

HARVESTED GINSENG ROOT

We insure your harvested ginseng root listed on the Declaration Page and/or Supplementary Schedule subject to the terms and conditions of this policy in consideration of the premium shown on the Declaration page. Coverage begins once the ginseng root is harvested including transportation from the field, during the curing process and while in storage at the location(s) shown on the Declaration Page and not elsewhere.

There is no coverage for unharvested ginseng. This form is subject to 80% co-insurance clause.

This Policy consists of two Sections:

SECTION I describes the insurance on your harvested ginseng root (property).

SECTION II describes the General Policy Conditions applicable to this insurance.

ADDITIONAL DEFINITIONS

Harvested ginseng root shall include ginseng that has been dug and barrels used to store and ship the ginseng in.

Burglary shall mean the felonious abstraction of insured property from within structures, storage barns or kilns, only at location(s) indicated on the Declarations Page of this Policy, by a person(s) making felonious entry therein or exit therefrom by actual force and violence as evidenced by visible marks on the perimeter of the structures, storage barns or kilns, at the place of such entry or exit.

SECTION I – PROPERTY COVERAGE

INSURED PERILS

We insure your harvested ginseng root against “all risks” of direct physical loss or damage, subject to the Loss or Damage Not Insured section below.

LOSS OR DAMAGE NOT INSURED

We do not insure loss or damage:

- (1) to property illegally acquired, kept, stored, transported or property subject to forfeiture;
- (2) to property seized or confiscated for breach of contract, breach of law or by any order of public authorities, unless such property is destroyed to prevent the spread of fire;
- (3) caused by infidelity, misappropriation, secretion, conversion or dishonesty of you or your employees or persons to whom your property is entrusted;
- (4) to property insured caused by or resulting from radioactive contamination, however caused;
- (5) caused by war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (6) to growing crops or crops not harvested;
- (7) caused by delay, loss of use, or loss of market;
- (8) caused by theft, unless the loss is a result of “burglary” as defined herein;
- (9) from mysterious disappearance or any loss or shortage disclosed on taking inventory;
- (10) to ginseng root caused by any disease, including but not limited to: red root, botrytis, cylinrocarpon root rot, phytophthora root rot, rhizoctonia crown or root rot, or root knot nematode.
- (11) caused by wear and tear, deterioration, latent defect, gradual deterioration, faulty material, design or workmanship, inherent vice, mechanical or electrical breakdown or failure, corrosion, rust, moths, rodents or vermin, wet or dry rot, mould, freezing, heating, or extremes or changes in temperature, or improper curing, drying or storage.
- (12) resulting from rough handling, inadequate packing or improper preparation;
- (13) caused by or resulting from dampness or dryness of atmosphere, shrinkage, evaporation, loss of weight, leakage of contents, marring, scratching, crushing, or from discolour, mould, rust, frost, rot, soured, corrosion, exposure to light, contamination, change in flavour, taste, colour, texture or finish;
- (14) caused by neglect of the Insured to use all reasonable means to save, preserve and protect the property before, during or after a loss.

BASIS OF LOSS SETTLEMENT

We will pay whichever is the least of the following:

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

Deductible

We are responsible only for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of deductible shown on the Declaration Page of this Policy in any one occurrence.

Co-Insurance

We will not be liable in the event of loss or damage for any greater proportion of such loss or damage than the amount hereby insured bears to 80% of the actual cash value of the property insured at the time such loss or damage occurs. If this policy covers two or more items, this condition applies to each item separately.

Any loss or damage shall not reduce the amount of insurance provided by this policy.

Minimum Premium

The premium shown in the Declaration Page of this Policy is Provisional only and will be adjusted after the ginseng has been shipped, subject to a 30% retained annual premium. In the event that you cancel this insurance at any time, the minimum retained premium will be 30% of the annual premium as calculated by us, but in no event shall be less than \$250 per account.

Average Distribution Clause

The amount of insurance shall attach in each building or kiln on each premise in the proportion that the value of such produce in each building on each premises bears to the value of all harvested ginseng owned or stored by you.

Ginseng In Transit

The amount of insurance for harvested ginseng shown in the Declaration Page of this Policy is extended to cover ginseng in transit on land vehicles from farm to farm or from farm to curing location or storage location only, while in the Province of Ontario up to a limit of \$50,000 or the amount shown on the Declaration Page, per occurrence, whichever is less. There is no coverage under this extension of coverage once you sell the ginseng.

