Agro Pak

For farming and ranching operations

www.sgicanada.ca

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Agro Pak

Your Agro Pak policy is made up of a Cover Page and one or more of SGI CANADA's policy booklets or riders. The Cover Page shows the property that is insured and the policy booklets or riders that apply.

Coverage	**Booklets/Riders**
Dwelling(s), Belongings, and Special Belongings	Home/Mobile Home or Tenant/Condominium booklet, General Dwelling Protector booklet, Special Coverages booklet or as shown on the Cover Page
Farm Property	Agro Pak booklet or Specialty (Agro) Riders
Liability	Agro Pak booklet

The Dwellings/Belongings section of the Agro Pak policy covers dwellings and/or belongings used for personal use only, unless permission is granted on the Cover Page. There is a **very limited outbuilding** provision within the Home or Tenant/Condominium booklet.

All buildings or structures located on the **Farm Premises** (as defined) must be covered under the Farm Property section of the Agro Pak policy. Any property associated with the farm business operation, either completely or partially must be covered under Farm Property. Property related to any business or occupation other than farming is not covered, unless permission is granted on the Cover Page.

Where a Home/Mobile Home, Tenant/Condominium or General Dwelling Protector booklet is issued as part of an Agro Pak policy to cover a dwelling or belongings, the liability coverage of that booklet is replaced by Comprehensive Farmer's Liability of the Agro Pak booklet.

Insurance cannot be a source of profit. It is only designed to indemnify you against actual losses or expenses incurred by you or for which you are liable.

Farm Property
A. General Section

(Applicable to all Coverages in the Coverage Section)

Insuring Agreement

SGI CANADA, a division of SGI (hereinafter called the Insurer) agrees with the Named Insured (hereinafter called the Insured), subject to the terms, provisions and conditions hereof, that if the property described on the Cover Page and defined hereunder or any part thereof in this policy shall be lost, destroyed or damaged by the perils insured against as defined and limited hereunder, or endorsed hereon, all as hereinafter provided, the Insurer will indemnify the Insured against such direct loss or damage, without allowance for any increased cost of repair or reconstruction by reason of any law regulating construction or repair, to an amount not exceeding, whichever is the least of:

a. the actual cash value of the property at the time of loss, destruction or damage, considering the age and condition of the property immediately before the loss, destruction or damage, the obsolescence, the resale value and the normal life expectancy;

b. the interest of the Insured in the property;

c. the applicable amount of protection shown on the Cover Page for each coverage, and subject to any *pro rata* provision hereof.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total limit of liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount of protection shown on the Cover Page.

All claims will be settled directly with the Insured(s) named on your Cover Page. Only the Insured(s) named on your Cover Page may make a claim against this policy and may take action against us.

Claims presented for loss or damage by any Insured(s) shall be considered to be made by all named or unnamed Insured(s) jointly. Action(s) of any Insured either individually or jointly shall be considered action(s) by all for the purpose of investigation and settlement of losses.

Declaration of Emergency Endorsement

(Extension of Termination or Expiry Date)

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an **Emergency** is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The **Emergency** must have a direct effect or impact on:

   a) the Insured, the insured site or insured property located in the declared emergency area; or

   b) the operations of the Insurer or its agent/broker located in the declared emergency area.

2. a) Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the **Emergency** is terminated plus the lesser of:

      i) 30 days; or

      ii) the number of days equal to the total time the **Emergency** order was in effect.

   b) If this policy is due to expire during an **Emergency**, it will continue in force until the **Emergency** is terminated plus the lesser of:

      i) 30 days; or

      ii) the number of days equal to the total time the **Emergency** order was in effect.

3. In no event shall the total term of the extension exceed 120 consecutive days.

   The Insured agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

4. Definitions:

   Emergency is defined as the first statutory declaration of an emergency:

   a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or

   b) as provided for by the relevant governing legislation if different from a) but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

Definitions as used in Farm Property

Business Pursuits means any trade, profession or occupation, enterprise or activity (not directly relating to the farming operation) which is undertaken for the purpose of financial gain or other compensation.

Custom Farming means the use of farm machinery or implements for others for charge or remuneration or the performance of any farm-related work for others for charge or remuneration. Custom farming shall include seed cleaning, feedlots, seeding, summerfallowing, swathing, combining, rock picking and harvesting. Custom farming shall not include crop-share or similar arrangements. Custom farming shall exclude any custom application or spraying of chemicals and/or fertilizers.

Data means representations of information or concepts, in any form.

Data Problem means:

a. erasure, destruction, corruption, misappropriation, misinterpretation of **data**;

b. error in creating, amending, entering, deleting or using **data**; or

c. inability to receive, transmit or use **data**.

Farm Premises or premises means the location(s) shown on the Cover Page and includes all farm land owned by, rented, or leased to the Insured within the province, or within 40 kilometers of the provincial borders, but only within the territorial limits of Canada.

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 **spores** or resultant mycotoxins, allergens or pathogens.

Insured means the person(s), corporation or limited company specified as Named Insured(s) on the Cover Page. Insured also includes the following unnamed persons living in the same household; his or her spouse, common-law spouse and relatives of either, and any permanent member of the household who does not pay board or rent.

Spores includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any **fungi**.

Terrorism means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Vacant means no longer used for any purpose. Buildings are considered vacant when contents, associated with the customary use of the building, have been removed. Unsecured, abandoned buildings are vacant even where some contents may remain in the building.

Extensions of Cover

The following Extensions of Cover shall not increase the amounts of protection applying under this policy to the property damaged or destroyed, unless otherwise specifically stated:

1. **Removal:** If any of the insured property is necessarily removed from the **farm premises** (as defined) to prevent loss or damage or further loss or damage thereto, that part of the insurance under this policy that exceeds the amount of the Insurer's liability for any loss already incurred, shall, for seven days only, or for the unexpired term of this policy if less than seven days, cover the property removed, and any property remaining at the **farm premises** (as defined), in the proportion which the value of the property in each of the respective locations bears to the value of the property in them all.

2. **Removal of Debris:** This policy covers expenses incurred in the removal of debris of the farm property covered, occasioned by loss or damage to such farm property, for which coverage is afforded under this policy.

   This policy will also indemnify the Insured for expenses incurred to remove the property of others, excluding trees, shrubs and plants, which has been blown by windstorm upon the **farm premises** (as defined), when it is coincidental with other loss or damage insured by this policy.

   Removal of debris expenses shall not be considered in the determination of actual cash value or replacement cost for the purpose of applying the Co-Insurance Clause.

General Exclusions

This policy does not cover loss or damage:

1. caused by or arising from:
   a. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.
   b. seizure or confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
   c. loss or damage caused by a nuclear incident as defined in the *Nuclear Liability Act*.
   d. loss or damage caused by contamination by any radioactive material.
2. caused by or resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the insured or other party of interest, his or their employees or agents or any persons to whom the property may be entrusted (bailees for hire excepted) or any mysterious disappearance or loss or shortage disclosed upon taking inventory.
3. caused by the neglect of the Insured to use all reasonable means to save and preserve the property at and after a loss caused by any peril insured against.
4. caused by a criminal or wilful act or omission of the Insured, including acts done for the Insured by someone else.
5. to buildings and/or structures and any other property caused directly or indirectly, in whole or in part, by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic or the possession of any substances or items of any kind which constitutes a criminal offense, whether or not you have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the premises to facilitate such illegal activity.
6. a. caused directly or indirectly, in whole or in part, by any fungi or spores.
   b. for the cost or expense of any testing, monitoring, evaluating or assessing of fungi or spores.

7. to the property insured caused directly or indirectly, in whole or in part, by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism** except for ensuing loss or damage, which results directly from fire or explosion of natural, coal or manufactured gas. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
8. a. to **data**;

   b. caused directly or indirectly by **data problem**, regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage. However, if loss or damage caused by **data problem** results in the occurrence of further loss or damage to property insured that is directly caused by fire, explosion, smoke or water damage, where coverage is provided and described in the Coverage Section, this exclusion b. shall not apply to such resulting loss or damage.
9. to any outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), and all contents of the same structure if caused by or resulting from the use of the heating unit.
10. wind turbine systems including all related equipment and structures manufactured for a rated power generation exceeding 1kW unless coverage is shown on the Cover Page.

General Conditions

1. **Notice of Loss:** Where the loss is due to burglary, robbery, theft or larceny or attempt thereat, or malicious damage or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.
2. **Valuation and Replacement:** Unless otherwise provided the Insurer shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value with the proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
3. **No Benefit to Bailee:** It is warranted by the Insured that this insurance shall not directly or indirectly benefit any carrier or other bailee, unless such coverage is provided by this policy.
4. **Subrogation:** It is expressly agreed that upon payment of any claim, or advancement or loan of money concerning the same that the insured will, at the request and expense of the Insurer and also through such legal representation as the Insurer may designate, make claim upon and institute legal proceedings against any party believed to be liable for the loss and will use all proper and reasonable means to recover the same.
5. **Reinstatement:** Any loss hereunder shall not reduce the amount of this insurance for the rest of the policy term.
6. **Pair and Set:** In case of loss of, or damage to, any article or articles which are part of a pair or set, whether scheduled or unscheduled, the measure of loss or damage to such article(s) shall be a reasonable and fair proportion of the total value of the pair or set, but in no event shall such loss or damage be construed to mean total loss of the pair or set.
7. **Property Consisting of Several Parts:** In the case of loss of, or damage to, any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer shall only be liable for the insured value of the part lost or damaged, including the cost of installation.
8. **Duty of Insured After Loss:** It is the duty of the Insured in the event that any property insured hereunder is lost, damaged, or destroyed to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute *pro rata* towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

9. **Other Insurance:**
   The Insurer is not liable:

   a. for more than the portion of any loss or damage covered by this policy which the applicable limit of this policy bears to the total amount of insurance covering against the peril of fire, irrespective of whether or not such other insurance gives insurance in respect of the perils covered by this policy, whether by endorsement or otherwise.

   b. where such other insurance does not insure against loss or damage by fire, for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if this policy had not been effected.

   c. in case of loss or damage to property otherwise specifically insured, or in the case of loss by theft, for more than the excess (if any) of any loss or damage over the applicable limit of any insurance taken by or in the name of any person whose property is covered by this policy which would attach if this policy had not been effected.

   If this policy covers 2 or more items, these provisions apply to each item separately.

10. **Canadian Currency:** All limits of insurance, premiums, and other amounts as expressed in this policy are in Canadian currency.

Deferred Loss Settlement Clause

It is agreed between the Insurer and the Insured, that the following shall be applicable to any building(s) insured by this policy, where shown on the Cover Page as being **Subject to the Deferred Loss Settlement Clause**:

1. The Insurer shall only be liable under this policy for 50% of the amount otherwise payable in respect to the designated building(s) damaged or destroyed by fire or lightning.
2. Notwithstanding the above limitation, the Insurer will pay to the Insured up to an additional 50% of such amount otherwise payable, with interest on such additional payment at the rate of 3% per annum from the sixtieth day after completion of proofs of loss, if and when within nine months of the date of the damage or destruction, the Insured furnishes evidence satisfactory to the Insurer that the Insured has expended in repairing or rebuilding such building on or within 65 meters of its original site, a sum not less than the total sum claimed by the Insured under Clauses 1 and 2 hereof.
3. In the event that the Insured does not repair or rebuild in accordance with the provisions of Clause 2 hereof, the Insurer shall have no liability in respect of loss beyond that set out in Clause 1 hereof, but the Insured shall be entitled, upon written request, to a refund of premium paid based on the balance of the applicable amount of protection after deduction of the Insurer's loss payment.
4. In the event of there being other insurance covering the said building(s), the Insurer shall not be liable for more than the above percentage of its rateable proportion of the loss, which shall be payable to the Insured at the time and subject to the same terms and conditions as herein before set out.

Dent Clause

It is agreed between the Insurer and Insured, that the following shall be applicable to any building(s) insured by this policy, where shown on the Cover Page as being **Subject to the Dent Clause**:

We do not pay for damage to metal roofs or siding of buildings or structures caused by hail, whether driven by wind or not, unless such cover is punctured by hail.

Liberalization Clause

Should the Insurer adopt any revision which would broaden coverage without any additional premium during the policy period, the broadened coverage will immediately apply.

Permission Clause

Permission is hereby granted:

a. to make alterations, additions and repairs not material to the risk.

b. to do such work and to keep and use such articles, materials, equipment and supplies as usual and necessary to the conduct of farming.

c. for motor vehicles to enter the buildings for the purpose of loading or unloading.

d. for the storage of motor vehicles and machinery in any building insured by this policy.

Policy Franchise Clause

Loss or damage to insured dwellings/belongings and/or farm property of this policy:

a. where the insured loss or damage involves multiple types of properties, eg. dwelling/belongings and farm buildings or farm buildings and machinery etc., the application of any deductible shall be waived, if the amount of the loss or damage exceeds $25,000.

b. the Franchise Clause cannot be used if a Special Deductible applies or to any loss or damage caused by sewer back up and/or water escape.

No Heat Warranty Clause

It is agreed between the Insurer and the Insured, that the following shall be applicable to any building(s) insured by this policy, where shown on the Cover Page as being **Subject to the No Heat Warranty Clause**:

> It is warranted by the Insured that no heat will be used in this building during the term of this policy. If this warranty is in any way disregarded, coverage afforded to this building shall be null and void with respect to any claim which occurs as a direct result of the use of any heat, heating or cooking device.

No Solid Fuel Heat Warranty Clause

It is agreed between the Insurer and the Insured, that the following shall be applicable to any building(s) insured by this policy, where shown on the Cover Page as being **Subject to the No Solid Fuel Heat Warranty Clause**:

> It is warranted by the Insured that no solid fuel heat will be used in this building during the term of this policy. If this warranty is in any way disregarded, coverage afforded to this building shall be null and void with respect to any claim which occurs as a direct result of the use of solid fuel heat, heating or cooking device.
>
> Except as otherwise provided, all terms, provisions and conditions of this policy shall have full force and effect.

Salvage Material Value Clause

It is agreed between the Insurer and the Insured, that the following shall be applicable to any building(s) insured by this policy, where shown on the Cover Page as being **Subject to the Salvage Material Value Clause**:

> In the event of loss or damage, and repairs are not or can not be made or if the cost of repairs exceeds the amount of protection, the value of loss shall be based on the building's value as salvage at the time of loss, excluding all labour costs.

Optional Coverage

Voluntary Fire Fighting Coverage

(Applicable if indicated on the Cover Page)

This policy covers fire department charges, where a fire department is called because of a fire in, on, or exposing insured property covered by this policy, or to property adjacent to the **farm premises** (as defined), however the Insurer shall not be liable for more than the Amount of Protection shown on the Cover Page. Payment of any charges will be made to the fire department. There is no deductible for this coverage. The Amount of Protection shown is a policy limit.

B. Coverage Section

Beekeepers

Honey Producers
(Applicable if indicated on the Cover Page)

Leafcutter Producers
(Applicable if indicated on the Cover Page)

Description of Property Insured

Scheduled Cover

This policy covers property owned by the Insured and usual to the Insured's farming operation, while in all situations, except as herein provided, while such property is within the territorial limits of Canada and specifically described on the Cover Page.

Definitions

Stock of Honey shall include unprocessed and processed honey while contained in any building or while contained in barrels.

Hives shall include raw honey contained herein and honey bees, including all stages of development; **hives** are defined as being 1 or 2 brood chambers plus a maximum of 6 supers.

Adult Bees or Cocoons shall mean leafcutter bees and cocoons, including all stages of development.

Nesting Boards and Shelters shall mean nesting boards and shelters used in conjunction with a leafcutter operations.

Beekeeping Equipment shall include portable or mobile beekeeping equipment and supplies used in conjunction with the beekeeping operation, excluding mobile machinery and implements.

Occupied Farm means the dwelling at the farm yard site is occupied as a principal residence.

Unoccupied Farm means the dwelling at the farm yard site is not occupied as a principal residence, or there is no dwelling at the yard site.

Perils Insured

Cover Code F – Fire

This policy insures against loss or damage caused directly by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire.**
2. **Lightning** – excluding loss or damage to electrical appliances or devices.
3. **Explosion of natural, coal or manufactured gas**.

Cover Code G – Fire and Extended Coverage

This policy insures against loss or damage caused directly by the perils shown in Cover Code **F** plus the following named perils, where the symbol **G** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Lightning** – including loss or damage to electrical appliances or devices.
2. **Explosion or Implosion**.
3. **Smoke –** shall mean smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney.
4. **Impact by Aircraft, Spacecraft or Land Vehicle.**
5. **Riot, Vandalism or Malicious Acts.** However, there is no liability upon the Insurer for loss or damage:
   a. directly or indirectly caused by theft or attempted theft.
   b. to glass constituting part of a building or structure.

c. caused by any tenant, tenant's guests, tenant's employees, or members of their households.

d. caused by the Insured, his employees or members of their households.

6. **Windstorm or Hail.**

7. **Ravaging by bears.**

8. **Theft or Attempt Thereat.** However, there is no liability upon the Insurer for loss or damage:

   a. caused by the Insured, his employees or members of their households.

   b. caused by any tenant, tenant's guests, tenant's employees, or members of their households.

   c. caused by any mysterious disappearance or loss or shortage disclosed upon taking inventory.

9. **Transportation –** means direct physical loss or damage to property insured caused by collision, upset, overturn, derailment, stranding, sinking or burning, on any land vehicle or regular ferry or which is in or on railway cars or transfers in connection therewith.

Optional Extension

(Applicable to Cover Code G only)

1. If coverage for adult bees/cocoons has been extended on the Cover Page to include **windstorm or hail** in the open field, exclusion 1. (c) is deleted in its entirety.

