has been declared under any law, bylaw or municipal ordinance to be a dangerous animal.
- (13) Liability you have assumed under any contract or agreement except those for which coverage is provided under contractual liability in this section of the policy. This exclusion does not apply to bodily injury or property damage for which you would have been legally liable in the absence of the contract or agreement and for which you are insure by this policy.
- (14) Bodily injury to any employee if the bodily injury arising out of and in the course of his or her employment by you, except as provided for under employer's liability in this section of the policy. This exclusion does not apply to employees on whose behalf you are making or are required to make contributions under the provisions of any

workers compensation law.

- (15) Bodily injury or property damage arising from premises you own, rent, use or occupy, other than the insured premises, but this exclusion does not apply to the grazing of your livestock on other premises.
  - (16) Bodily injury or property damage arising out of custom farming, including property in transit in connection with custom farming', unless it is shown on the Declarations that custom farming is insured.
  - (17) Property damage to goods or products manufactured, sold, handled or distributed by you arising out of such goods or products or any part of them.
  - (18) Property damage to work performed by you or on your behalf arising out of such work or any part of it.
  - (19) Bodily injury or property damage arising out of the products hazard, but this exclusion does not apply to farm products other than:
    - (a) manufactured products including fertilizers, herbicides, pesticides or other chemicals;
    - (b) blended or processed seeds or feed; and
    - (c) fish, or poultry products, processed or frozen meat, fruit or vegetables where the sale of such products exceeds 10% of the total farm product sales.
  - (20) Bodily injury or property damage arising or resulting from any substance released or discharged from any aircraft.
  - (21) Sickness, disease or death of animals arising from your feed lot operations, if any.
  - (22) Bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on your behalf of:
    - (a) any draft or saddle animal or attached conveyance:
      - (i) for charge or remuneration;
      - (ii) while entrusted to others;
      - (iii) the carrying of passengers for hire or gain or under any other arrangement; or
    - (b) any livestock away from the insured premises while on the grounds of any race-track or any premises for race or rodeo.
  - (23) Bodily injury or property damage arising out of the ownership, maintenance, use, operation or the entrustment to others by or on your behalf of:
    - (a) any premises used for the purpose of boarding animals or any riding stable, riding arena or riding academy, or
    - (b) any premises used for the purpose of any rodeo, draft or saddle animal race or a gymkhana or similar equestrian event or activity, unless coverage is shown on the Declarations.
  - (24) Bodily injury or property damage arising out of any activity in violation of ordinance or law.
  - (25) (a) Bodily injury or property damage arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere or any water of any description no matter where located or how contained, or into any watercourse, drainage or sewage system, but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental. The words sudden and accidental mean an unexpected and unintentional discharge, dispersal, release, release or escape which is detected by any person within 120 hours after the commencement of the discharge, dispersal, release or escape;
  - (b) The cost of removing, nullifying, containing, treating, detoxifying, neutralizing or cleaning up pollutants, except such cost as may be incurred as part of claims not excluded under 26(a) above.
- Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconciled or reclaimed.
- This Exclusion (26) does not apply to:
- (a) Smoke or fumes from a "hostile fire" meaning a fire which becomes uncontrollable or breaks out from where it was intended to be.
  - (b) Accidental chemical drift from spraying operations on your own crops, other than by means of an aircraft, which results in damage to growing crops on neighbouring land belonging to others, provided you could not reasonably have expected such drift to occur.
  - (c) Limited Pollution Liability provided under Coverage I – Legal Liability.
- (26) (a) property damage to products manufactured, sold, handled or distributed by you or work performed by or for you, arising out of such products or work or any part thereof, or
  - (b) a loss of use of tangible property which has not been physically injured or destroyed resulting from:
    - (i) a delay in or lack of performance by you or on your behalf of any contract or agreement, or