Ginseng Sold But Not Delivered

We will insure harvested ginseng stored in structures, buildings or kilns on your premises as shown on the Declaration Page of this Policy for which you are legally responsible under the terms of any contract.

Insurance Under More Than One Policy

If you have other insurance on harvested ginseng, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is fully exhausted.

SECTION II - GENERAL POLICY CONDITIONS

Misrepresentation

If in applying for this insurance You falsely describe or misrepresent or fraudulently omit to communicate any circumstance that is material to be made known to the Us this policy shall be void.

Change of Interest

This policy shall be void if at any time after the commencement of this insurance:

- (a) Your business is wound up or carried on by a liquidator or receiver or permanently discontinued; or
- (b) Your interest in the property insured under this policy ceases otherwise than by death, unless its continuance be permitted by endorsement signed by or on behalf of Us.

Material Change

Any change material to the risk and within Your control and knowledge avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to Us; and We, when so notified may return the unearned portion, if any, of the premium paid and cancel the policy, or may notify You in writing that, if You desire the contract to continue in force, You must, within fifteen days of the receipt of the notice, pay to Us an additional premium, and in default of such payment the policy shall no longer be in force and We shall return the unearned portion, if any, of the premium paid.

Termination of Insurance:

- (1) This contract may be terminated:
 - (a) by Us giving You fifteen day notice of termination by registered mail, or five days written notice of termination personally delivered;
 - (b) by You at any time on request.
- (2) Where this contract is terminated by Us:
 - (a) We shall refund the excess of premium actually paid by You 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
 - (b) retained premium specified; and
 - (c) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by You, We shall refund as soon as practicable the excess of premium actually paid by You 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.
- (4) The refund may be made by money, postal or express company money order, or by cheque payable at par.
- (5) The fifteen days mentioned in clause (a) of subparagraph (1) commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Requirements after Loss

- (a) You shall give immediate notice to Us of any accident, occurrence or loss that may give rise to a claim under this policy
- (b) Within sixty days following the date of damage or destruction giving rise to a claim under this Policy, unless such time is extended in writing by Us, You shall render a proof of loss, verified by statutory declaration stating Your knowledge and belief as to the following:
 - i. The time and origin of the loss or damage giving rise to a claim under this Policy
 - ii. The interest of You and of all others in property insured under this policy;
 - iii. Any changes in the title, nature, location, encumbrance or possession of the location(s) described on the Declaration Page;
 - iv. The particulars of Your claim and stating that the loss of or damage to the insured property did not occur through any willful act or neglect or the procurement, means or connivance of You.
- (c) You shall produce and furnish to Us, or such person as shall be designated by Us, such books of accounts and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, computer records or certified copies if originals are lost, and shall permit extracts and copies to be made thereof, explanation and other evidence as may reasonably be required by Us for the purpose of investigating or verifying the claim.
- (d) You shall produce for examination to Us, or any person designated by Us, all that remains of any property insured under this Policy.
- (e) You shall submit to an examination under oath, and shall produce for examination at such reasonable places and times as maybe designated by Us or any person designated by Us all documents in Your possession or control that relate to the matters in question, and You shall permit extracts and copies to be made thereof.

Notice To Police: In the event of loss by suspected vandalism or burglary you shall give immediate notice to the police or other law enforcement agency having jurisdiction.

Claims

No claim under this policy shall be payable unless the terms of subparagraph 10.5 have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to Us forthwith.

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 declaration.

Who May Give Notice and Proof

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

Appraisal

In the event of disagreement as to the amount to be paid under this policy (liability being otherwise admitted), such disagreement shall be referred to and resolved by appraisal as provided under *The Insurance Act*. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after a proof of loss has been delivered.

When Loss Payable

The loss shall be payable within sixty days after completion of the proof of loss.

Action

Every action or proceeding against Us for the recovery of any claim under or by virtue of this policy shall be absolutely barred unless commenced within one year next after the date upon which the loss or damage occurred.

Notice to Us

Written notice to Us may be delivered at or sent by registered mail to:
Heartland Farm Mutual Inc. 100 Erb Street East
Waterloo, Ontario
N2J 1L9

Notice to You

Written notice to You may be delivered at or sent by registered mail to Your latest post office address as notified to Us. In this condition the expression "registered" means registered in or outside Canada.