Exclusions

(Applicable to Cover Codes F and G)

This policy does not cover loss or damage:

1. Caused by windstorm or hail:

   a. directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: flood, high water, overflow, tidal wave, waterborne objects, waves, ice, ice load, snow load, land subsidence, landslip.

   b. to property contained within a building or structure; unless, (subject always to the exclusions in (1) hereof), the damage occurs concurrently with and results immediately from an aperture in the building caused by windstorm or hail.

   c. to adult bees or cocoons in the open field.

2. To property occasioned by or happening through their undergoing any process or while actually being worked upon and where loss or damage is due thereto.

3. To property contained in any building or structure at an **unoccupied farm** (as defined) when the farm yard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted on the Cover Page.

4. Caused by electrical currents other than lightning, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.

5. To property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority.

6. Caused by dishonesty of employees or any persons to whom the property is entrusted (carriers for hire excepted).

7. Caused by delay or loss of market.

8. Caused by shifting of the load in the transporting conveyance, poor or insufficient packing or rough handling, breakage, marring or scratching.

Special Limits of Liability

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount so determined there shall be deducted the amount shown on the Cover Page, **except with respect to loss or damage to any of the insured property while located in the open field by any of the following perils:**

a. windstorm or hail;

b. riot, vandalism or malicious acts;

c. theft or attempt thereat;

d. ravaging by bears;

in which event(s) the deductible applied shall be $2,500 or the amount shown on the Cover Page; whichever is the greater.

Loss or damage to hives caused by **ravaging by bears** shall be subject to the deductible shown on the Cover Page, where the bee yard is protected with an electric fence.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on such property insured, for which a separate amount of protection is shown on the Cover Page, equivalent to at least 80% of the actual cash value of such property insured, and that should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

In the event that the amount of the loss to any property to which this clause applies, shall be less than $2,500 or less than 5% of the amount of protection applicable to such property, whichever is the lesser, the Insurer agrees to waive the application of this clause.

Loss Adjustment Clause

(Applicable to Adult Bees and Cocoons)

Where coverage is provided for adult bees and cocoons while in the open field, and loss or damage is caused directly by an insured peril while such bees or cocoons are in the open field, the following adjustment clause shall apply:

> Under the terms of this policy, there is no loss where the number of cocoons recovered during the season is equal to or greater than the number of adult bees released at the beginning of the season.

Buildings

(Applicable if indicated on the Cover Page)

Description of Property Insured

A. Blanket Cover

This policy covers buildings and structures, including permanently attached fixtures and equipment forming a part thereof and pertaining to the use thereof, owned by the Insured and usual to the Insured's farming operation and located on the **farm premises** (as defined); excluding the following:

1. any dwelling which qualifies for coverage or is insured under Dwellings and Belongings of this policy.
2. any building or mobile home intended for use in whole or in part for human habitation purposes.
3. any building or structure used as a greenhouse.
4. any building or structure where wall or roof construction consists of tarp, polyethylene or similar covering.
5. windmills, roof signs, television or radio or satellite dish antennas and their towers, equipment, and appurtenances, in the open whether or not attached to an insured building or structure.

6. any of the following buildings or structures:
   a. poultry barns housing more than 500 birds.
   b. swine barns housing more than 100 swine.
   c. dairy barns housing more than 20 dairy cows.
   d. seed cleaning buildings.
   e. P.M.U. barns.
   f. buildings housing exotic livestock, game or fowl.
   g. beekeeping buildings and related property.
   h. silos.
   i. elevators, elevator annexes, terminals and warehouses.
7. any vacant building or structure.
8. any building or structure under construction.
9. fences and corrals, except if attached to and forming an integral part of an insured building or structure; and then, for the peril of fire only.
10. any other building or structure separately described and specifically insured in whole or in part by this or any other insurance policy.
11. any building or structure used in whole or in part for **business pursuits** (as defined) or used in connection with any **custom farming** (as defined), except as provided in the Extension of Cover applicable to Blanket and Scheduled Cover.

Extensions of Blanket Cover

1. This extension covers building materials and supplies intended solely for use in construction, alteration, or repair of buildings and structures located on the **farm premises** (as defined). Coverage is provided at the location and at the time the insured takes possession of such materials and supplies. Coverage applies while in transit to the **farm premises** (as defined), except while in transit by a common carrier, for the same perils applicable to the insured buildings and for collision, upset or overturning of a transporting conveyance.
   (Applicable to Cover Code F and G)
2. This extension covers damage to the insured buildings caused by theft or attempt thereat and theft related damage committed on the same occasion up to a maximum limit of $5,000 any 1 occurrence.
   (Applicable to Cover Code G only)

B. Scheduled Cover

This policy covers buildings and structures, including permanently attached fixtures and equipment forming a part thereof and pertaining to the use thereof, owned by the Insured and usual to the Insured's farming operation, located on the **farm premises** (as defined) and specifically shown on the Cover page; excluding, any building or structure used in whole or in part for **business pursuits** (as defined) or used in connection with any **custom farming** (as defined), except as provided in the Extension of Cover applicable to Blanket and Scheduled Cover, unless permission is granted on the Cover Page.

Extensions of Scheduled Cover

1. This extension covers building materials and supplies intended solely for use in construction, alteration, or repair of scheduled buildings and structures insured by this policy, while located on the **farm premises** (as defined). Coverage provided is for no more than the actual cash value of the property, subject to a maximum of 10% of the current total scheduled building(s) value.
   (Applicable to Cover Code F, G and Z4)
2. This extension insures newly acquired building(s) acquired subsequent to the effective date and during the current term of this policy. Coverage provided shall apply automatically. The Insurers limit of liability for this extension shall be for no more than the actual cash value of the building, nor for more than $50,000; whichever is lesser.

The coverage provided by this extension is for a period of 30 days only from the date of purchase or acquisition of the building(s). This extension for newly acquired buildings is not subject to the Co-insurance Clause.
(Applicable to Cover Code F, G and Z4)

3. This extension covers damage to the insured buildings caused by theft or attempt thereat and theft related damage committed on the same occasion up to a maximum limit of $5,000 any 1 occurrence.
(Applicable to Cover Code G only)

Extension of Blanket and Scheduled Cover

Permission is hereby granted for **custom farming use** (as defined), by the Insured, of buildings and structures insured by this policy and subject to the exclusions herein; and then only:

(a) while on the **farm premises** (as defined); and

(b) where remuneration received for such **custom farming** (as defined) does not exceed $10,000 gross receipts in total during the policy term.

Building Contents

(Applicable if indicated on the Cover Page)

Description of Property Insured

A. Blanket Cover

This policy covers contents usual to a farming operation, owned or used by the Insured and for which the Insured is legally liable, while contained in buildings or structures, located on the **farm premises** (as defined); excluding:

1. any personal belongings which qualify for coverage or are insured under Dwellings and Belongings or Special Belongings of this policy.
2. contents of any of the following buildings or structures:
   a. poultry barns housing more than 500 birds.
   b. swine barns housing more than 100 swine.
   c. dairy barns housing more than 20 dairy cows.
   d. seed cleaning buildings.
   e. P.M.U. barns.
   f. buildings housing exotic livestock, game or fowl.
   g. beekeeping buildings and related property.
   h. silos.
   i. elevators, elevator annexes, terminals and warehouses.
   j. buildings or structures used as a greenhouse.
   k. buildings or structures where wall or roof construction consists of tarp, polyethylene or similar covering.
   l. vacant buildings or structures.
   m. buildings or structures under construction.
3. animals, livestock, poultry, fish, bees; poultry or dairy products, processed or frozen meat, or honey.
4. a. motorized vehicles including licensed or unlicensed automobiles, trucks, campers, house trailers, motorcycles, trailers, dirt bikes, go-carts, midget automobiles, golf carts, dune buggies, snowmobiles, all-terrain vehicles or any other similar motorized items not otherwise specifically mentioned herein and including aircraft, hang gliders, ultra lights or other similar aircraft of any name, including furnishings, equipment or appurtenances of any of the foregoing.
   b. watercraft and their motors and equipment.
   c. mobile machinery and implements including all equipment therefore attached or otherwise. Repair parts are not excluded, unless otherwise insured.

5. permanently attached fixtures and equipment forming part of any building or structure.
6. fodder, produce, grain and seed.
7. liquefied petroleum gas, gasoline, benzine, diesel fuel and naphtha.
8. **tools** (as defined) in this booklet.
9. semen and semen tanks.
10. fertilizers, herbicides, and pesticides, except as provided by the Extensions of Blanket and Scheduled Cover.
11. building contents where removed from any building or structure, except as provided by the Extensions of Blanket and Scheduled Cover.
12. any property separately described and specifically insured in whole or in part by this or any other insurance policy, except as provided by the Extensions of Blanket and Scheduled Cover.
13. building contents used in whole or in part for **business pursuits** (as defined) or used in connection with any **custom farming** (as defined), except as provided by the Extensions of Blanket and Scheduled Cover.

B. Scheduled Cover

This policy covers contents usual to a farming operation, owned or used by the Insured and for which the Insured is legally liable, while contained in buildings or structures, located on the **farm premises** (as defined) and specifically shown on the Cover Page; excluding:

1. any personal belongings which qualify for coverage or are insured under Dwellings and Belongings or Special Belongings of this policy.
2. contents of any of the following buildings or structures, unless specifically scheduled and coverage granted on the Cover Page:
   a. poultry barns housing more than 500 birds.
   b. swine barns housing more than 100 swine.
   c. dairy barns housing more than 20 dairy cows.
   d. seed cleaning buildings.
   e. P.M.U. barns.
   f. buildings housing exotic livestock, game or fowl.
   g. beekeeping buildings and related property.
   h. silos.
   i. elevators, elevator annexes, terminals and warehouses.
   j. buildings or structures used as a greenhouse.
   k. buildings or structures where wall or roof construction consists of tarp, polyethylene or similar covering.
   l. vacant buildings or structures.
   m. buildings or structures under construction.
3. animals, livestock, poultry, fish, bees; poultry or dairy products, processed or frozen meat, or honey.
4. a. motorized vehicles including licensed or unlicensed automobiles, trucks, campers, house trailers, motorcycles, trailers, dirt bikes, go-carts, midget automobiles, golf carts, dune buggies, snowmobiles, all-terrain vehicles or any other similar motorized items not otherwise specifically mentioned herein and including aircraft, hang gliders, ultra lights or other similar aircraft of any name, including furnishings, equipment or appurtenances of any of the foregoing.
   b. watercraft and their motors and equipment.
   c. mobile machinery and implements including all equipment therefore attached or otherwise. Repair parts are not excluded, unless otherwise insured.

5. permanently attached fixtures and equipment forming part of any building or structure.
6. fodder, produce, grain and seed.
7. liquefied petroleum gas, gasoline, benzine, diesel fuel and naphtha, unless specifically scheduled on the Cover Page.
8. **tools** (as defined) in this booklet.
9. semen and semen tanks.
10. fertilizers, herbicides, and pesticides, except as provided by the Extensions of Blanket and Scheduled Cover.
11. building contents where removed from any building or structure, except as provided by the Extensions of Blanket and Scheduled Cover.
12. any property separately described and specifically insured in whole or in part by this or any other insurance policy, except as provided by the Extensions of Blanket and Scheduled Cover.
13. building contents used in whole or in part for **business pursuits** (as defined) or used in connection with any **custom farming** (as defined), except as provided by the Extensions of Blanket and Scheduled Cover or unless specifically scheduled and coverage granted on the Cover Page.

Extensions of Blanket and Scheduled Cover

1. The Insured may apply up to 10% of the amount of protection shown for building contents, to cover fertilizers, herbicides, and pesticides while contained in any fully enclosed building located on the **farm premises** (as defined); and then, for loss by fire only.
2. The Insured may apply up 10% of the amount of protection shown for building contents, subject otherwise to the limitations and exclusions applicable thereto, to cover building contents while in the open on the **farm premises** (as defined), or temporarily removed for service, repair, or adjustment.
3. The Insured may apply up to 10% of the amount of protection shown for building contents or $1,000; whichever is the lesser, subject otherwise to the limitations and exclusions applicable thereto, to cover poultry including chickens, turkeys, geese and ducks, of any maturity, usual to mixed farming operations; and then, for the peril of fire only.
4. Permission is hereby granted for **custom farming use** (as defined), by the Insured, of building contents insured by this policy and subject to the exclusions herein; and then only:
   (a) while on the **farm premises** (as defined); and
   (b) where remuneration received for such **custom farming** (as defined) does not exceed $10,000 gross receipts in total during the policy term.
5. The Insured may apply up to 10% of the amount of protection shown for building contents to cover veterinary supplies while located in any dwelling located on the farm premises.

Definitions

Occupied Farm means the dwelling at the farm yard site is occupied as a principal residence.

Unoccupied Farm means the dwelling at the farm yard site is not occupied as a principal residence, or there is no dwelling at the yard site.

Perils Insured

Buildings and Building Contents

Cover Code F – Fire

This policy insures against loss or damage caused directly by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire.**
2. **Lightning** – excluding loss or damage to electrical appliances or devices.

3. **Explosion of natural, coal or manufactured gas.**

Cover Code G – Fire and Extended Coverage

This policy insures against loss or damage caused directly by the perils shown in Cover Code **F** plus the following named perils, where the symbol **G** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Lightning** – including loss or damage to electrical appliances or devices.
2. **Explosion or Implosion.**
3. **Smoke –** shall mean smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney.
4. **Impact by Aircraft, Spacecraft or Land Vehicle.**
5. **Riot, Vandalism or Malicious Acts.** However, there is no liability upon the Insurer for loss or damage:
   a. directly or indirectly caused by theft or attempted theft.
   b. to glass constituting part of a building or structure.
   c. caused by any tenant, tenant's guests, tenant's employees, or members of their households.
   d. caused by the Insured, his employees or members of their households.
6. **Windstorm or Hail.**

Cover Code G is further extended, but only for property insured under Building Contents Blanket or Scheduled Cover, to include loss or damage caused directly by the following perils, as defined and limited:

1. **Theft or Attempt Thereat.** However, there is no liability upon the Insurer for loss or damage:
   a. caused by the Insured, his employees or members of their households.
   b. caused by any tenant, tenant's guests, tenant's employees, or members of their households.
   c. caused by any mysterious disappearance or loss or shortage disclosed upon taking inventory.
2. **Transportation –** means direct physical loss or damage to property insured caused by collision, upset, overturn, derailment, stranding, sinking or burning, on any land vehicle or regular ferry or which is in or on railway cars or transfers in connection therewith.

Cover Code Z4 – All Risk

This policy insures against all risks of direct physical loss or damage from any external cause, except as herein provided, where the symbol **Z4** appears in the **Cover Code** column opposite the item(s) described on the Cover Page.

Exclusions

(Applicable to Cover Codes F and G)

This policy does not cover loss or damage:

1. Caused by windstorm or hail:
   a. directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: flood, high water, overflow, tidal wave, waterborne objects, waves, ice, ice load, snow load, land subsidence, landslip.
   b. to the interior of a building or structure or to property contained therein; unless, (subject always to the exclusions in (1) hereof), the damage occurs concurrently with and results immediately from an aperture in the building or structure caused by windstorm or hail.
   c. to buildings or structure in course of construction or while being dismantled, unless permission is granted elsewhere in this policy to complete construction or to dismantle such building or structure.

d. to buildings or structures in transit.

e. to buildings or structures, or to property contained therein, not fully enclosed on all sides.

f. to walls or roofs of buildings or structures constructed of or covered with straw, hay, tar paper, tarp or similar covering.

2. To property occasioned by or happening through their undergoing any process or while actually being worked upon and where loss or damage is due thereto.

3 To any building or structure that has been **vacant** (as defined) for more than 30 consecutive days, unless permission for vacancy is granted on the Cover Page.

4. To property contained in any building or structure at an **unoccupied farm** (as defined) when the farm yard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted on Cover Page.

5. Caused by windstorm to buildings or structures while raised off their foundations.

6. Caused by electrical currents other than lightning, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.

7. To property illegally acquired, kept, stored or transported, or property seized of confiscated for breach of any law or by order of any public authority.

8. Caused by 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 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 or 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 test, but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;

   vi) gas turbines.

Exclusions

(Applicable to Cover Code Z4)

This policy does not cover loss or damage caused directly or indirectly by:

1. Earthquake, except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment.

2. Flood, including waves, tides, tidal waves, and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment or from a water main.

3. a. Seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains unless concurrently caused by a peril not otherwise excluded.

   b. The entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless through an aperture concurrently caused by a peril not otherwise excluded.

4. Snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment.

5. Centrifugal force, mechanical or electrical breakdown or derangement in or on the premises, unless fire ensues and then only for the loss or damage caused by such ensuing fire.

6. 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 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 or 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 test, but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion.

   vi) gas turbines.

7. Dampness or dryness of atmosphere, freezing, extremes or changes of temperature, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in flavor or colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused by fire, lightning, smoke, windstorm, hail, explosion, strike, riot, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, rupture of pipes or breakage of apparatus not excluded under exclusion (6) hereof, vandalism or malicious acts, theft or attempt thereat or accident to transporting conveyance.

8. Settling, expansion, contraction, moving, shifting or cracking of buildings unless concurrently caused by a peril not otherwise excluded.

9. Smoke from agricultural smudging or industrial operations.

10. Moles, mice, vermin, insects, rodents, raccoons, skunks, domesticated animals, unless directly caused by a peril otherwise insured and not otherwise excluded under this policy.

11. Delay, loss of market, indirect or consequential loss of any kind resulting in loss of revenue.

12. Proximately or remotely, arising in consequence of or contributed to by the enforcement of any bylaw, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which bylaw, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.
13. Windstorm or hail:
    i) to buildings or structures in course of construction or while being dismantled, unless permission is granted on the Cover Page to complete construction or to dismantle such building or structure.
    ii) to buildings or structures in transit.
    iii) to buildings or structures, or to property contained therein, not fully enclosed on all sides.
    iv) to walls or roofs of buildings or structures constructed of or covered with straw, hay, tar paper, tarp or similar covering.
14. Windstorm to buildings or structures while raised off their foundations.