- (ii) the failure of your products or work performed by your or on your behalf to meet the level of performance, quality, fitness or durability warranted or represented by you;
- (27) any loss, cost or expense incurred by you for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
  - (a) products manufactured, sold or distributed by you, or
  - (b) work performed by or for you, arising out of such product or a part of such product if that product or work is withdrawn from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it;
- (28) Bodily injury or property damage arising out of your coaching of or officiating at sporting activities or events for which you receive remuneration,
- (29) Bodily injury sustained by any person while in or on or getting onto or alighting from any motorized vehicle, trader, farm machinery or equipment or watercraft or as a result of being struck by any motorized vehicle, trailer farm machinery or equipment or watercraft, except those for which coverage is provided under motorized vehicle liability, watercraft liability, and trailer liability in this section of the policy.
- (30) This insurance does not apply to:
  - (a) Bodily injury or property damage arising out of resulting from, caused or contributed by:
    - (i) transmissible Spongiform Encephalopathies (here after referred to as TSE),
    - (ii) exposure to TSE, or
    - (iii) exposure to any item that is known or suspected to cause, contribute to or enable TSE;
  - (b) the cost of abatement, mitigation, removal or disposal of feed, feed additives or animals, or of any premises or equipment handling such items, as a result of any known or suspected connection between such items and TSE, or
  - (c) any costs related to a person's abatement mitigation or removal of, or testing medical monitoring, medical costs or cure for TSE.

This exclusion also includes:

- (a) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- (b) any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or any sequence to the loss, damage, cost or expense.

- (31) (a) the erasure, destruction, corruption, misappropriation, misinterpretation of data, or erroneously creating, amending, entering, deleting or using data, including any loss of use arising from any of these actions or events; or
- (b) the distribution or display of data, by means of any internet website, the internet, extranet, or similar device system designed or intended for electronic communication of data.
- (32) (a) any injury, damage, loss, cost or expense, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any fungi or spores however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of fungi or spores or
- (b) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with (a) above; or
- (c) any obligation to pay damages, share damages with or repay someone else who must pay damages, because of such loss, cost or expense referred to (a) or (b) above.

This exclusion applies regardless of the cause of the injury, damage, loss, cost or expense or whether other causes acted concurrently or in any sequence to produce the injury, damage, loss, cost or expense.

**If an act or activity of an insured person comes within the scope of any of the Exclusions set out above, no insured person will be insured by this policy for any claims made or actions brought arising out of such act or activity.**

## **COVERAGE J – VOLUNTARY MEDICAL PAYMENTS**

We will pay reasonable medical expenses incurred within one (1) year of the date of accident. If you unintentionally injure another person or if they are accidentally injured on the insured premises this coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses. Medical expenses for residence and farm employees are insured.

The limit of insurance shown on the Declarations for Coverage J – Voluntary Medical Payments is the maximum amount we will pay for each person in respect to one accident or occurrence.

### **EXCLUSIONS**

- (1) We will not pay:
  - (a) expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract;
  - (b) your medical expenses or those of persons residing with you, other than residence and farm employees; or
  - (c) medical expenses of any person covered by any workers' compensation statute.
- (2) We will not pay for medical expenses arising out of:
  - (a) the ownership, use or operation of any motorized vehicle, trailer, farm machinery or equipment or watercraft, except those for which coverage is provided in this section of the policy;
  - (b) the ownership, use or operation of any aircraft or air cushion vehicle or premises used as an airport or landing strip, and all necessary or incidental operations;
  - (c) your business or any business use of the insured premises except as may otherwise be specified in this policy;
  - (d) the rendering or failure to render any professional service; or
  - (e) the transmission of communicable disease, including Acquired Immune Deficiency Syndrome, by any insured person.

### **PROOF AND AUTHORIZATION OF CLAIM**

If requested by us, you shall arrange for the injured person to:

- (1) give us, as soon as possible written proof of claim, under oath if requested;
- (2) submit to physical examination at our expense by doctors we select as often as we may reasonably require; or
- (3) authorize us to obtain medical and other records.

Proofs and authorizations may be given by someone acting on behalf of the injured person.

## **COVERAGE K – VOLUNTARY PROPERTY DAMAGE**

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by an insured person 12 years of age or under.

The limit of insurance shown on the Declarations for Coverage K – Voluntary Property Damage is the maximum amount we will pay for anyone accident or occurrence.