Nor does this policy insure:

15. Wear and tear, gradual deterioration or depreciation, latent defect or inherent vice.
16. The cost of making good:
    i) faulty or improper material;
    ii) faulty or improper workmanship;
    iii) faulty or improper design;

    provided, however, to the extent otherwise insured and not otherwise excluded under this policy, resultant damage to the property is insured.
17. Loss or damage sustained to the property insured while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of the property insured, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion.
18. Loss or damage to goods while undergoing any process involving the application of heat.
19. Loss or damage, whether direct or indirect, nor any clean up cost incurred resulting from any spill, discharge or seepage of a pollutant/ contaminant, but this exclusion does not apply to loss or damage to the property insured caused by an insured peril or to expenses covered under the Extensions of Cover for removal of debris.
20. To any building or structure that has been **vacant** (as defined) for more than 30 consecutive days, unless permission for vacancy is granted on the Cover Page.
21. Loss or damage to property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority.
22. Loss or damage to electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage.

Vacancy Permit

(Applicable if Cover Code FK or GK indicated on the Cover Page)

Where the symbols **FK** or **GK** appear in the **Cover Code** column on the Cover Page, the corresponding insured perils of Cover Code **F** or **G** will apply respectively, with permission for the described buildings or structures to remain vacant. It is understood and agreed between the Insurer and the Insured that the buildings or structures shall be under the supervision and care of some competent person during the term of vacancy, and the doors and windows shall be securely closed and locked and all rubbish removed from the buildings or structures; otherwise, this coverage shall be null and void.

Special Limits of Liability

Deductible

(Applicable to Buildings and Building Contents, whether insured on a Blanket or Scheduled Cover Basis)

Each claim for loss or damage shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page. If the loss or damage involves 2 or more items with different deductibles, only 1 deductible, the highest, will be used.

Co-Insurance

(Applicable to Buildings and Building Contents, whether insured on a Blanket or Scheduled Cover Basis)

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on property insured, for which a separate amount of protection is shown on the Cover Page, equivalent to at least 80% of the actual cash value of such property, excluding however, property insured by the Extensions of Cover pertaining to each coverage. Should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

In the event that the amount of the loss to any property to which this clause applies, shall be less than $2,500 or less than 5% of the amount of protection applicable to such property, whichever is the lesser, the Insurer agrees to waive the application of this clause.

Replacement Cost Clause

(Applicable only to Buildings as provided herein)

At the request of the Insured, it is understood and agreed that in the event of loss, with respect only to the property to which this clause is applicable, settlement shall be based on the cost of repairing, replacing or reinstating (whichever is the least) with material of like kind and quality without deduction for depreciation.

The foregoing shall be subject, otherwise, to all terms, conditions and limitations of this policy (including any amendments) and to the following additional provisions:

1. The repairs or replacement must be executed with due diligence and dispatch.
2. Until repair, replacement or reinstatement has been effected, the applicable amount of protection in respect of the loss shall be limited to that which would have existed without this clause. Liability shall in no event exceed the actual expenditure for repairs, replacement or reinstatement.
3. If repair, replacement or reinstatement with material of like kind and quality is restricted or prohibited by any bylaw, ordinance or law, any increased cost of repair, replacement or reinstatement due thereto shall not be covered by this clause.
4. If replacement is necessary, it must be on the same site or adjacent thereto.
5. Any other insurance effected by or on behalf of the Insured in respect to the perils insured against on the property to which this clause is applicable shall be upon the identical basis of **Replacement Cost** as set forth herein.
6. Failing compliance by the Insured with the obligations imposed by any of the foregoing provisions, this clause shall be null and void.
7. If the property, to which this clause is applicable is subject to a Co-Insurance Clause requiring a stated percentage of insurance to value to be maintained, the **actual cash value** for the purpose of applying said Co-Insurance Clause to such property shall be calculated on the basis of Replacement Cost without deduction for depreciation.
8. If the amount insured hereunder is divided into 2 or more items, this clause shall apply separately to each item to which it is applicable.

With respect to Scheduled Buildings Cover, this clause applies only to those buildings or structures, where shown on the Cover Page, as being insured subject to this Replacement Cost Clause.

With respect to Blanket Buildings Cover, this clause applies to such buildings or structures as have been designated by the Insured on the Farm Property Blanket Coverage list or Application form or otherwise on file with the Insurer, or on file in the brokers' office as outlined in the Agency/Broker – Company Agreement.

Fertilizer and Chemicals

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy covers fertilizers and chemicals, usual to a farming operation, owned and intended for the Insured's own use, while in all situations, except as herein provided, while such property is within the territorial limits of Canada.

Perils Insured

Cover Code W – Broad Named Perils

This policy insures against loss or damage caused directly by the following named perils, where the symbol **W** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion of natural, coal or manufactured gas.**
3. **Cyclone, Tornado, Windstorm or Hail**, while the property is stored in fully enclosed buildings, structures, or tanks.
4. **Accidental collision** of the transporting conveyance with any other vehicle or object (the coming together of railway cars or trucks and trailers during coupling or uncoupling shall not be deemed a collision within the meaning of this policy).
5. **Upset or Overturn** of the transporting conveyance.
6. **Theft or Attempt Thereat**, from within a fully enclosed building, structure, or tank, or while the property is in transit, but not as a result of any mysterious disappearance or loss or shortage upon taking inventory.

   Coverage for theft or attempt thereat for fertilizer and chemicals in transit is restricted to transportation from the supplier to the **farm premises** (as defined) and is deemed to have ended upon reaching the farm premises, regardless if the fertilizers and chemicals remain on the transporting conveyance.
7. **Vandalism or Malicious Acts.**

Exclusions

(***Applicable to Cover Code W)***

This policy does not cover loss or damage:

1. To property before delivery has been accepted by the Insured.
2. Caused by or resulting from strike, lockout, labour disturbances, riot, civil commotion, or the acts of any person(s) taking part in any such occurrence or disorder.
3. To property while undergoing any process or while actually being worked upon and where loss or damage is due thereto.
4. To property while stored in any commercial warehouse, unless permission is granted on the Cover Page.

Special Limits of Liability

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance equivalent to at least 80% of the actual cash value of such property insured, and that should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

Locked Access Warranty Clause

In respect to loss or damage by theft only:
It is hereby understood and agreed, that coverage for loss of property is provided only when all storage facilities such as buildings, tanks, and pumps have been securely locked when not in use.

Fodder

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy covers fodder owned by the Insured, (including prepared feed and supplements, silage (bagged or otherwise), grain screenings, and straw used for feed or bedding) baled, stacked or piled in the open or in any building or open-sided structure, while in all situations, while such property is within the territorial limits of Canada.

Extension of Cover

The Insured may apply up to 10% of the amount of protection shown for fodder or $1,000, whichever is the lesser, to cover loose hay in the open; and then, for loss by fire only.

Perils Insured

Cover Code F – Fire

This policy insures against loss or damage caused directly by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion of natural, coal or manufactured gas.**

Cover Code W – Broad Named Perils

This policy insures against loss or damage caused directly by the following named perils, where the symbol **W** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion of natural, coal or manufactured gas.**
3. **Cyclone, Tornado, Windstorm or Hail**, while the property is stored in fully enclosed buildings, structures, or tanks.
4. **Accidental collision** of the transporting conveyance with any other vehicle or object (the coming together of railway cars or trucks and trailers during coupling or uncoupling shall not be deemed a collision within the meaning of this policy).
5. **Upset or Overturn** of the transporting conveyance.
6. **Theft**, from within a fully enclosed building, structure, or tank, or while the property is in transit, but not as a result of any mysterious disappearance or loss or shortage disclosed upon taking inventory.
7. **Vandalism or Malicious Acts.**

Exclusions

(Applicable to Cover Code F and W)

This policy does not cover loss or damage:

1. To property before delivery has been accepted by the Insured.
2. Caused by or resulting from strike, lockout, labour disturbances, riot, civil commotion, or the acts of any person(s) taking part in any such occurrence or disorder.
3. To property while undergoing any process or while actually being worked upon and where loss or damage is due thereto.
4. To property while stored in any commercial warehouse, unless permission is granted on the Cover Page.

Special Limits of Liability

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance equivalent to at least 80% of the actual cash value of such property insured, and that should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

Grain

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy covers whole threshed grain and seed usual to a farming operation, owned by the Insured while in all situations, except as herein provided, while such property is within the territorial limits of Canada.

Grain (Customer's)

If an amount of protection is shown for **grain (customer's)** on the Cover Page, then this policy is extended to cover whole threshed grain and seed, incidental to farming operations, owned by others, that is in the care, custody, or control of the Insured.

Perils Insured

Cover Code F – Fire

This policy insures against loss or damage caused directly by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion of natural, coal or manufactured gas.**

Cover Code J – Broad Named Perils

This policy insures against loss or damage caused directly by the following named perils, where the symbol **J** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire, Lightning or Explosion.**
2. **Cyclone, Tornado, Windstorm or Hail**, while the property is stored in fully enclosed buildings or structures.
3. **Accidental collision** of the transporting conveyance with any other vehicle or object.
4. **Upset or Overturn** of the transporting conveyance.
5. **Theft**, from within a fully enclosed building or structure, or while the property is in transit, but not as a result of any mysterious disappearance or loss or shortage disclosed upon taking inventory.

Extensions of Cover

1. **Rail transportation –** The Insurer agrees to reimburse the Insured for the Insured's financial interest for grain transported directly on rail cars.
   (Applicable to Cover Code J only)
2. The Insured may apply up to $1,000 to cover standing or swathed grain and seed crops against loss by fire only.

Exclusions

(Applicable to Cover Codes F and J)

This policy does not cover loss or damage:

1. To property in any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant, unless permission is granted on the Cover Page.
2. To property which has been delivered to any railway company for transportation purposes, except as provided under the Extensions of Cover.

3. Caused by or resulting from strike, lockout, labour disturbances, riot, civil commotion, or the acts of any person(s) taking part in any such occurrence or disorder.
4. To property while undergoing any process involving the application of heat, where the cause of loss is such application, unless fire ensues, and then, for loss or damage caused by such ensuing fire only.
5. To property while being stored within a bin ring, grain bag or other temporary enclosure, unless loss or damage is caused by fire, lightning or explosion.
6. Grain screenings used for or intended to be used for feed.

Special Limits of Liability

Other Insurance

The Insurer shall not be liable for loss if, at the time of loss or damage, there is other valid and collectible insurance which would attach if this insurance had not been effected; except, that this insurance shall apply only as excess and in no event as contributing insurance, and then only after such other insurance has been exhausted.

Irrigation Equipment

(Applicable if indicated on the Cover Page)

Description of Property Insured

Scheduled Cover

This policy covers irrigation equipment, including all equipment pertaining thereto **(excluding repair parts)**, owned by the Insured, usual to a farming operation and located on the **farm premises** (as defined); excluding:

1. Buildings or structures, underground property including wells, water supply, dams, piping, wiring; and
2. The cost of excavation for same.

Perils Insured

Cover Code H – All Risk

This policy insures against all risks of direct physical loss or damage from any external cause, except as herein provided, where the symbol **H** appears in the **Cover Code** column opposite the item(s) described on the Cover Page.

Exclusions

(Applicable to Cover Code H)

This policy does not cover loss or damage:

1. Caused by or arising from wear, tear, gradual deterioration, mechanical breakdown, mechanical defect, or inherent vice or defect, scraping, scratching, corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature, moles, mice, vermin, insects, rodents, raccoons, skunks and domesticated animals.
2. Caused by or arising from any repairing, adjustment, servicing or maintenance operation, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
3. Caused by short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
4. To tires, tubes or tracks, unless loss or damage is caused by fire, lightning, explosion, windstorm, vandalism, or theft, or is coincident with other loss or damage insured by this policy.
5. Caused by earthquake.

Special Limits of Liability

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page; **except with respect to loss or damage by any of the following:**

a. windstorm;

b. weight of ice, sleet, or snow;

c. caused by "rutting" or grounding out of any part of the irrigation system while in use;

in which event(s), the deductible applied shall be the equivalent of 10% of the amount of loss or damage, $1,000, or the amount shown on the Cover Page; whichever is the greater.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on such property insured, for which a separate amount of protection is shown on the Cover Page, equivalent to at least 80% of the actual cash value of such property insured, and that should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

Livestock

(Applicable if indicated on the Cover Page)

Description of Property Insured

A. Blanket Cover

This policy covers livestock, owned by the Insured, while such property is within the territorial limits of Canada; excluding, however:

1. Livestock while in:
   a. poultry barns housing more than 500 birds;
   b. swine barns housing more than 100 swine;
   c. dairy barns housing more than 20 dairy cows;
   d. P.M.U. barns;
   e. buildings housing exotic livestock, game or fowl;

   unless coverage is granted on the Cover Page.
2. Any livestock separately described and specifically insured in whole or in part by this or any other insurance policy.
3. Poultry.

Insurance provided shall be based on **Class of Animal**. **Class of Animal** as used, shall mean cattle, swine, horses or sheep. A separate amount of protection shall apply to each **Class of Animal** insured, determined by the number and average value per head stated within the **Class of Animal.**

B. Scheduled Cover

This policy covers livestock, owned by the Insured and specifically described on the Cover Page, while such property is within the territorial limits of Canada.

Perils Insured

Cover Code F – Fire

This policy insures against death or destruction directly resulting from or necessitated by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion of natural, coal or manufactured gas.**

Cover Code I – Broad Named Perils

This policy insures against loss by the following named perils, as defined and limited, where the symbol **I** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. Death or destruction directly resulting from or necessitated by the following:
   a. **Fire or Lightning.**
   b. **Cyclone, Tornado, Windstorm or Hail.**
   c. **Explosion or Earthquake.**
   d. **Flood**, meaning the rising of natural bodies of water.
   e. **Drowning.**
   f. **Impact by Aircraft, Spacecraft** or objects falling therefrom.
   g. **Collapse** of any building, bridge or culvert, any falling structure, tree or part thereof.
   h. **Accidental shooting** by a person or persons, other than the Insured or employees of the Insured or any member of their households.
   i. **Collision, derailment, or overturning of a transporting conveyance** while in transit by land (the coming together of railway cars during coupling and uncoupling operations shall not be deemed a collision within the meaning of this peril).
   j. **Collision with a rail or land vehicle**, except those owned or operated by the Insured or employees of the Insured or any member of their households.
   k. **Stranding, sinking, burning, or collision** (including general average and salvage charges for which the Insured may be legally liable), also including jettison or washing overboard, **while in or on ferries,** in connection with land conveyances.
   l. **Smoke**, meaning smoke due to a sudden, unusual and faulty operation of any heating apparatus.
   m. **Mutilation** by a person or persons other than by the Insured or employees of the Insured or any member of their households.
   n. **Attack by dogs or wild animals**. This peril does not include loss or damage:
      (i) to sheep (unless shown on the Cover Page); or
      (ii) caused by animals owned by the Insured, his/her employees or anyone living at the **farm premises** (as defined).
   o. **Electrocution.**
2. Direct loss or damage caused by:
   Theft, excluding escape or any mysterious disappearance or loss or shortage disclosed upon taking inventory.

Optional Extensions

(Applicable to Cover Code I)

1. If coverage has been extended on the Cover Page to include **Loading/Unloading**, the following peril is added while in transit:

   Accidents, arising during loading or unloading operations, excluding improper or faulty loading or unloading, handling or care.
2. If coverage has been extended on the Cover Page to include **Entrapment**, the following peril is added:

   Entrapment, meaning the accidental and involuntary ensnaring or restraint of an animal. This peril does not include death or necessary destruction:
   (i) due to animal birth.
   (ii) while in transit or being loaded or unloaded.
   (iii) while being handled or forcibly restrained for care or treatment or breeding.
   (iv) due to splitting.

(v) due to choking on objects, foods or medicines, bloat, or suffocation of an animal in its own fluids.

(vi) caused by huddling, piling, smothering, freezing, or stampeding.

(vii) due to casting, or an animal's inherent inability to regain an upright position.

(viii) due to 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.

Exclusions

(Applicable to Cover Code I)

This policy does not cover loss:

1. Caused by or resulting from exposure or wind driven snow or dust.
2. Caused by death or destruction resulting from or contributed to by disease, whether consequent upon a peril insured against or not.
3. When death or destruction occurs more than 15 days after occurrence of perils insured against.
4. Caused by or resulting from delay or loss of market.
5. Occurring while at any stockyard, commercial livestock dealer, sale barn or sale yard or auction mart, while held on consignment or for sale by others.
6. Occurring while on the grounds of any racetrack or any premises for race or rodeo, unless permission and coverage is shown on the Cover Page.
7. Occurring while in any aircraft.

Special Limits of Liability

Deductible

Each claim for death or destruction directly resulting from or necessitated by a peril insured against shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page.

Co-Insurance

(Applicable to Blanket Cover only)

Where coverage on Blanket Livestock is provided by this policy, insurance must be maintained to at least 80% of the number of animals of each **Class** owned. If, at the time of loss, the Insured has not complied with this requirement, settlement shall be made in the ratio that the number insured bears to the number that should have been insured, multiplied by the lesser of:

a) the average value per head shown on the Cover Page x the Adjusting Clause (if applicable); or

b) the actual market value of the animal(s) lost.

Basis of Settlement – Adjusting Clause

(Applicable to Blanket Cover only)

The limit of the Insurer's liability for loss of any insured animal(s) shall not exceed 1.5 times the average value per head shown on the Cover Page, nor in any event exceed the total amount of protection shown on the Cover Page.

Machinery

(Applicable if indicated on the Cover Page)

A. Blanket Cover

Machinery – Harvesting Equipment

This policy covers combines, combine headers, balers, haybines, haybine headers and forage machines including all equipment, attached or otherwise **(excluding all other mobile machinery, implements and repair parts)** usual to a farming operation, owned or used by the Insured and for which the Insured may be legally liable, while such property is within the territorial limits of Canada.

B. Blanket Cover

Machinery – Non Harvesting Equipment

This policy covers mobile machinery and implements including all equipment, attached or otherwise **(excluding combines, combine headers, balers, haybines, haybine headers, forage machines and repair parts)** usual to a farming operation, owned or used by the Insured and for which the Insured may be legally liable, while such property is within the territorial limits of Canada.

Extension of Blanket Cover

This extension provides an additional amount of insurance for newly acquired machinery and implements acquired subsequent to the effective date and during the current term of this policy. The Insurer's limit of liability shall be the blanket amount of protection shown on the Cover Page plus the actual cash value of the newly acquired unit(s) up to a maximum of $150,000.

If more than 1 blanket limit appears for machinery on the Cover Page, this extension applies separately to each.

The coverage provided by this extension is for a period of 30 days only from the date of purchase or acquisition of the additional unit(s). Limited Waiver of Depreciation may be substituted for the actual cash value where the additional unit qualifies.

This extension for newly acquired machinery and implements is not subject to the Co-Insurance Clause.

Exclusions

(Applicable to Blanket Cover)

This policy does not cover loss or damage to:

1. a. Motorized vehicles including licensed or required to be licensed trailers, licensed or unlicensed, or required to be licensed automobiles or trucks, campers, house trailers or mobile homes, dirt bikes, go-carts, midget automobiles, dune buggies, snowmobiles, motorcycles, all-terrain vehicles or any similar motorized item not otherwise specifically mentioned herein, including furnishings, equipment or appurtenances of any of the foregoing.

   b. Aircraft, hang gliders, ultra lights or other similar aircraft of any name, including furnishings, equipment or appurtenances of any of the foregoing.

   c. Sawmill equipment and portable sawmills.

   d. Irrigation equipment.

   e. **Miscellaneous farm property and equipment** (as defined) in this booklet.

   f. **Tools** (as defined) in this booklet.

   g. Portable water, chemical and fuel tanks.

   h. Any permanently attached equipment forming part of a building of structure.

   i. Any mobile machinery and implements separately described and specifically insured in whole or in part by this or any other insurance policy.

   j. Grain dryers.

C. Scheduled Cover

Machinery – Harvesting Equipment

This policy covers combines, combine headers, haybines, haybine headers, balers and forage machines including attached equipment **(excluding repair parts)**, usual to a farming operation, owned or used by the insured and for which the insured may be legally liable, while such property is within the territorial limits of Canada and specifically shown on the Cover Page; excluding, any item(s) insured in whole or in part by this or any other insurance policy.

D. Scheduled Cover

Machinery – Non Harvesting Equipment

This policy covers mobile machinery and implements including attached equipment **(excluding combines, combine headers, haybines, haybine headers, balers, forage machines and repair parts)**, usual to a farming operation, owned or used by the Insured and for which the Insured may be legally liable, while such property is within the territorial limits of Canada and specifically shown on the Cover Page; excluding, any item(s) insured in whole or in part by this or any other insurance policy.

Extension of Scheduled Cover

This extension insures newly acquired machinery and implements acquired subsequent to the effective date and during the current term of this policy:

1. **Replacement Unit:** meaning the previously scheduled machinery has been disposed of. This policy is extended to provide coverage on the following basis:

   Coverage applies automatically to machinery and implements acquired as a replacement for machinery and implements specifically described and insured hereunder. The Insurer's limit of liability shall be the amount shown on the Cover Page for the previously scheduled machinery plus up to an additional $150,000 or the actual cash value of the replacement unit; whichever is the lesser.

2. **Additional Unit:** Coverage applies automatically. The Insurer's limit of liability for such additional unit(s) shall be for no more than the actual cash value of the unit, nor for more than $150,000; whichever is the lesser.

The coverage provided by this extension is for a period of 30 days only from the date of purchase or acquisition of the replacement or additional unit(s).

Limited Waiver of Depreciation may be substituted for the actual cash value where the additional or replacement unit qualifies.

This extension for newly acquired machinery and implements is not subject to the Co-Insurance Clause.

Exclusions

(Applicable to Blanket and Scheduled Cover)

This policy does not cover loss or damage:

1. To any machinery when used in whole or in part or intended for use in whole or in part for any **business pursuits** (as defined) or while engaged in any **custom farming** (as defined) or while travelling in connection therewith; except as provided in the Extension of Cover, unless permission is granted on the Cover Page.
2. To any machinery when used in logging, forestry, road building, snow removal, excavating, brushcutting or land clearing, unless permission is granted on the Cover Page. However, permission is granted for road building, snow removal and excavating on land owned by, rented or leased to the Insured. Permission is further granted for snow removal away from the premises for which there is no remuneration or compensation, either intended of implied.

Extension of Blanket and Scheduled Cover

Permission is hereby granted for **custom farming use** (as defined), by the Insured, of mobile machinery and implements insured by this policy and subject to the exclusions herein; excluding any custom application or spraying of chemicals and/or fertilizers; and then only:

(a) while within the resident province; and

(b) where remuneration received for such **custom farming** (as defined) does not exceed $10,000 gross receipts in total during the policy term.

Loss of Use

(Applicable if indicated on the Cover Page)

The Insurer agrees to reimburse the Insured for expenses incurred for the rental of replacement machinery and implements, similar in size and capacity to an insured machine which has become inoperable because of loss or damage caused by an insured peril. This coverage applies separately to each item of machinery insured should two or more items become inoperable in the same occurrence. Payment shall end on the date of completion of repairs or replacement of the lost or damaged property or on the date the Insurer may make or tender settlement for such loss. The Insurer agrees to pay up to the amount of protection shown on the Cover Page.

This extension does not apply to any machinery and implements while being used in any custom farming (as defined), or business pursuits (as defined).

Perils Insured

Cover Code F – Fire

This policy insures against loss or damage caused directly by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire.**
2. **Lightning** – excluding loss or damage to electrical appliances or devices.
3. **Explosion of natural, coal or manufactured gas.**

Cover Code H – All Risk

This policy insures against all risks of direct physical loss or damage from any external cause, except as herein provided, where the symbol **H** appears in the **Cover Code** column opposite the item(s) described on the Cover Page.

Exclusions

(Applicable to Cover Code H)

This policy does not cover loss or damage:

1. Caused by or arising from wear, tear, gradual deterioration, mechanical breakdown, mechanical defect, or inherent vice or defect, scraping, scratching, corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature, moles, mice, vermin, insects, rodents, raccoons, skunks and domesticated animals.
2. Caused by or arising from any repairing, adjustment, servicing or maintenance operation, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
3. Caused by short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
4. To tires, tubes or tracks, unless loss or damage is caused by fire, lightning, explosion, windstorm, vandalism, or theft, or is coincident with other loss or damage insured by this policy.
5. Caused by earthquake.
6. Resulting from internal damage to combines, combine headers, balers, swathers, forage machines, haybines and haybine headers caused by clogging, compacting, plugging, or piling up of material(s) intended to be ingested into the machine.

Special Limits of Liability

Deductible

a. Each claim for loss or damage shall be adjusted separately and from the amount so determined, the amount shown on the Cover Page shall be deducted, except as provided for and limited in item c. herein.

b. In the event that more than 1 insured machine or implement suffers loss or damage in any 1 occurrence, the maximum amount deducted shall be the greater amount shown on the Cover Page, except as provided for and limited in item c. herein.

c. **With respect to any claim arising out of internal damage caused by foreign object(s) being ingested into combines, combine headers, balers, swathers, forage machines, haybines, haybine headers, the deductible shall be equivalent to 25% of the amount of the loss, $2,500, or the amount shown on the Cover Page; whichever is the greater.**

Co-Insurance

Scheduled Machinery Cover

It is hereby a condition of this policy that the insured shall at all times maintain an amount of insurance on such property insured, for which a separate amount of protection is shown on the Cover Page, equivalent to at least 80% of the actual cash value of such property insured by this policy excluding however, the value of all property insured as newly acquired machinery and implements under Extension of Scheduled Cover pertaining to such property. Should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

Blanket Machinery Cover

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on such property insured for each separate blanket amount of protection insured by this policy excluding however, the value of all property insured as newly acquired machinery and implements under Extension of Blanket Cover pertaining to such property. Should the Insured fail to maintain such Insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

In the event that the amount of the loss to any property to which this clause applies, shall be less than $5,000 or less than 5% of the amount of protection applicable to such property, whichever is the lesser, the Insurer agrees to waive the application of this clause.

Limited Waiver of Depreciation

1. In the event of loss, destruction or damage, the Insurer agrees to make settlement without deduction for depreciation subject to the following provisions:

   (a) the loss or damage must occur within 60 months of the date on which the property was delivered to the owner/lessee.

   (b) the Insured must be the first owner/lessee of the property.

   (c) repair or replacement must be effected within a reasonable period of time after the loss; we will not pay for increased costs due to unnecessary delay.

   (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this Waiver had not been in effect.

   (e) this Waiver will not apply with respect to:

      (i) tires, tubes, tracks or batteries;

      (ii) betterment resulting from the necessary repair or replacement of parts having prior unrepaired damage; or

      (iii) any claim arising out of internal damage caused by foreign object(s) being ingested into a machine.

   (f) if the property, to which this Waiver is applicable is subject to a Co-Insurance Clause requiring a stated percentage of insurance to value to be maintained, the **actual cash value** for the purpose of applying said Co-Insurance Clause to such property shall be calculated on the basis of the original purchase price or replacement cost of the property, whichever is lesser, without deduction for depreciation.

(g) the Insurer, at its option, may elect to keep any salvage or proceeds from salvage.

2. **Limited Waiver of Depreciation** means the cost, at the time of loss, of repair or replacement (whichever is lesser) with new property of similar kind and quality, without deduction for depreciation. We will pay the least of:

   (i) the original purchase price of the property.

   (ii) the actual cost to repair or replace.

   (iii) the Amount of Protection shown on the Cover Page.

Miscellaneous Farm Property and Equipment

(Applicable if indicated on the Cover Page)

Description of Property Insured

Scheduled Cover

This policy covers portable farm-related property and equipment, usual to a farming operation, owned or used by the Insured and for which the Insured may be legally liable, specifically described on the Cover Page, while such property is within the territorial limits of Canada, excluding, any item insured in whole or in part by this or any other insurance policy.

Extensions of Cover

1. This extension insures newly acquired **miscellaneous farm property and equipment** (as defined) acquired subsequent to the effective date and during the current term of this policy.

   The amount for protection shall be no more than the actual cash value of the property, subject to a maximum of 10% of the current total amount of protection or $2,500; whichever is the greater.

   The coverage afforded by this extension shall apply from the date of purchase or acquisition of the item(s) and applies only during the current term of this policy.

   This extension for newly acquired farm property and equipment is not subject to the Co-Insurance Clause.

2. Permission is hereby granted for **custom farming use** (as defined), by the Insured, of property and equipment insured by this policy and subject to the exclusions herein; and then only:

   (a) while within the resident province; and

   (b) where remuneration received for such **custom farming** (as defined) does not exceed $10,000 gross receipts in total during the policy term.

Definitions

Occupied Farm means the dwelling at the farm yard site is occupied as a principal residence.

Unoccupied Farm means the dwelling at the farm yard site is not occupied as a principal residence, or there is no dwelling at the yard site.

Equipment includes items such as aeration fans, bin sweeps, weigh scales, pumps, generators, pond mills, pressure washers, drill fills, portable water, chemical and fuel tanks not mounted on a stand, cradle or platform and similar items.

Farm Property includes items such as portable corrals, cattle squeezes and chutes, watering bowls and similar items.

Perils Insured

Cover Code F – Fire

This policy insures against loss or damage caused directly by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire.**

2. **Lightning** – excluding loss or damage to electrical appliances or devices.

3. **Explosion of natural, coal or manufactured gas.**

Cover Code G – Fire and Extended Coverage

This policy insures against loss or damage caused directly by the following named perils, where the symbol **G** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire.**
2. **Lightning** – including loss or damage to electrical appliances or devices.
3. **Explosion or Implosion.**
4. **Smoke –** shall mean smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney.
5. **Impact by Aircraft, Spacecraft or Land Vehicle.**
6. **Riot, Vandalism or Malicious Acts.** However, there is no liability upon the Insurer for loss or damage:
   a. directly or indirectly caused by theft or attempted theft.
   b. caused by any tenant, tenant's guests, tenant's employees, or members of their households.
   c. caused by the Insured, his employees or members of their households.
7. **Windstorm or Hail.**

Exclusions

(Applicable to Cover Codes F and G)

This policy does not cover loss or damage:

1. Directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: flood, high water, overflow, tidal wave, waterborne objects, waves, ice, ice load, snow load, land subsidence, landslip.
2. To property occasioned by or happening through their undergoing any process or while actually being worked upon and where loss or damage is due thereto.
3. To property at an **unoccupied farm** (as defined) when the farm yard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted on the Cover Page.
4. Caused by electrical currents other than lightning, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
5. To property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority.
6. To tires, tubes or tracks, unless loss or damage is caused by fire, lightning, explosion, windstorm, or vandalism, or is coincident with other loss or damage insured by this policy.

Cover Code Z3 – All Risk

This policy insures against all risks of direct physical loss or damage from any external cause except as herein provided, where the symbol **Z3** appears in the **Cover Code** column opposite the item(s) described on the Cover Page.

Exclusions

(Applicable to Cover Code Z3)

This policy does not cover loss or damage:

1. Caused by or arising from wear, tear, gradual deterioration, mechanical breakdown, mechanical defect, or inherent vice or defect, scraping, scratching, corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature, moles, mice, vermin, insects, rodents, raccoons, skunks and domesticated animals.
2. Caused by or arising from any repairing, adjustment, servicing or maintenance operation, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.

3. Caused by short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
4. To tires, tubes or tracks, unless loss or damage is caused by fire, lightning, explosion, windstorm, vandalism, or theft, or is coincident with other loss or damage insured by this policy.
5. Caused by earthquake.
6. To property at an **unoccupied farm** (as defined) when the farm yard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted on the Cover Page.

Exclusions

(Applicable to Cover Codes F, G and Z3)

This policy does not cover loss or damage:

1. To miscellaneous farm property and equipment when used in whole or in part or intended for use in whole or in part in any **business pursuits** (as defined), other than farming, unless permission is granted on the Cover Page.
2. To miscellaneous farm property and equipment when used in any **custom farming** (as defined); except as provided in the Extensions of Cover, unless permission is granted on the Cover Page.

Special Limits of Liability

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on property insured, for which a separate amount of protection is shown on the Cover Page, equivalent to at least 80% of the replacement cost of such property. Should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the replacement cost of such property at the time of loss.

In the event that the amount of the loss to any property to which this clause applies, shall be less than $2,500 or less than 5% of the amount of protection applicable to such property, whichever is the lesser, the Insurer agrees to waive the application of this clause.

Replacement Cost Clause

1. In the event of loss, destruction or damage, the Insurer agrees to make settlement on the basis of replacement cost subject to the following provisions:
   (a) replacement shall be effected by the Insured with due diligence and dispatch; we will not pay for increased costs due to unnecessary delay.
   (b) settlement on the basis of replacement cost shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement.
   (c) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this clause had not been in effect.
   (d) this clause shall not apply to property which at the time of loss has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss.
   (e) this clause shall not apply to property which is not in current use by the Insured at the time of loss and which was stored away with no specific future use intended.

(f) this clause does not apply to antiques, rare objects, and other items that cannot be replaced.

(g) the Insurer will keep any salvage or proceeds from salvage.

The Insured may choose payment on an **Actual Cash Value** basis initially. Any subsequent claim for settlement on a Replacement Cost basis must be made not later than 180 days after payment of an Actual Cash Value settlement to you.

2. **Replacement Cost** means the cost, at the time of loss, destruction or damage, of repairing or replacing (whichever is the lesser) with like kind and quality, without deduction for depreciation. In no event shall the replacement cost exceed the Amount of Protection shown on the Cover Page.

Poultry

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy covers death or destruction of ordinary poultry (live) directly resulting from or made necessary by the perils insured against. **Poultry** as used shall mean birds owned by the Insured, while such property is within the territorial limits of Canada; excluding, however:

1. Poultry while in:
   a. poultry barns housing more than 500 birds;
   b. swine barns housing more than 100 swine;
   c. dairy barns housing more than 20 dairy cows;
   d. P.M.U. barns;
   e. buildings housing exotic livestock, game or fowl;

   unless coverage is granted on the Cover Page.
2. Any poultry separately described and specifically insured in whole or in part by this or any other insurance policy.

Perils Insured

Cover Code F – Fire

This policy insures against death or destruction directly resulting from or necessitated by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion of natural, coal or manufactured gas.**

Cover Code I – Broad Named Perils

This policy insures against loss by the following named perils, as defined and limited, where the symbol **I** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. Death or destruction directly resulting from or necessitated by the following:
   a. **Fire or Lightning.**
   b. **Cyclone, Tornado, Windstorm or Hail.**
   c. **Explosion or Earthquake.**
   d. **Flood**, meaning the rising of natural bodies of water.
   e. **Drowning.**
   f. **Impact by Aircraft, Spacecraft** or objects falling therefrom.
   g. **Collapse** of any building, bridge or culvert, any falling structure, tree or part thereof.
   h. **Accidental shooting** by a person or persons, other than the Insured or employees of the Insured or any member of their households.

i. **Collision, derailment, or overturning of a transporting conveyance** while in transit by land (the coming together of railway cars during coupling and uncoupling operations shall not be deemed a collision within the meaning of this peril).

j. **Collision with a rail or land vehicle**, except those owned or operated by the Insured or employees of the Insured or any member of their households.

k. **Stranding, sinking, burning, or collision** (including general average and salvage charges for which the Insured may be legally liable), also including jettison or washing overboard, **while in or on ferries,** in connection with land conveyances.

l. **Smoke**, meaning smoke due to a sudden, unusual and faulty operation of any heating apparatus.

m. **Mutilation** by a person or persons other than by the Insured or employees of the Insured or any member of their households.

n. **Electrocution.**

2. Direct loss or damage caused by:
Theft, excluding escape or any mysterious disappearance or loss or shortage disclosed upon taking inventory.