### **EXCLUSIONS**

You are not insured for claims:

- (1) Resulting from the ownership, use or operation of motorized vehicles, farm implements, watercraft or a craft.
- (2) For property you or your tenants own, use or rent.
- (3) Which are measured under any other section of this policy.
- (4) Caused by the loss of use, disappearance or theft of property.
- (5) Arising out of your business or any business use of your premises.

### **BASIS OF PAYMENT**

We will pay whichever is the least of the following:

- (1) The Actual Cash Value of the property at the time of loss.
- (2) What it would cost to repair or replace the property with materials of similar quality at the time of loss.
- (3) The amount shown on the Coverage Summary page for Coverage K – Voluntary Property Damage. We may pay

for the loss of money or may repair or replace the property, and may settle any claim for loss of property either with you or the owner of the property. We may take over any salvage if we wish within sixty (60) days after the loss, you must submit to us (under oath if required) a proof of loss form containing the following information:

- (a) the amount, place, time and cause of loss;
- (b) the interest of all persons the property affected
- (c) the Actual Cash Value of the property at the time of loss

If necessary, you must help us verify the damage.

## **COVERAGE L – VOLUNTARY COMPENSATION FOR EMPLOYEES**

### **ADDITIONAL DEFINITIONS**

As used in this coverage:

- (1) Employee means your residence employee or farm employee as shown on the Declarations and any person claiming or acting on their behalf.
- (2) Weekly Indemnity means two-thirds of the employee's weekly wage at the time of the accident, but not exceeding the weekly indemnity shown on the Declarations.

### **INSURING AGREEMENTS**

We offer to pay the benefits described below if your farm employee is injured or dies because of an accident while working for you even though you are not legally liable for the injuries or death.

We offer to pay the benefits described below if your residence employee is injured or dies because of an accident while working for you even though you are not legally liable for the injuries or death.

This insurance applies only to accidents which occurred during the term of this policy.

If your employee does not accept these benefits or sues you, we may withdraw our offer, but this will not affect your legal liability insurance provided by Coverage I – Legal Liability.

An employee who accepts these benefits must sign a release giving up any right to sue you. We have the right to recover from anyone, other than you, who is responsible for the employee's injury or death. An insured employee will, if requested:

- (1) Submit to physical examination at our expense by doctors we select as often as we may reasonably require.
- (2) Authorize us to obtain medical and other records.

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

### **EXCLUSIONS**

We will not pay benefits:

- (1) unless your employee was actually performing duties for you when the accident happened;
- (2) for any hernia injury;
- (3) for injury or death caused by war, invasion, act of a foreign enemy, civil war, rebellion, revelation, insurrection or military power.

### **SCHEDULE OF BENEFITS**

- (1) **Loss of Life.** If your employee dies from injuries received in the accident within the following 25 weeks we will pay:
  - (a) To those wholly dependent upon such employee, a total of 100 times the weekly indemnity in addition to any benefit for Temporary Total Disability paid up to the date of death.
  - (b) Actual funeral expenses up to \$500.
- (2) **Temporary Total Disability.** If your employee becomes temporally totally disabled from injuries received in the accident within the following fourteen (14) days and cannot work at any job, we will pay week indemnity up to 26 weeks while such disability continues. We will not pay for the first seven (7) days unless the disability lasts for six (6) weeks or more.
- (3) **Permanent Total Disability.** If your employee becomes permanently and totally disabled from injuries received in the accident within the following 26 weeks and cannot work at any job, we will pay weekly indemnity for 100 weeks in addition to benefits provided under Temporary Total Disability.

- (4) **Injury Benefits.** If, as a result of the accident, your employee suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, we will pay weekly indemnity for the number of weeks shown. These benefits will be paid in addition to Temporary Total Disability Benefits but no others and for not more than 104 times the weekly indemnity.

For loss of:

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

- (5) **Medical Expenses.** If, as a result of the accident, your employee incurs medical expenses including surgical, dental, hospital, nursing and ambulance expenses within the following 26 weeks, we will pay up to a maximum of \$1,000 in addition to all other benefits.

We will pay the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5,000.

We will not pay expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract.

We will not pay your medical expenses or those of persons residing with you, other than residence or farm employees.

We will not pay medical expenses of any person covered by any workers' compensation statute.

## **COVERAGE M – LEGAL LIABILITY FOR DAMAGE TO FARM BUILDINGS AND STRUCTURES**

### **INSURING AGREEMENT**

We will pay sums which you become legally liable to pay as compensatory damages because of accidental property damage to buildings or structures on the farm premises which you do not own and which you are renting, using, occupying or have in your care, custody or control. The limit of insurance shown on the Declarations is the maximum amount we will pay for any one accident regardless of the number of:

- (1) persons insured;
- (2) claims made or actions brought; or
- (3) persons or organizations making claims or bringing actions.

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

The provisions for defense, settlement and supplementary payments as set out under Coverage I – Legal Liability are applicable to Coverage M – Legal Liability for Damage to Farm Buildings and Structures.

### **EXCLUSIONS – LOSS OR DAMAGE NOT INSURED**

You are not insured for claims made or actions brought against you:

- (1) Arising out of property damage caused intentionally by you or at your direction.
- (2) For liability you have assumed under any contract or agreement unless you would have been liable even if no contract or agreement had been in force.
- (3) For damage to residential premises, including their contents, for which you are insured under Tenants Legal Liability as described in Coverage I – Legal Liability.

## STATUTORY CONDITIONS

**Statutory Conditions 1 to 15 inclusive apply with respect to insurance on the Property in Section I & II.  
Statutory Conditions 1,3,4,5, and 15 only apply with respect to Legal Liability in Section III.**

- (1) **Misrepresentation.** 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.
- (2) **Property of Others.** 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 in the contract.
- (3) **Change of Interest.** The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession by operation of law, or by death.
- (4) **Material Change.** 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 (15) 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.
- (5) **Termination.**
  - (a) This contract may be terminated,
    - (i) by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or five (5) days' written notice of termination personally delivered;
    - (ii) by the Insured at any time on request.
  - (b) Where this contract is terminated by the Insurer,
    - (i) 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
    - (ii) 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.
  - (c) 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 the expired time be deemed to be less than any minimum retained premium specified.
  - (d) The refund may be made by money, postal or express company money order or cheque payable at par.
  - (e) The fifteen (15) days mentioned in clause (a) (i) 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.
- (6) **Requirements After The Loss.**
  - (a) 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
    - (i) forthwith give notice thereof in writing to the Insurer;
    - (ii) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
      - (1) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, cost, actual cash value and particulars of amount of loss claimed,
      - (2) 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,
      - (3) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,
      - (4) showing the amount of other insurances and the names of other Insurers,
      - (5) 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,
      - (6) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
      - (7) showing the place where the property insured was at the time of loss;

- (iii) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
  - (iv) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (b) The evidence furnished under clauses (a) (iii) and (iv) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.
- (7) **Fraud.** 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.
- (8) **Who May Give Notice and Proof.** Notice of loss may be given and proof of loss may be made 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 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.
- (9) **Salvage.**
  - (a) 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 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.
  - (b) 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 (a) of this condition according to the respective interests of the parties.
- (10) **Entry, Control, Abandonment.** 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.
- (11) **Appraisal.** 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 therefor is made in writing and until after proof of loss has been delivered.
- (12) **When Loss Payable.** The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.
- (13) **Replacement.**
  - (a) 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 thirty (30) days after receipt of the proofs of loss.
  - (b) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.
- (14) **Action.** 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.
- (15) **Notice.** 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 to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression registered means registered in or outside Canada.

## ADDITIONAL CONDITIONS

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The following conditions apply to Section I – Property Coverages, Section II – Farm Property Coverages and Section III – Liability Coverage of this policy.

(1) **What To Do When An Event Happens**

When an event happens that may result in a claim under this policy, you must tell us about it in writing as soon as possible. The details you should include are:

- (a) your name,
- (b) your policy number,
- (c) where and when the event happened,
- (d) what happened and how,
- (e) who was hurt or had their property damaged,
- (f) how serious the injuries or damage were,
- (g) what you did immediately afterwards, and
- (h) the names and addresses of any witnesses.

(2) **What To Do When A Claim Is Made Against You**

When you are told you are being held responsible for the results of an event, you must let us know as soon as possible. Any kind of written notice should be passed on to us immediately. You must help us look into any claim made against you for legal liability. If we ask you to, you must also help us settle the claim or defend you against it. You must not do or say anything without our agreement that might be seen as accepting responsibility for an event.