Exclusions

(Applicable to Cover Code I)

This policy does not cover loss:

1. caused by or resulting from exposure or wind driven snow or dust.
2. caused by death or destruction resulting from or contributed to by disease, whether consequent upon a peril insured against or not.
3. when death or destruction occurs more than 15 days after occurrence of any peril insured against.
4. caused by or resulting from delay or loss of market.
5. while in any aircraft.

Special Limits of Liability

Deductible

Each claim for death or destruction directly resulting from or necessitated by a peril insured against shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on poultry equivalent to at least the actual market value of 80% of the number of birds owned. Should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to the actual market value of 80% of the number of birds owned.

Produce

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy covers **Produce** (as defined), usual to a farming operation, owned by the Insured, while contained in buildings or structures, located on the **farm premises** (as defined); excluding:

1. Any property separately described and specifically insured in whole or in part by this or any other insurance policy.
2. Grain.
3. Fodder.
4. Contents related to any **business pursuits** (as defined), other than farming.

Definition

Produce means edible agricultural plant products consisting of fruits and vegetables.

Perils Insured

Cover Code F – Fire

This policy insures against loss or damage caused directly by the following named perils, where the symbol **F** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion of natural, coal or manufactured gas.**

Cover Code G1 – Fire and Extended Coverage Plus

This policy insures against loss or damage caused directly by the following named perils, where the symbol **G1** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion or Implosion.**
3. **Smoke –** shall mean smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney.
4. **Impact by Aircraft, Spacecraft or Land Vehicle.**
5. **Riot, Vandalism or Malicious Acts.** However, there is no liability upon the Insurer for loss or damage:
   a. directly or indirectly caused by theft or attempted theft.
   b. caused by any tenant, tenant's guests, tenant's employees, or members of their households.
   c. caused by the Insured, his employees or members of their households.
6. **Windstorm or Hail.**
7. **Theft or Attempt Thereat.** However, there is no liability upon the Insurer for loss or damage:
   a. caused by any tenant, tenant's guests, tenant's employees, or members of their households.
   b. caused by the Insured, his employees or members of their households.
   c. caused by any mysterious disappearance or loss or shortage disclosed upon taking inventory.
8. **Water Escape Coverage.** It is hereby understood and agreed that the policy is extended to include loss or damage caused by the following peril:

   Freezing of a heating, plumbing or air conditioning system or by escape of water from any such system or from a public water main. However, there is no liability upon the Insurer for loss or damage:
   a. directly or indirectly caused by freezing of any part of any such system which is not within a building in which heat is maintained during the usual heating season.
   b. directly or indirectly caused by escape of water from a sewer or drain at or below the surface level of the lowest floor, nor by escape of water from a sump, septic tank, eavestrough or down spout.
   c. occurring while a building insured is vacant irrespective of any permission elsewhere in this policy.
   d. occurring while a building insured is in course of construction irrespective of any permission elsewhere in this policy to complete construction.

Cover Code G1 is further extended, to include loss or damage caused directly by the following peril, as defined and limited:

1. **Transportation –** means direct physical loss or damage to property insured caused by collision, upset, overturn, derailment, stranding, sinking or burning, on any land vehicle or regular ferry or which is on railway cars or transfers in connection therewith. Coverage shall apply while such property is within the territorial limits of Canada.

Optional Extension of Cover

Consequential Loss Assumption Clause

(Applicable if indicated on the Cover Page)

The following Extension of Cover shall not increase the amount of protection applying under this policy to the property damaged or destroyed, unless otherwise specifically stated.

It is understood and agreed that this policy is extended to cover, and the Insurer shall be liable for any indirect or consequential loss or damage to produce hereby insured, caused by change in temperature or humidity resulting from damage by the perils insured against, to equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating, generating, or converting power (including their connections and supply or transmission lines or pipes), only while such produce is contained in buildings or structures located on the **farm premises** (as defined).

Exclusions

(Applicable to Cover Codes F and G1)

This policy does not cover loss or damage:

1. Caused by windstorm or hail:
   a. directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: flood, high water, overflow, tidal wave, waterborne objects, waves, ice, ice load, snow load, land subsidence, landslip.
   b. to the interior of a building or to property insured contained therein, unless, (subject always to the exclusion in 1 hereof) the damage occurs concurrently with and results immediately from an aperture in the building caused by windstorm or hail.
2. To property occasioned by or happening through their undergoing any process or while actually being worked upon and where loss or damage is due thereto.
3. To any property occurring when the **farm premises** (as defined) has been vacant for more than 30 consecutive days, unless permission for vacancy or unoccupancy is granted and shown on the Cover Page.
4. Caused by electrical currents other than lightning, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
5. Caused by or resulting from delay or loss of market.

Special Limits of Liability

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance equivalent to at least 80% of the actual cash value of such property insured, and that should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

Semen and Semen Tanks

(Applicable if indicated on the Cover Page)

Description of Property Insured

Scheduled Cover

This policy covers semen tanks and semen held in the Insured's tank at his **farm premises** (as defined) or held at any breeding or artificial insemination station on his behalf, owned by the Insured and for the Insured's own livestock production, including all transportation to or from his own or station premises, specifically described on the Cover Page, while such property is within the territorial limits of Canada; excluding, any property insured in whole or in part by this or any other insurance policy.

Perils Insured

Cover Code Z3 – All Risk

This policy insures against all risks of direct physical loss or damage from any external cause including accidental loss of liquid nitrogen, except as herein provided, where the symbol **Z3** appears in the **Cover Code** column opposite the item(s) described on the Cover Page.

Exclusions

(Applicable to Cover Code Z3)

This policy does not cover loss or damage:

1. Caused by or arising from wear, tear, gradual deterioration, mechanical breakdown, mechanical defect, or inherent vice or defect, scraping, scratching, corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature, moles, mice, vermin, insects, rodents, raccoons, skunks and domesticated animals.
2. Caused by or arising from any repairing, adjustment, servicing or maintenance operation, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
3. Caused by short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
4. Arising from the failure of the semen to fertilize.
5. Due to any neglect or failure to maintain proper nitrogen charge.

Special Limits of Liability

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance equivalent to at least 80% of the actual cash value of such property insured, and that should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

Tack Equipment

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy covers **tack equipment** (as defined), owned by the Insured, while such property is within the territorial limits of Canada; excluding, however:

1. Any property when used for show, race, gymkhana or similar purpose, unless **circuit** permission is granted on the Cover Page.

2. Any property when used in any **business pursuit** (as defined), other than personal and/or farming purposes, unless permission is granted on the Cover Page.

Definitions

Tack Equipment shall include bridles, halters, harnesses, saddles, grooming equipment and supplies, veterinarian supplies and other portable property usual to the use, care, or grooming of livestock.

Circuit means the property is used for show, race, gymkhana or similar purpose.

Non-Circuit means the property is used for personal and/or farming purposes only.

Occupied Farm means the dwelling at the farm yard site is occupied as a principal residence.

Unoccupied Farm means the dwelling at the farm yard site is not occupied as a principal residence, or there is no dwelling at the yard site.

Perils Insured

Cover Code Z3 – All Risk

This policy insures against all risks of direct physical loss or damage from any external cause, except as herein provided, where the symbol **Z3** appears in the **Cover Code** column opposite the item(s) described on the Cover Page.

Exclusions

(Applicable to Cover Code Z3)

This policy does not cover loss or damage:

1. Caused by or arising from wear, tear, gradual deteriorations, mechanical breakdown, mechanical defect, or inherent vice or defect, scraping, scratching, corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature, moles, mice, vermin, insects, rodents, raccoons, skunks and domesticated animals.
2. Caused by or arising from any repairing, adjustment, servicing or maintenance operation, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
3. Caused by short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article, unless fire or explosion ensues, and then, for loss or damage cause by such ensuing fire or explosion only.
4. Caused by earthquake.
5. To property at an **unoccupied farm** (as defined) when the farm yard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted on the Cover Page.

Special Limits of Liability

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on property insured, for which a separate amount of protection is shown on the Cover Page, equivalent to at least 80% of the replacement cost of such property. Should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the replacement cost of such property at the time of loss.

In the event that the amount of loss to any property to which this clause applies, shall be less than $2,500 or less than 5% of the amount of protection applicable to such property, whichever is the lesser, the Insurer agrees to waive the application of this clause.

Replacement Cost Clause

1. In the event of loss, destruction or damage, the Insurer agrees to make settlement on the basis of replacement cost subject to the following provisions:

   (a) replacement shall be effected by the Insured with due diligence and dispatch; we will not pay for increased costs due to unnecessary delay.

   (b) settlement on the basis of replacement cost shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement.

   (c) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this clause had not been in effect.

   (d) this clause shall not apply to property which at the time of loss has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss.

   (e) this clause shall not apply to property which is not in current use by the Insured at the time of loss and which was stored away with no specific future use intended.

   (f) this clause does not apply to antiques, rare objects, and other items that cannot be replaced.

   (g) the Insurer will keep any salvage or proceeds from salvage.

   The Insured may choose payment on an **Actual Cash Value** basis initially. Any subsequent claim for settlement on a Replacement Cost basis must be made not later than 180 days after payment of an Actual Cash Value settlement to you.

2. **Replacement Cost** means the cost, at the time of loss, destruction or damage, of repairing or replacing (whichever is the lesser) with like kind and quality, without deduction for depreciation. In no event shall the replacement cost exceed the Amount of Protection shown on the Cover Page.

Tools

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy covers tools meaning any device, apparatus, or instrument which is independent of any other apparatus and upon its own is used for machinery or building repair, construction, or maintenance, usual to a farming operation, owned or used by the Insured, while such property is within the territorial limits of Canada; excluding, however:

1. Any tool(s) separately described and specifically insured in whole or in part by this or any other insurance policy.
2. Repair parts.
3. Tools when used in any **custom farming** (as defined), except as provided in the Extension of Cover, unless permission is granted on the Cover Page.
4. Tools when used in whole or in part or intended for use in whole or in part for any **business pursuits** (as defined), other than farming, unless permission is granted on the Cover Page.
5. Any **miscellaneous farm property and equipment** (as defined) in this booklet.

Extension of Cover

Permission is hereby granted for **custom farming use** (as defined), by the Insured, of tools insured by this policy and subject to the exclusions herein; excluding any custom application or spraying of chemicals and/or fertilizers; and then only:

(a) while within the resident province; and

(b) where remuneration received for such **custom farming** (as defined) does not exceed $10,000 gross receipts in total during the policy term.

Definitions

Occupied Farm means the dwelling at the farm yard site is occupied as a principal residence.

Unoccupied Farm means the dwelling at the farm yard site is not occupied as a principal residence, or there is no dwelling at the yard site.

Perils Insured

Cover Code Z5 – All Risk

This policy insures against all risks of direct physical loss or damage from any external cause, except as herein provided, where the symbol **Z5** appears in the **Cover Code** column opposite the item(s) described on the Cover Page.

Exclusions

(Applicable to Cover Code Z5)

This policy does not cover loss or damage:

1. Caused by or arising from wear, tear, gradual deterioration, mechanical breakdown, mechanical defect, or inherent vice or defect, scraping, scratching, corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature, moles, mice, vermin, insects, rodents, raccoons, skunks and domesticated animals.
2. Caused by or arising from any repairing, adjustment, servicing or maintenance operation, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
3. Caused by short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article, unless fire or explosion ensues, and then, for loss of damage caused by such ensuing fire or explosion only.
4. To property at an **unoccupied farm** (as defined) when the farm yard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted on the Cover Page.

Special Limits of Liability

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance equivalent to at least 80% of the replacement cost of such property insured, and that should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the replacement cost of such property at the time of loss.

In the event that the amount of loss to property to which this clause applies shall be less than $1,000 or less than 10% of the amount of protection applicable to such property, whichever is the greater, the Insurer agrees to waive the application of this clause.

Replacement Cost Clause

1. In the event of loss, destruction or damage, the Insurer agrees to make settlement on the basis of replacement cost subject to the following provisions:

   (a) replacement shall be effected by the Insured with due diligence and dispatch; we will not pay for increased costs due to unnecessary delay.

   (b) settlement on the basis of replacement cost shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement.

   (c) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this clause had not been in effect.

   (d) this clause shall not apply to property which at the time of loss has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss.

   (e) this clause shall not apply to property which is not in current use by the Insured at the time of loss and which was stored away with no specific future use intended.

   (f) this clause does not apply to antiques, rare objects, and other items that cannot be replaced.

   (g) the Insurer will keep any salvage or proceeds from salvage.

   The Insured may choose payment on an **Actual Cash Value** basis initially. Any subsequent claim for settlement on a Replacement Cost basis must be made not later than 180 days after payment of an Actual Cash Value settlement to you.

2. **Replacement Cost** means the cost, at the time of loss, destruction or damage, of repairing or replacing (whichever is the lesser) with like kind and quality, without deduction for depreciation. In no event shall the replacement cost exceed the Amount of Protection shown on the Cover Page.

Farm Advantage Coverages

Farm Produce Advantage

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy provides coverage under a single amount of protection for:

1. **Fertilizer and Chemicals** usual to a farming operation, owned and intended for the Insured's own use, while in all situations, except as herein provided, while such property is within the territorial limits of Canada.
2. **Fodder** owned by the Insured, (including prepared feed and supplements, silage (bagged or otherwise), grain screenings, and straw used for feed or bedding) baled, stacked or piled in the open or in any building or open-sided structure, while in all situations, except as herein provided, while such property is within the territorial limits of Canada.
3. **Grain** meaning whole threshed grain and seed usual to a farming operation, owned by the Insured while in all situations, except as herein provided, while such property is within the territorial limits of Canada.
4. **Produce – Fruits and Vegetables** meaning harvested edible agricultural plant products consisting of fruits and vegetables, usual to a farming operation, owned by the Insured, while in all situations, except as herein provided, while such property is within the territorial limits of Canada.

Perils Insured

Cover Code W4 – Broad Named Perils

This policy insures against loss or damage caused directly by the following named perils, where the symbol **W4** appears in the **Cover Code** column opposite the item(s) described on the Cover Page:

1. **Fire or Lightning.**
2. **Explosion or Implosion.**
3. **Cyclone, Tornado, Windstorm or Hail**, while the property is stored in fully enclosed buildings, structures, or tanks.
4. **Smoke –** shall mean smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney.
5. **Impact by Aircraft, Spacecraft or Land Vehicle.**
6. **Transportation –** means direct physical loss or damage to property insured caused by collision, upset, overturn, derailment, stranding, sinking or burning, on any land vehicle or regular ferry or which is on railway cars or transfers in connection therewith.
7. **Theft or Attempt Thereat**, from within a fully enclosed building, structure, or tank, or while the property is in transit, but not as a result of any mysterious disappearance or loss or shortage upon taking inventory.

   Coverage for theft or attempt thereat for fertilizer and chemicals in transit is restricted to transportation from the supplier to the **farm premises** (as defined) and is deemed to have ended upon reaching the farm premises, regardless if the fertilizers and chemicals remain on the transporting conveyance.
8. **Riot, Vandalism or Malicious Acts.** However, there is no liability upon the Insurer for loss or damage directly or indirectly caused by theft or attempt thereat.
9. **Water Escape Coverage.** It is hereby understood and agreed that the policy is extended to include loss or damage caused by the following peril:

Freezing of a heating, plumbing or air conditioning system or by escape of water from any such system or from a public water main. However, there is no liability upon the Insurer for loss or damage:

a. directly or indirectly caused by freezing of any part of any such system which is not within a building in which heat is maintained during the usual heating season.

b. directly or indirectly caused by escape of water from a sewer or drain at or below the surface level of the lowest floor, nor by escape of water from a sump, septic tank, eaves trough or down spout.

c. occurring while a building insured is vacant irrespective of any permission elsewhere in this policy.

d. occurring while a building insured is in course of construction irrespective of any permission elsewhere in this policy to complete construction.

Extensions of Cover

1. The Insured may apply up to $5,000 to cover loose hay in the open against loss by fire only.
2. Rail transportation – The Insurer agrees to reimburse the Insured for the Insured's financial interest for grain transported directly on rail cars.
3. The Insured may apply up to $5,000 to cover standing or swathed grain and seed crops against loss by fire only.
4. Consequential Loss Assumption Clause
   (Applicable to Produce – Fruits and Vegetables only)

   The following extension of Cover shall not increase the amount of protection applying under this policy to produce – fruits and vegetables damaged or destroyed, unless otherwise specifically stated.

   It is understood and agreed that this policy is extended to cover, and the Insurer shall be liable for any indirect or consequential loss or damage to produce – fruits and vegetables hereby insured, caused by change in temperature or humidity resulting from damage by the perils insured against, to equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating, generating, or converting power (including their connections and supply or transmission lines or pipes), only while such produce – fruits and vegetables is contained in buildings or structures located on the **farm premises** (as defined).

Exclusions

(Applicable to Cover Code W4)

This policy does not cover loss or damage:

1. To property before delivery has been accepted by the Insured.
2. Caused by or resulting from strike, lockout, labour disturbances, riot, civil commotion, or the acts of any person(s) taking part in any such occurrence or disorder.
3. To property while undergoing any process or while actually being worked upon and where loss or damage is due thereto, unless fire ensues, and then, for loss or damage caused by such ensuing fire only.
4. To property in any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant, unless permission is granted on the Cover Page.
5. To property which has been delivered to any railway company for transportation purposes, except as provided under the Extensions of Cover.
6. To property while being stored within a bin ring, grain bag or other temporary enclosure, unless loss or damage is caused by fire, lightning or explosion.

7. To any property separately described and specifically insured in whole or in part by this or any other insurance policy, except as provided by the Extensions of Cover.

Special Limits of Liability

Amount of Protection

The limit shown on the Cover Page under Amount of Protection with respect to **Farm Produce Advantage** is the limit of the Insurer's liability for all loss or damage in respect of any 1 occurrence.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on property insured, equivalent to at least 80% of the actual cash value of such property, excluding however, property insured by the Extensions of Cover. Should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the actual cash value of such property at the time of loss.

The Insurer agrees to waive the application of this clause in the event that the amount of the loss to any property to which this clause applies is less than $5,000.

If your Cover Page shows Farm Produce Advantage (No Co-Insurance Option) the application of Co-Insurance is waived.

Locked Access Warranty Clause

In respect to loss or damage by **theft of fertilizer and chemicals** only:

> It is hereby understood and agreed, that coverage for loss of property is provided only when all storage facilities such as buildings, tanks, and pumps have been securely locked when not in use.

Farm Property Advantage

(Applicable if indicated on the Cover Page)

Description of Property Insured

Blanket Cover

This policy provides coverage under a single amount of protection for:

1. **Voluntary Fire Fighting Coverage**

   This policy covers fire department charges, where a fire department is called because of a fire in, on, or exposing insured property covered by this policy, or to property adjacent to the **farm premises** (as defined), however the Insurer shall not be liable for more than the Amount of Protection shown on the Cover Page. Payment of any charges will be made to the fire department.

2. **Debris Removal (excluding dwelling)**

   This policy covers expenses incurred in the removal of debris of the farm property covered, occasioned by loss or damage to such farm property, for which coverage is afforded under this policy.

   This policy will also indemnify the Insured for expenses incurred to remove the property of others, excluding trees, shrubs and plants, which has been blown by windstorm upon the **farm premises** (as defined), when it is coincidental with other loss or damage insured by this policy.

   Debris removal expenses shall not be considered in the determination of actual cash value or replacement cost for the purpose of applying the Co-Insurance Clause.

   This coverage shall be considered as excess to any coverage available elsewhere in this policy.

3. **Farm Building Contents, Miscellaneous Farm Property, Tack Equipment and Tools** usual to a farming operation, owned or used by the Insured and for which the Insured is legally liable, while such property is within the territorial limits of Canada excluding, however:

   1. Any personal belongings which qualify for coverage or are insured under Dwellings and Belongings or Special Belongings of this policy.

2. Animals, livestock, poultry, fish, bees; poultry or dairy products, processed or frozen meats, or honey.
3. a. Motorized vehicles including licensed or unlicensed automobiles, trucks, campers, house trailers, motorcycles, trailers, dirt bikes, go-carts, midget automobiles, golf carts, dune buggies, snowmobiles, all-terrain vehicles or any other similar motorized items not otherwise specifically mentioned herein and including aircraft, hang gliders, ultra lights or other similar aircraft of any name, including furnishings, equipment or appurtenances of any of the foregoing.
   b. Watercraft and their motors and equipment.
   c. Mobile machinery and implements including all equipment therefore attached or otherwise. Repair parts are not excluded, unless otherwise insured.
4. Permanently attached fixtures and equipment forming part of any building or structure.
5. Fodder, produce, grain and seed.
6. Liquefied petroleum gas, gasoline, benzine, diesel fuel and naphtha.
7. Semen and semen tanks.
8. Fertilizers, herbicides, and pesticides, except as provided by the Extensions of Cover.
9. Any property separately described and specifically insured in whole or in part by this or any other insurance policy, except as provided by the Extensions of Cover.
10. Any property used in whole or in part for **business pursuits** (as defined) or used in connection with any **custom farming** (as defined), except as provided by the Extensions of Cover.

Extensions of Cover

1. The Insured may apply up to 10% of the amount of protection shown for Farm Property Advantage to cover fertilizers, herbicides, and pesticides while contained in any fully enclosed building located on the **farm premises** (as defined); and then, for loss by fire only.
2. The Insured may apply up to $1,000; subject otherwise to the limitations and exclusions applicable thereto, to cover:

   Poultry including chickens, turkeys, geese and ducks, of any maturity, usual to mixed farming operations; and then, for the peril of fire only.
3. Permission is hereby granted for **custom farming use** (as defined), by the Insured, for property insured under Farm Property Advantage and subject to the exclusions herein; excluding any custom application or spraying of chemicals and/or fertilizers; and then only:
   (a) while within the resident province; and
   (b) where remuneration received for such **custom farming** (as defined) does not exceed $10,000 gross receipts in total during the policy term.
4. The Insured may apply up to 10% of the amount of protection to cover veterinary supplies while located in any dwelling located on the farm premises.

Definitions

Occupied Farm means the dwelling at the farm yard site is occupied as a principal residence.

Unoccupied Farm means the dwelling at the farm yard site is not occupied as a principal residence, or there is no dwelling at the yard site.

Farm Building Contents means portable items usual to a farming operation and normally stored within a farm building or structure.

Miscellaneous Farm Property includes items such as portable corrals, cattle squeezes and chutes, watering bowls, aeration fans, bin sweeps, weigh scales, pumps, generators, pond mills, pressure washers, drill fills, portable water, chemical and fuel tanks not mounted on a stand, cradle or platform and similar items.

Tack Equipment shall include bridles, halters, harnesses, saddles, grooming equipment and supplies and other portable property usual to the use, care, or grooming of livestock.

Tools includes any device, apparatus, or instrument which is independent of any other apparatus and upon its own is used for machinery or building repair, construction or maintenance.

Perils Insured

Cover Code Z6 – All Risk

This policy insures against all risks of direct physical loss or damage from any external cause, except as herein provided, where the symbol **Z6** appears in the **Cover Code** column opposite the item(s) described on the Cover Page.

Exclusions

(Applicable to Cover Code Z6)

This policy does not cover loss or damage:

1. Caused by or arising from wear, tear, gradual deterioration, mechanical breakdown, mechanical defect, or inherent vice or defect, scraping, scratching, corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature, moles, mice, vermin, insects, rodents, raccoons, skunks and domesticated animals.
2. Caused by or arising from any repairing, adjustment, servicing or maintenance operation, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
3. Caused by short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only.
4. Caused by earthquake, except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment.
5. To tires, tubes or tracks, unless loss or damage is caused by fire, lightning, explosion, windstorm, vandalism or theft, or is coincident with other loss or damage insured by this policy.
6. To silage bags, grain bags or similar coverings/enclosures while located in the open unless loss or damage is caused by fire, lightning or explosion.
7. To property at an **unoccupied farm** (as defined) when the farm yard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted on the Cover Page.
8. To property while undergoing any process involving the application of heat.
9. To property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority.

Special Limits of Liability

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount so determined, there shall be deducted the amount shown on the Cover Page.

A deductible will not apply for voluntary fire fighting and debris removal claims.

Amount of Protection

The limit shown on the Cover Page under Amount of Protection with respect to **Farm Property Advantage** is the limit of the Insurer's liability for all loss or damage in respect of any 1 occurrence.

Co-Insurance

It is hereby a condition of this policy that the Insured shall at all times maintain an amount of insurance on property insured, equivalent to at least 80% of the replacement cost of such property, excluding however, property insured by the Extensions of Cover. Should the Insured fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the replacement cost of such property at the time of loss.

The Insurer agrees to waive the application of this clause in the event that the amount of the loss to any property to which this clause applies is less than $5,000.

Replacement Cost Clause

1. In the event of loss, destruction or damage, the Insurer agrees to make settlement on the basis of replacement cost subject to the following provisions:

   (a) replacement shall be effected by the Insured with due diligence and dispatch; we will not pay for increased costs due to unnecessary delay.

   (b) settlement on the basis of replacement cost shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement.

   (c) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this clause had not been in effect.

   (d) this clause shall not apply to property which at the time of loss has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss.

   (e) this clause shall not apply to property which is not in current use by the Insured at the time of loss and which was stored away with no specific future use intended.

   (f) this clause does not apply to antiques, rare objects and other items that cannot be replaced.

   (g) the Insurer will keep any salvage or proceeds from salvage.

   The Insured may choose payment on an **Actual Cash Value** basis initially. Any subsequent claim for settlement on a Replacement Cost basis must be made not later than 180 days after payment of an Actual Cash Value settlement to you.

2. **Replacement Cost** means the cost, at the time of loss, destruction or damage, of repairing or replacing (whichever is the lesser) with like kind and quality, without deduction for depreciation. In no event shall the replacement cost exceed the Amount of Protection shown on the Cover Page.

Comprehensive Farmer's Liability
A. General Section

(Applicable to all Coverages in the Coverage Section)

Amount of Protection

The limit shown on the Cover Page under Amount of Protection with respect to **Comprehensive Farmer's Liability** is the limit of the Insurer's liability for all damages, including damages for care and loss of services in respect of any 1 occurrence, except as provided under **Insuring Agreement 6 – Defense Settlement – Supplementary Payments**.

In the case of **products hazard**, all damages arising out of 1 crop or 1 prepared or acquired lot of goods or products manufactured, sold, handled, or distributed by the Insured shall be considered as arising out of 1 occurrence.

The limit shown on the Cover Page under Amount of Protection with respect to **Comprehensive Farmer's Liability** shall be the limit of the Insurer's liability for all damages arising from the **products hazard** out of all occurrences within the policy period, except as provided under **Insuring Agreement 6 – Defense Settlement – Supplementary Payments.**

Where the liability is extended to cover any additional exposures, the amount of protection shall be the limit shown on the Cover Page for that additional exposure. In the absence of such limit being shown under Amount of Protection, the Insurer's liability for all damages shall not exceed the limit shown for **Comprehensive Farmer's Liability**, including damages for care and loss of services in respect of any 1 occurrence, except as provided under **Insuring Agreement 6 – Defense Settlement – Supplementary Payments.**

The inclusion herein of more than 1 Insured shall not increase the Amount of Protection.

Definitions as used in this Liability section

1. **Action** means a civil proceeding in which compensatory damages because of **bodily injury** or **property damage** to which this insurance applies are alleged. **Action** includes an arbitration proceeding alleging such damages to which the Insured must submit or submit with the Insurers consent.
2. **Aircraft** shall also include hang gliders, ultra lights or other similar aircraft of any name, excluding model aircraft when kept or used for amusement purposes as part of a hobby.
3. **Automobile** means any self-propelled land vehicle, amphibious vehicle or air cushion vehicle, licensed trailer or semi-trailer, but does not include any recreational vehicle, crawler or farm type tractor, farm implement, or vehicle not subject to motor vehicle registration.
4. **Bodily Injury** means injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. **Business Pursuits** means any trade, profession or occupation, enterprise or activity (not directly relating to the farming operation) which is undertaken for the purpose of financial gain or other compensation.
6. **Coverage Territory** means anywhere in the world with respect to damages because of **bodily injury** or **property damage**. With respect to damages because of **bodily injury** or **property damage** arising out of the farming operations only, suit for such damages against the Insured shall be brought within Canada or the United States or America (including its territories and possessions).
7. **Custom Farming** means the use of farm machinery or implements for others for charge or remuneration of the performance of any farm related work for others for charge or remunerations. Custom farming shall include seed cleaning, feed lots, seeding, summerfallowing, swathing, combining, rock picking, and harvesting. Custom farming shall not include crop-share or similar arrangements. Custom farming

shall exclude any custom application or spraying of chemicals and/or fertilizers.

8. **Data** means representations of information or concepts, in any form.

9. **Farm Employee(s)** means an employee whose duties in the employment of the Insured are substantially those connected with farm activities outside of the Insured's residence.

10. **Farming** means 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 incidental sale of the Insured's farm products, as limited by Exclusion (o). Farming shall also include crop-share or similar arrangements.

11. **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 **spores** or resultant mycotoxins, allergens or pathogens.

12. **Insured** means:

    (a) The person(s) Named on the Cover Page and, if of the same household, the following unnamed persons, his or her spouse, common-law spouse and relatives of either, and any permanent member of the household of the Insured who does not pay board or rent and any other person under the age of twenty-one in the care of the Insured and for whose care the Insured receives no remuneration from any source. **Insured** shall also mean unmarried students attending school and while residing away from home.

    (b) Any spouse, mother, father, grandparent or child of the person(s) Named on the Cover Page, while residing away from your dwelling in any approved nursing or care home.

    (c) The Corporation named on the Cover Page and any executive officer or director while acting within the scope of his or her duties related to the farming operation.

    (d) With respect to animals and watercraft injured under this policy and owned by an Insured, any person or organization legally responsible therefore, except a person or organization using or having custody or possession of such animals or watercraft in the course of his business pursuits or without the permission of the Insured.

    (e) Under Agreement 1 only, any farm employee of the Named Insured, while engaged in his duties as such.

    (f) Your executors or administrators while they are tending to your premises.

13. **Insured Contract** means a written agreement involving:

    (a) A lease of farm premises.

    (b) A sidetrack agreement.

    (c) An easement or licence agreement in connection with vehicle or pedestrian private railroad crossing at grade.

    (d) Any other easement agreement.

    (e) An indemnification of a municipality as required by ordinance, except in connection with work for a municipality; or

    (f) That part of any other contract or agreement pertaining to your farming business under which you assume the tort liability of another to pay compensatory damages because of **bodily injury** or **property damage** to a third person or organization, if the contract or agreement is made prior to the **bodily injury** or **property damage**. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. An **insured contract** shall not include any obligation for volunteer fire fighting expenses, fire fighting expenses, road maintenance or service including snow removal.

14. **Jet Propulsion Personal Watercraft** means any motorized sea vehicle, jet ski, or other motorized water device, designed as a self-propelled unit used on water.

15. **Occurrence** means an accident, including continuous or repeated exposure to conditions which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the Insured.

16. **Premises Insured** means the location(s) shown on the Cover Page and includes all farm land owned by, rented, or leased to the Insured within the province, or within 40 kilometers of the border, but only within the territorial limits of Canada, including all buildings in connection therewith, and any principal residence premises shown in Dwellings/Belongings on the Cover Page. **Premises insured** also includes:

    (a) Individual or family cemetery plots or burial vaults.

    (b) Premises in which the Insured is temporarily residing, if not owned by the Insured.

    (c) Any other residential premises shown in the Liability section on the Cover Page, where an additional premium has been paid; but **premises insured** shall not include any business property, meaning any property on which a business is conducted.

    Premises insured shall not include any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant, including the grounds associated therewith, unless permission is granted on the Cover Page.

17. **Products Hazard** means the consumption, handling, or use of goods or products manufactured, sold, handled, or distributed by the Insured, if such consumption, handling, or use occurs away from the premises of the Insured and after the Insured has relinquished possession of the goods or products.

18. **Property Damage** means:

    (a) Physical injury to tangible property, including all resulting loss of use of that property; or

    (b) Loss of use of tangible property that is not physically injured.

19. **Recreational Vehicle** means any land motor vehicle designed for recreational use off public roads, if not subject to motor vehicle registration, including all-terrain vehicles, and restricted use motorcycles and mini-bikes; specifically excluding any motorized snow vehicle and its trailer.

20. **Residence Employee(s)** means an employee of the Insured whose duties are exclusively in connection with the maintenance or use of the residence premises, including the performance of household or domestic services, or who performs elsewhere duties of a similar nature not in connection with the Insured's business pursuits or farming operations.

21. **Spores** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any **fungi**.

22. **Terrorism** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

23. **Watercraft** means any watercraft:

    (a) equipped with an outboard motor rated by the manufacturer in excess of 25 horsepower or a combination of outboard motors rated by the manufacturer, in the aggregate, in excess of 25 horsepower and used with a single watercraft; or

    (b) equipped with an inboard motor rated by the manufacturer in excess of 25 horsepower; specifically excluding any **jet propulsion personal watercraft** (as defined).

Exclusions Applicable to All Insuring Agreements

This insurance does not apply to:

1. **Pollution Liability**

   (a) **Bodily injury** or **property damage** arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants:

   (1) into or upon land, the atmosphere or any water of any description no matter where located or how contained; or

   (2) into any watercourse, drainage or sewage system;

   but this exclusion does not apply if such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape is sudden and accidental.

   (b) Any loss, cost, or expense arising out of any request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize or in any way respond to, or assess the effect of pollutants unless such loss, cost or expense is consequent upon **bodily injury** or **property damage** covered by this policy.

   Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

   This exclusion does not apply to **bodily injury** or **property damage** caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a **hostile fire** means one which becomes uncontrollable or breaks out from where it was intended to be.

2. **Nuclear Energy Liability**

   (a) Liability imposed by or arising under any nuclear liability act, law or statute, or any law amendatory thereof.

   (b) **Bodily injury** or **property damage** with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability.

3. **War Risks**

   Bodily injury or **property damage** due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

4. **Terrorism**

   Bodily injury or **property damage** arising directly or indirectly, in whole or in part, out of **terrorism** or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **bodily injury** or **property damage**.

5. **Transmissible Spongiform Encephalopathies**

   (a) **Bodily injury** or **property damage** arising out of, resulting from, caused or contributed to by:

   (1) Transmissible Spongiform Encephalopathies (hereafter referred to as TSE); or

   (2) Exposure to TSE; or

   (3) 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:

(1) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and

(2) 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 in any sequence to the loss, damage, cost or expense.

6. **Fungi and Fungal Derivatives Liability**

(a) **Bodily injury** or **property damage** or any other cost, loss or expense incurred by others, 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 injury or damage referred to in (a) or (b) above.

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

7. **Data**

(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 an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of data.