(3) **Broken Conditions**

If you break a condition of this policy, we will not hold it against you if it happened before a loss, and:

- (a) you prove to us it had nothing to do with the loss; or
- (b) it happened somewhere beyond your control.

(4) **Other Insurance Policies**

If anyone claiming against this policy for a loss has other insurance which applies to the same loss, we will calculate the amount this policy will pay in one of the following ways:

- (a) **Primary.** The other insurance may say it will pay only the part of a loss which is more than all other policies will pay. In that case, we will pay up to the compensation limit of this policy.

Example:

Suppose this policy insures your contents and has a \$250 deductible. An employee's gold cigarette lighter, worth \$500, is stolen from the premises. The employee has a Homeowners policy with a \$100 deductible which covers theft of personal effects temporarily away from his dwelling. The Homeowners policy has a condition saying it will only pay for the part of the loss which is more than can be collected under any other policy. This policy would pay \$250 (that is, the lighter's value less the \$250 deductible). The employee's policy would pay \$150 (that is, this policy's deductible less his policy's deductible). The remaining \$100 would be uninsured.

- (b) **Equal Shares.** The other insurance may say it will pay the share of a loss equal to the total loss divided by the number of policies at risk. In that case, we will pay on the same basis as the other policy, up to this policy's compensation limit.

Example:

A fire destroys the building you lease to a furniture wholesaler. Due to a misunderstanding, both you and the tenant took out building insurance. Both policies insure the building for \$250,000. The tenant's policy contains an equal shares condition. This policy will pay \$125,000 (that is, \$250,000 divided by the number of policies), less the deductible. The tenant's policy would pay \$125,000 less any deductible.

- (c) **In Proportion To Limits.** The other insurance may say it will pay the share of a loss equal to its limit of insurance divided by the total amount of all policies at risk. In that case, we will pay on the same basis as the other policy, up to this policy's compensation limit.

Example:

Your day's takings are being carried by a security firm to the bank when a robbery takes place. The total amount stolen is \$25,000, of which \$5,000 is yours. Suppose the security firm's robbery insurance has a \$45,000 limit, and this policy has a money limit of \$5,000. The security firm's policy has an In Proportion To Limits condition. This policy will pay one-tenth of the loss (that is, \$5,000 divided by \$50,000) less the deductible. The security firm's policy will pay the other nine-tenths.

- (d) **Other Cases.** In all other cases, we will pay as though any other policies are on an equal shares basis.

(5) **Protection Against Inflation**

- (a) **Coverages Priced on Gross Receipts.** At the end of each policy period, we will calculate the price for extending the period another year on the basis of:
- (i) the estimated gross receipts for the twelve (12) month period just ended, plus five (5) per cent, or
  - (ii) if greater, your estimate of the gross receipts of the business for the next twelve (12) months.
- (b) **Coverages Priced on Replacement Cost.** At the end of each policy period, we will calculate the price for extending the period another year on the basis of:
- (i) the replacement cost for the twelve (12) month period just ended, plus five per cent, or
  - (ii) if greater, the replacement cost for the twelve (12) month period just ended, plus the inflation rate over the same period for the type of property as published by Statistics Canada, or
  - (iii) if greater, your estimate of the current replacement cost.

(6) **Reducing Losses**

You must do everything you reasonably can to:

- (a) get back lost or stolen property; and
- (b) start normal operations again as soon as possible.

We will compensate you for all necessary extra expenses that result. The extra expenses must not be more than the value of the property lost or stolen or the saving in gross profits.

(7) **Safeguards**

If you have told us about safeguards which exist to prevent or reduce losses to the business, you must keep all those safeguards in good working condition during the policy period. You must tell us immediately if you learn of any flaw in the safeguards, or if any of the safeguards are removed. If there is a major reduction in the quality of the safeguards, we may charge you extra, we may reduce some of the coverages, or we may cancel the policy.

(8) **Valuation of Property**

Except when we specifically say some other basis of valuation or loss settlement will apply, we will not compensate you for more than the depreciated value of property at the time of loss.