8. **Asbestos Liability**

Bodily injury or **property damage** or any other cost, loss or expense incurred by others, caused directly or indirectly by, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

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

General Conditions

1. **Inspection, Audit, Suspension and Reinstatement:** The Insured shall permit the Insurer to inspect the insured premises and to examine and audit the Insured's books and records at any time during the policy period and within 1 year after termination of this insurance, as far as they relate to the premium calculation or subject matter of this insurance. The Insurer shall have the right to suspend any part of this insurance until any defect or dangerous condition found is remedied to the satisfaction of the Insurer. Notice of such suspension and the reason therefore and of the reinstatement of the insurance shall be in writing. For the period of such suspension, the Insurer shall allow a *pro rata* return premium.

2. **Notice of Occurrence:** The Insured shall promptly give the Insurer written notice with all available particulars of any occurrences involving loss, damage or injury and of any claim made on account of an occurrence, and shall verify the facts by Affidavit or Declaration if required by the Insurer and shall forward immediately to the Insurer every writ, letter, document or advice received by him from or on behalf of the claimant.

3. **Co-operation of the Insured and the Insurer in Claim Settlement:** The Insured, except at his own cost, shall not voluntarily assume any liability or settle any claim other than for such immediate medical and surgical relief to others as shall be imperative at the time of the accident. The Insured shall not interfere in any negotiations for settlement or any legal proceedings but, whenever requested by the Insurer, shall aid in securing information and evidence and in the attendance of any witnesses and shall co-operate with the Insurer except in a pecuniary manner in the defense of any action or proceedings or in the prosecution of any appeal.

4. **When Action May Be Brought:** The Insured may not bring action to recover the amount of any claim under this policy unless the requirements of the conditions of this policy are complied with and until the amount of the loss has been ascertained by judgment against the Insured after trial of the issue or with the written consent of the Insurer.

   Nothing contained in this policy shall give any person(s) including the Insured, or organization(s) any right to join the Insurer as a co-defendant or third party in any action against the Insured to determine the Insured's liability.

5. **Limitations of Actions:** Every action or proceeding under this policy brought against the Insurer shall be commenced within two years after the cause of action arose.

6. **Waiver:** No term or condition of this policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is stated in writing and signed by a duly authorized representative of the Insurer.

7. **Cancellation:** This Liability section is subject to Condition 5 (Termination of Contract) of the Statutory Conditions of this booklet.

8. **Subrogation:** The Insurer shall be subrogated in case of any payment under this policy to the extent of such payment, to all rights of recovery therefore vested by law in the Insured and/or in any other person claiming hereunder, against persons, corporations, associations or estates, and the Insured shall execute all papers required and shall co-operate with the Insurer to secure its rights.

9. **Other Insurance:** If the Insured has any other insurance applicable to a claim covered by this policy, the Insurer shall not be obligated under this policy to pay a larger proportion of any claim than the applicable amount of protection bears to the total corresponding limits of the whole amount of valid and collectible insurance.

10. **Policy Period:** This policy applies only to **bodily injury** and **property damage** which occurs during the policy period.

11. **Canadian Currency:** All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

12. **Separation of Insured, Cross Liability:** Except with respect to the limits of liability and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

    (a) As if each Named Insured were the only Named Insured; and

    (b) Separately to each Insured against whom a claim is made or **action** is brought.

The insurance afforded by this condition does not apply to acts unrelated to **farming** by an **Insured** residing in the same household.

Property Damage Deductible

Under Insuring Agreements 1 and 2 each claim for loss or damage shall be adjusted separately and from the amount so determined, $500, or if shown, the amount indicated on the Cover Page shall be deducted. This deductible applies to all compensatory damages because of **property damage** relating to farming operations as the result of any 1 **occurrence**, regardless of the number of persons who sustain compensatory damages because of that **occurrence**.

Under Insuring Agreement 3 each claim for loss or damage shall be adjusted separately and from the amount so determined, $500, or if shown, the amount indicated on the Cover Page shall be deducted. This deductible applies to all compensatory damages because of **property damage** as the result of any 1 **occurrence**, regardless of the number of persons who sustain compensatory damages because of that **occurrence**. This deductible does not apply when the loss or damage is caused by the following perils: fire or lightning; explosion or implosion; smoke; falling objects; impact by aircraft, spacecraft or land vehicles; riot; vandalism or malicious acts; water escape and rupture; electricity; windstorm or hail.

The terms of this insurance, including those with respect to:

(a) the Insurer's rights and duties to defend any **action** seeking those compensatory damages; and

(b) the Insured's duties in the event of an **occurrence**, claim or **action** apply irrespective of the application of the deductible amount.

The Insurer 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, the Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

B. Coverage Section Comprehensive Farmer's Liability – Cover Code L

Coverage is provided by this policy only if the symbol L appears in the Cover Code column on the Cover Page.

Insurance is provided by the following Insuring Agreements and is subject to the limitations, exclusions, conditions, definitions and other terms contained herein.

Insuring Agreement 1 – Bodily Injury and Property Damage Liability

1. Insuring Agreement

(a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as compensatory damages because of **bodily injury** or **property damage** to which this insurance applies. The Insurer will pay those sums that the Insured becomes legally obligated to pay for liability of others assumed by the Insured under any **insured contract** (as defined) relating to the **premises insured** (as defined) as compensatory damages because of **bodily injury** or **property damage** to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Agreement 6 – Defense Settlement – Supplementary Payments.** This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period. The **bodily injury** or **property damage** must be caused by an **occurrence** which takes place in the **coverage territory** (as defined). The Insurer will have the right and duty to defend any action seeking those compensatory damages but:

(i) the amount the Insurer will pay for compensatory damages is limited as shown under Amount of Protection;

(ii) the Insurer may investigate and settle any claim or **action** at their discretion; and

(iii) the Insurer's right and duty to defend ends when the applicable limit of insurance has been used up in the payment of judgments or settlements under Agreements 1, 2 or 3 or medical expenses under Agreement 4.

(b) Compensatory damages because of **bodily injury** include compensatory damages claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.

(c) **Property damage** that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the **occurrence** that caused it.

2. Exclusions

The insurance under Agreement 1 does not apply to:

(a) (1) **Bodily injury** or **property damage** expected or intended from the standpoint of the Insured. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

(2) **Bodily injury** or **property damage** caused by any illegal or criminal act by:

(i) any person insured by this policy; or

(ii) any other person at the direction of any person insured by this policy.

(b) **Bodily injury** or **property damage** for which the Insured is obligated to pay compensatory damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages:

(1) assumed in a contract or agreement that is an **insured contract** (as defined) provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement; or

(2) that the Insured would have in the absence of the contract or agreement.

(c) Any obligation of the Insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

(d) **Bodily injury** to an employee of the Insured arising out of and in the course of employment by the Insured.

(1) This exclusion (d) applies:

(i) to any obligation to share compensatory damages with or repay someone else who must pay compensatory damages because of the injury.

(2) This exclusion (d) does not apply:

(i) where the Insured may be liable as an employer or in any other capacity; and

(ii) to liability assumed by the Insured under an **insured contract** (as defined); or

(iii) to employees on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers compensation law.

(e) (1) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any Insured of:

(i) any **automobile** (as defined) or part thereof, but this exclusion does not apply to **bodily injury** or **property damage** occurring on the premises insured if the automobile is not subject to motor vehicle registration because it is used exclusively on the **premises insured** (as defined) or kept in **storage on the premises insured** (as defined);

(ii) any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or

(iii) any vehicle which, if it were to be insured, would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, but this exclusion does not apply to the ownership, use, or operation of machinery, apparatus, or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment.

(2) **Bodily injury** or **property damage** with respect to which any motor vehicle liability policy is in effect or would be in effect but for its termination upon exhaustion of its limit of liability or is required by law to be in effect.

This exclusion (e) does not apply to **bodily injury** to an employee of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers compensation law.

(f) (1) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any Insured of any **recreational vehicle** (as defined) except:

1. recreational vehicles shown on the Cover Page, where an additional premium has been paid;

2 recreational vehicles operated but not owned by the Insured;

3. motorized golf carts owned by the Insured or while being operated by others with the Insured's permission;

but in no event shall the Insurer incur any liability while the recreational vehicle is:

(i) being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

(ii) being used in any **business pursuits** (as defined).

(iii) not being operated in accordance with the *All Terrain Vehicles Act.*

(2) **Bodily injury** to any person riding as a passenger on any **recreational vehicle** (as defined), unless **Including Passenger Hazard** coverage is shown on the Cover Page.

This exclusion (f) does not apply to **bodily injury** to an employee of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers compensation law.

(g) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any Insured of any snow vehicle and its trailer.

This exclusion (g) does not apply to **bodily injury** to an employee of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers compensation law.

(h) (1) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any Insured of any **watercraft** (as defined) except:

1. watercraft shown on the Cover Page, where an additional premium has been paid; or

2. watercraft acquired by the Insured during the period this policy is in force, which is declared to the Insurer within 30 days of such acquisition, and endorsed hereon. The amount of protection shown on your Cover Page for this extension of cover, is the maximum amount we will pay for claims arising from the newly acquired unit.

3. watercraft operated but not owned by the Insured;

but in no event shall the Insurer incur any liability while the watercraft is:

(i) rented to others; or

(ii) used for carrying passengers for compensation; or

(iii) used in any pre-arranged or organized race or speed test; or

(iv) not being operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.

(2) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any Insured of any **jet propulsion personal watercraft** (as defined) except:

1. jet propulsion personal watercraft shown on the Cover Page, where an additional premium has been paid; or

2. jet propulsion personal watercraft operated but not owned by the Insured;

but in no event shall the Insurer incur any liability while the jet propulsion personal watercraft is:

(i) rented to others; or

(ii) used for carrying passengers for compensation; or

(iii) used in any pre-arranged or organized race or speed test; or

(iv) not being operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.

This exclusion (h) (2) does not apply where an additional premium has been paid to extend the coverage provided by this policy (refer to **Optional Extensions – Jet Propulsion Personal Watercraft Liability**).

(i) **Bodily injury** or **property damage** arising out of the use or operation of any **automobile** (as defined), **recreational vehicle** (as defined), **watercraft** (as defined), **jet propulsion personal watercraft** (as defined) or motorized snow vehicle in any prearranged or organized race, rally, derby, speed test, or practice on the **premises insured** (as defined), unless permission is granted on the Cover Page.

(j) (1) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any Insured of:

(i) any aircraft; or

(ii) any air cushion vehicle.

(2) **Bodily injury** or **property damage** arising out of the ownership, existence, use, operation by or on behalf of any Insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

(3) **Bodily injury** or **property damage** arising out of any substance released or discharged from any aircraft.

(k) **Bodily injury** or **property damage** arising out of **business pursuits** (as defined) except:

(1) **Farming** (as defined); or

(2) **Custom farming** (as defined), specifically excluding any custom application or spraying of chemicals and/or fertilizers; and then only:

(i) within the resident province; and

(ii) where remuneration received for such **custom farming** (as defined) does not exceed $10,000 gross receipts in total during the policy term; or

(3) If shown on the Cover Page, the performance of any **custom farming** (as defined) under any agreement or contract, where an additional premium has been paid and the symbol **M** appears in the **Cover Code** column on the Cover Page; or

(4) If shown on the Cover Page, the performance of **business pursuits** (as defined), where an additional premium has been paid; or

(5) Your work for someone else as a clerical worker, sales person, bill or money collector, messenger, lifeguard or teacher, provided the claim does not involve physical disciplinary action to a student or injury to a fellow employee.

(l) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any Insured of:

(1) Any draft or saddle animal or attached conveyance:

(i) for charge or remuneration; or

(ii) while entrusted to others; or

(iii) for the carrying of passengers for financial gain or other compensation; or

(2) Any livestock used or intended for use in a race or rodeo, away from the **premises insured** (as defined), while on the grounds of any racetrack or any premises for race or rodeo; or

(3) Any premises for the purpose of boarding facilities, riding stables, riding arena or academy; or

(4) Any premises for the purpose of any rodeo, any draft or saddle animal race, or any gymkhana or similar equestrian event or activity;

unless coverage is shown on the Cover Page.

(m) Damage to or destruction of or loss of use of:

(1) Property owned or previously owned by the Insured; or

(2) Any personal property or any fixtures as a result of any work performed thereon, by the Insured or any one on his behalf; or

(3) Property occupied or used by the Insured, rented to, or previously rented to, or in the care, custody, or control of the Insured or as to which the Insured is for any purpose exercising physical control, but Part (3) of this exclusion does not apply to **property damage** included within **Agreement 2 – Tenants Legal Liability** or **Agreement 3 – Residence Legal Liability.**

(n) (1) **Property damage** to products manufactured, sold, handled, or distributed by any Insured or work performed by or for any Insured, arising out of such products or work or any part thereof.

(2) Any 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 or on behalf of the Insured of any contract or agreement; or

(ii) the failure of the Insured's products or work performed by or on behalf of the Insured to meet the level of performance, quality, fitness, or durability warranted or represented by the Insured.

(o) **Bodily injury** or **property damage** arising out of consumption, handling, or use of goods or products manufactured, sold, handled, or distributed by the Insured if such consumption, handling, or use occurs away from the premises of the Insured after the Insured has relinquished possession of the goods or products. This exclusion shall not apply to farm products, other than:

(1) manufactured products including fertilizers, weed sprays, and other chemicals, and blended or processed seeds or feeds;

(2) fish, dairy or poultry products, processed or frozen meat, honey, fruit or vegetables where the sale of such products exceeds 10% of total farm product sales.

(p) Liability arising out of the rendering of professional services or the omission thereof.

(q) Liability arising out of the transmission of any communicable disease by any Insured.

(r) Liability arising out of any sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by the policy, or failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.

(s) Liability arising out of any premises other than the **premises insured** (as defined) herein.

(t) **Bodily injury** or **property damage** caused directly or indirectly by an animal you won for which you are responsible and which, has been declared under any law, by-law or municipal ordinance to be a dangerous animal.

Extension of Cover

Such insurance as afforded by the policy shall be extended to include each and every volunteer worker as an additional Insured but only as respects any activity approved by the Named Insured in respect to farming operations arising out of the **premises insured** (as defined).

Except as otherwise provided, all terms, provisions and conditions of this policy shall have full force and effect.

Optional Extensions

All-Terrain Vehicle Liability, including All-Terrain Vehicle – Farm Utility

(Applicable if indicated and a separate Amount of Protection shown on the Cover Page)

The coverage provided under Insuring Agreement 1 is extended to cover the ownership, maintenance, use and operation of all-terrain vehicles, when operated, by the Insured and anyone else with the permission of the Insured, in accordance with *The All Terrain Vehicles Act*. Your Cover Page will indicate which all-terrain vehicle(s) are insured and which options apply.

Coverage for newly acquired all-terrain vehicles is automatically provided for a period of 30 days from the date of acquisition. The amount of protection shown on your Cover Page is the maximum amount we will pay for claims arising from the newly acquired unit.

The Insurer shall not be liable for **bodily injury** or **property damage** where:

(a) the operator is under the age of 16 years, unless, **Underage Operator Endorsement** is shown on the Cover Page. In no event shall coverage apply where the operator is under the age of 12 years, regardless of any permission for underage operators.

(b) the operator is under the age of 16 years and the engine capacity exceeds 250 c.c. or 25 h.p., regardless of any permission for underage operators or passenger hazard.

(c) the operator is under the age of 16 years and allows passengers, regardless of any permission for underage operators or passenger hazard.

The Insurer shall not be liable for **bodily injury**:

(a) where passengers are being carried upon, or getting onto, or alighting from the unit, unless, the **Passenger Hazard** option is shown on the Cover Page. This coverage does not apply, however, where the seating capacity as established by the manufacturer has been exceeded, regardless of any permission granted for carrying passengers.

Exclusions

(Applicable to All-Terrain Vehicle Liability)

The Insurer shall not be liable for **bodily injury** or **property damage**:

(a) caused by an operator under the influence of intoxicating liquor or drugs.

(b) while the unit(s) is being operated in any pre-arranged or organized race, speed or demolition contest or in any stunting activity or in practice for any such contest or activity.

(c) resulting from any illicit or prohibited trade or transportation.

(d) resulting from carrying passengers for a fee.

(e) while the machine(s) is leased or rented to others.

Except as otherwise provided, all terms, provisions and conditions of this policy shall have full force and effect.

Jet Propulsion Personal Watercraft Liability

(Applicable if indicated and a separate Amount of Protection shown on the Cover Page)

The coverage provided under Insuring Agreement 1 is extended to cover the ownership, maintenance, use and operation of jet propulsion personal watercraft, when operated, by the Insured and anyone else with the permission of the Insured. Your Cover Page will indicate which jet propulsion personal watercraft is insured and which options apply.

Coverage for newly acquired jet propulsion personal watercraft is automatically provided for 30 days from the date of acquisition. The amount of protection shown on your Cover Page is the maximum amount we will pay for claims arising from the newly acquired unit.

Exclusions

(Applicable to Jet Propulsion Personal Watercraft Liability)

The Insurer shall not be liable for **bodily injury** or **property damage**:

(a) caused by an operator under 16 years of age.

(b) caused by an operator under the influence of intoxicating liquor or drugs.

(c) while the unit(s) is being operated in any pre-arranged or organized race, speed or demolition contest or in any stunting activity or in practice for any such contest or activity.

(d) resulting from any illicit or prohibited trade or transportation.

(e) resulting from carrying passengers for a fee.

(f) while the unit(s) is leased or rented to others.

(g) resulting from the operation of the unit(s) in any area where such use and operation is restricted or prohibited.

(h) when a personal watercraft unit is not being operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.

The Insurer shall not be liable for **bodily injury**:

(a) where passengers are being carried upon, or getting onto, or alighting from the unit, unless, the **Passenger Hazard** option is shown on the Cover Page. This coverage does not apply, however, where the seating capacity as established by the manufacturer has been exceeded, regardless of any permission granted for carrying passengers.

The Amount of Protection shown on the Cover Page, as applying to this Optional Extension, shall be an annual aggregate limit.

Except as otherwise provided, all terms, provisions and conditions of this policy shall have full force and effect.

Insuring Agreement 2 – Tenants Legal Liability

The Insurer will pay those sums that the Insured becomes legally obligated to pay as compensatory damages because of **property damage** to which this insurance applies. No other obligation or liability to pay sums or perform services is covered, unless explicitly provided for under **Insuring Agreement 6 – Defense Settlement – Supplementary Payments**. This insurance applies only to **property damage** which occurs during the policy period. The **property damage** must be caused by an **occurrence**. The **occurrence** must take place in the **coverage territory** (as defined). This insurance applies only to **property damage** to buildings and contents rented to, occupied by, or in the care, custody, or control of the Insured caused by:

(a) fire.

(b) explosion or implosion.

(c) smoke, meaning smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises.

(d) water escape.

(e) impact by land vehicle.

The Insurer will have the right and duty to defend any action seeking those compensatory damages but:

(i) the amount the Insurer will pay for compensatory damages is limited as described under Amount of Protection.

(ii) the Insurer may investigate and settle any claim or action as may be deemed expedient by the Insurer.

(iii) the Insurer's right and duty to defend ends when the applicable limit of insurance has been used up in the payment of judgments or settlements under Agreement 1, 2 and 6.

Exclusions

The insurance under Agreement 2 does not apply to:

1. **Property damage** to or destruction of any residence or belongings contained therein used by or rented to, or in the care, custody, or control of the Insured.
2. **Property damage** for which the Insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages that the Insured would have in the absence of the contract or agreement.
3. **Property damage** arising out of alterations, additions or repairs by the Insured, unless notice is given and consent of the Insurer is obtained in writing.
4. **Property damage** to any building or contents therein being used for **business pursuits** (as defined) by the Insured.
5. Liability otherwise excluded under Insuring Agreement 1.

Insuring Agreement 3 – Residence Legal Liability

The Insurer will pay those sums that the Insured becomes legally obligated to pay as compensatory damages because of damage arising out of 1 **occurrence** for **property damage** to a residence (including a hotel or motel room) or belongings therein, used by or rented to, or in the care, custody, or control of the Insured solely for private residential purposes and then, only for **property damage** caused by the perils insured as described and limited in Part 1 of the applicable wording booklet shown on the Cover Page for the Insured's principal residence. The broadest coverage shown for the dwelling and/or belongings will apply. Coverage does not apply where the Insured's principal residence is not insured by this policy.

No other obligation or liability to pay sums or perform services is covered unless explicitly provided for under **Insuring Agreement 6 – Defense Settlement – Supplementary Payments.**

The Insurer will have the right and duty to defend any action seeking those compensatory damages but:

(i) the amount the Insurer will pay for compensatory damages is limited as described under Amount of Protection.

(ii) the Insurer may investigate and settle any claim or action as may be deemed expedient by the Insurer.

(iii) the Insurer's right and duty to defend ends when the applicable limit of insurance has been used up in the payment of judgments or settlements under Agreement 1, 3 and 6.

Exclusions

The insurance under Agreement 3 does not apply to:

1. Liability assumed by the Insured under contract, except liability which would attach in the absence of such contract.
2. Liability otherwise excluded under Insuring Agreement 1.

Insuring Agreement 4 – Medical Payments

The Insurer agrees to voluntarily pay an amount not exceeding $5,000 or *Increased Limits Coverage for any 1 **occurrence**, whether or not there is any liability imposed upon the Insured by law, the reasonable medical, surgical, ambulance, hospital, professional nursing and funeral expenses resulting from bodily injury, sickness, disease or death caused by accident to any person(s), as a result of the maintenance or use of the **premises insured** (as defined), or the personal acts of the Insured, and incurred within 1 year from the date of accident.

Exclusions

The Insurance under Agreement 4 does not apply to:

1. Bodily injury to or sickness, disease or death of any Insured, or any farm employee, or any other person not an employee who is regularly residing on the **premises insured** (as defined), or any person engaged in alteration, repair, demolition or new construction operations of the Insured, or any person to or for whom benefits are payable under any workers compensation law because of such injury, sickness, disease or death. This exclusion does not apply to any other person while on the premises in performance of a neighbourly exchange of labour and for which there is no obligation to pay any monetary consideration, either expressed or implied.
2. The ownership, maintenance, use or operation, by or on behalf of any person insured by this policy, of any automobile, trailer, or semi-trailer which is required to be registered under the laws of the province.
3. Liability otherwise excluded under Insuring Agreement 1.
4. Any portion of medical expense, the payment of which is prohibited by law.

Medical Reports, Proof and Payment of Claim, Proof and Payment of Loss

As soon as practicable, the Insured shall arrange for the injured person or someone on his behalf to give the Insurer written proof, under oath if required, and at the request of the Insurer, execute authorization to enable the Insurer to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Insurer when, and as often, as the Insurer may reasonably require. The Insurer may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder of such injury.

Payment hereunder shall not constitute admission of liability.

***Increased Limits Coverage**

If your Cover Page shows that you have this coverage, we will pay up to an amount not exceeding $7,500 for any 1 **occurrence**.

Insuring Agreement 5 – Voluntary Property Damage

The Insurer agrees to voluntarily pay an amount not exceeding $5,000 or *Increased Limits Coverage for any 1 **occurrence**, whether or not there is any liability imposed upon the Insured by law, for loss, damage to or destruction of property, except property hereinafter excluded, caused by an Insured, and resulting from:

1. the maintenance or use of the **premises insured** (as defined); or
2. the personal acts of the Insured.

Exclusions

The insurance under Agreement 5 does not apply to:

1. Any **business pursuits** (as defined) of the Insured.
2. (a) the ownership, use or operation of any automobile, trailer or semi-trailer, aircraft or watercraft; or

   (b) property owned by or rented to the Insured, any resident of the Named Insured's household or any tenant of the Insured; or

   (c) any act(s) caused intentionally by an Insured over the age of 12 years; or

   (d) the ownership of any animal by the Insured, excluding farm livestock.
3. Loss of use, disappearance or abstraction of property.
4. Liability otherwise excluded under Insuring Agreement 1.

Amount of Protection

The limit of the Insurer's liability for loss, damage to or destruction of property arising out of 1 **occurrence** shall not exceed the least of:

1. the actual cash value of the property at the time of loss; or
2. what it would then cost to repair or replace the property with other of like kind and quality; or
3. the amount of $5,000 or *Increased Limits Coverage.

The Insurer may pay for the loss in money or may repair or replace the property and may settle any claim for loss of property either with the Named Insured or the Owner thereof. Any property so paid for or replaced shall, at the option of the Insurer, become the property of the Insurer.

The inclusion herein of more than 1 Insured shall not increase the Amount of Protection.

Proof and Payment of Claim, Proof and Payment of Loss

As soon as practicable, but not later than 60 days after the loss, the Insured shall file proof of loss with the Insurer, under oath if required, setting forth the interest of all persons in the property affected, the actual cash value thereof at the time of loss, and the amount, place, time and cause of such loss.

Upon the Insurer's request, the Insured and any interested person shall exhibit the damaged property to the Insurer and produce for the Insurer's examination all pertinent records and sales invoices, all at such reasonable times and places as the Insurer shall designate, and shall co-operate with the Insurer in all matters pertaining to loss or claim with respect thereto.

***Increased Limits Coverage**

If your Cover Page shows that you have this coverage, we will pay up to an amount not exceeding $7,500 for any 1 **occurrence**.

Insuring Agreement 6 – Defense Settlement – Supplementary Payments

The Insurer further agrees that in respect to Insuring Agreement 1, 2 and 3, it shall:

1. Defend any suit against the Insured even if such suit is groundless, false or fraudulent; but the Insurer may make any investigation, negotiation and settlement of any claim or suit it deems necessary.
2. Pay all premiums on bonds to release attachments for an amount not in excess of the applicable Amount of Protection of this policy, and all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds.
3. Pay all expenses incurred by the Insured, all costs taxed against the Insured in any such suit and all interest accruing after entry of judgment upon that part of the judgment which is within the limit of the Insurer's liability.
4. Pay expenses incurred by the Insured, in the event of an accident causing bodily injury, sickness or disease, for such immediate medical and surgical relief to others as shall be imperative at the time of the accident.
5. Reimburse the Insured for all reasonable expenses, other than loss of earnings, incurred by the Insured at the Insurer's request.
6. Reimburse the Insured for $100 per day because of the Insured's attendance, at the Insurer's request, at trial of any such suit in defense against allegation of bodily injury.

The limit of the Insurer's liability shall extend to include all prejudgment interest which falls within the Amount of Protection provided by this policy.

In all other instances provided for in this Agreement 6, the amounts payable shall be in addition to the Amount of Protection as shown on the Cover Page for Comprehensive Farmer's Liability.

Non-Owned Automobile Liability

Coverage is provided by this policy, in conjunction with Comprehensive Farmer's Liability coverage, where the symbol L appears in the Cover Code column on the Cover Page.

Insurance is provided by the following Insuring Agreement and is subject to the Automobile Statutory Conditions, and the conditions, limitations, and other terms of this policy, as follows:

Insuring Agreement

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from bodily injury to or death of any person or damage to property of others not in the care, custody, or control of the Insured.

Provided always the Insurer shall not be liable under this policy:

(a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or

(b) for any liability imposed upon any person insured by this policy:

(1) by any workers compensation law; or

(2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or

(c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or

(d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody, or control of any such person; or

(e) for any amount in excess of the Amount of Protection shown on the Cover Page and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of the *Insurance Act* (Automobile Insurance Part) relating to the nuclear energy hazard; or

(f) for bodily injury or death for which protection is provided under Part VIII of the *Automobile Accident Insurance Act*.

Additional Agreements of Insurer

Where indemnity is provided by this policy, the Insurer further agrees:

(1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and

(2) to defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and

(3) to pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and

(4) in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and

(5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the Amount of Protection shown on the Cover Page; and

(6) not set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

Limits of Liability

The Amount of Protection shown on the Cover Page is the total limit of the Insurer's liability (exclusive of interest and costs) for loss or damage resulting from bodily injury to or the death of one or more persons and for loss or damage to property regardless of the number of claims arising from any one accident.

Agreements of Insured

Where indemnity is provided by this section, every person insured by this policy:

(a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;

(b) shall reimburse the Insured, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this policy.

General Provisions and Definitions

1. **Additional Insureds**

   The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer, or employee of the Insured who, with the consent of the owner thereof, personally drives:

   (a) in the business of the Insured any automobile not owned in whole or in part by or registered in the name of:

      (i) the Insured; or

      (ii) such additional insured person; or

      (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person; or

   (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or registered in the name of such additional insured person.

2. **Territory**

   This policy applies only while the automobile is being operated, used, stored or parked within Canada, the United States of America or upon a vessel plying between ports of these countries.

3. **Two or More Automobiles**

   When 2 or more automobiles are insured hereunder the terms of this policy shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be 1 automobile as respects limits of liability under this policy.

Automobile Statutory Conditions

In these statutory conditions, unless the context otherwise requires, the word **Insured** means a person insured by this contract whether named or not.

1. Material Change in Risk

(1) The Insured named in this contract shall promptly notify the Insurer or its local agent in writing of any change in the risk material to the contract and within his knowledge.

(2) Without restricting the generality of the foregoing, the words **change in the risk material to the contract** include:

(a) any change in the insurable interest of the Insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under *The Bankruptcy Act* (Canada); and in respect of insurance against loss of or damage to the automobile.

(b) any mortgage, lien or encumbrance affecting the automobile after the application for this contract.

(c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

2. Prohibited Use by Insured

(1) The Insured shall not drive or operate the automobile:

(a) while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile; or

(b) unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or

(c) while he is under the age of 16 years or under such other age as is prescribed by the law of the Province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him; or

(d) for any illicit or prohibited trade or transportation; or

(e) in any race or speed test.

Prohibited Use by Others

(2) The Insured shall not permit, suffer, allow, or connive at the use of the automobile:

(a) by any person under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile; or

(b) by any person:

(i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or

(ii) while that person is under the age of 16 years or under such other age as is prescribed by the law of the Province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him; or

(c) for any illicit or prohibited trade or transportation; or

(d) in any race or speed test.

3. Requirements Where Loss or Damage to Persons or Property

(1) The Insured shall:

(a) promptly give to the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;

(b) verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and

(c) forward immediately to the Insurer every letter, document, advice or writ received by him from or on behalf of the claimant.

(2) The Insured shall not:

(a) voluntarily assume any liability or settle any claim except at his own cost; or

(b) interfere in any negotiations for settlement or in any legal proceeding.

(3) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the Insurer, except in a pecuniary way, in the defense of any action or proceeding or in the prosecution of any appeal.

4. Requirements Where Loss or Damage to Automobiles

(1) Where loss of or damage to the automobile occurs, the Insured shall, if the loss or damage is covered by this contract:

(a) promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;

(b) at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and

(c) deliver to the Insurer within 90 days after the date of the loss or damage a statutory declaration stating, to the best of his knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the Insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the Insured.

(2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.

(3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed:

(a) without the written consent of the Insurer; or

(b) until the Insurer has had a reasonable time to make the examination for which provision is made in statutory condition 5.

(4) Examination of Insured. The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the Insurer or its representative all documents in his possession or control that relate to the matters in question, and he shall permit extracts and copies thereof to be made.

(5) Insurer Liable for Cash Value of Automobile. The Insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

(6) Repair or Replacement. Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost, with other of like kind and quality if, within seven days after the receipt of the proof of loss, it gives written notice of its intentions to do so.

(7) No Abandonment; Salvage. There shall be no abandonment of the automobile to the Insurer without the Insurer's consent. If the Insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the Insurer.

(8) In Case of Disagreement. In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by the appraisal as provided under *The Insurance Act* before there can be recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefore is made in writing and until after proof of loss has been delivered.

5. Inspection of Automobile

The Insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

6. Time and Manner of Payment of Insurance Money

(1) The Insurer shall pay the insurance money for which it is liable under this contract within 60 days after the proof of loss has been received by it or, where an appraisal is made under subcondition (8) of Statutory Condition 4, within 15 days after the award is rendered by the appraisers.

(2) **When Action is Brought.** The Insured shall not bring an action to recover the amount of a claim under this contract unless the requirements of Statutory Conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as therein provided or by a judgment against the Insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.

(3) **Limitation of Actions.** Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within 2 years next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within 2 years next after the cause of action arose and not afterwards.

7. Who May Give Notice and Proofs of Claim

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

8. Termination

(1) This contract may be terminated:

(a) by the Insurer giving the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered.

(b) by the Insured at any time on request.

(2) Where this contract is terminated by the Insurer:

(a) the Insurer shall refund the excess of premium actually paid by the Insured over the *pro rata* premium for the expired time, but in no event shall the *pro rata* premium for the expired time be deemed to be less than any minimum retained premium specified; and

(b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund shall be made as soon as practicable.

(3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of 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.

(4) The refund may be made by money, postal or express company money order or cheque payable at par.

(5) The 15 days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

9. 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 this 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.

Voluntary Compensation – Cover Code O

(Applicable if indicated on the Cover Page)

Insuring Agreement

The Insurer agrees with the Named Insured to voluntarily pay to a **farm employee** (or in the event of his/her death, to his/her dependents) the benefits described in this policy, if an accident occurs which causes bodily injury to the employee (including death resulting therefrom) and which arises out of and in the course of his employment in farming operations by and for the Insured, within the territorial limits of Canada, where the symbol **O** appears in the **Cover Code** column opposite the heading **Voluntary Compensation** on the Cover Page.

The applicable limit(s) of protection shall be shown on the Cover Page for Weekly Indemnity and as per the Schedule of Benefits herein.

Exclusions

This insurance does not apply to:

1. Hernia, however caused.
2. An accident, unless the employee in the employment of the Insured was engaged in duties substantially connected with farming operations outside of the Insured's residence.
3. An accident, unless a full legal release of all claims of such employee or any person claimed by, through or under him, against the employer is executed and delivered and any rights of such employee or person against anyone other than the employer are subrogated and assigned in full to the Insurer.
4. An accident where remuneration has or will be received by the employee under Agreement 1 of this policy.
5. An accident where remuneration (excluding bed and board) has or will be received by the employee from the employer and remuneration shall be deemed to include wages whether in whole or in part.
6. An automobile accident.
7. Any person on the farm premises in the course of a neighbourly exchange of labour, or who does work for which no charge is made or contemplated.
8. Liability otherwise excluded under Insuring Agreement 1.

Schedule of Benefits

1. In each case, the Insurer will pay the necessary medical, pharmaceutical and hospital charges and substantiated ambulance charges, not to exceed in all, in any event, the sum of $500 during the period of 26 weeks following the date of the accident, subject to the right of the Insurer to select or approve of the doctor, surgeon, druggist or hospital retained. There shall be no reimbursement to the injured person for any payment which would, except for the failure of the employee to contribute, be payable under a provincial medical or hospital expense payment plan.
2. In the event of death resulting from such injury within a period of 6 months from the date of the accident, the Insurer will pay the actual funeral expense, to a maximum of $750.
3. The Insurer will also pay any charges for the supplying or normal renewing of prosthetic or orthopedic appliances as may be necessary for the period of 52 weeks from the date of the accident.

4. The Insurer will also pay, except where the incapacity lasts less than 7 days, an amount equal to two-thirds of such employee's weekly wage at the time of the accident, subject to the Weekly Indemnity Limit shown on the Cover Page, under any 1 of the following paragraphs:

   a. If the injury results in any of the incapacities hereinafter listed in the Schedule of Incapacities, the Insurer will pay the said amount, for the number of weeks shown opposite the incapacity in the said schedule, in addition and subsequent to any sums paid under Clause b(1) or b(2) hereunder; provided that not more than 1 of the said amounts so listed in the Schedule of Incapacities shall be payable for injuries from 1 accident.

   b. If the injury results in total incapacity:

      (1) where any such total incapacity lasts 7 days or more but less than 6 weeks, the Insurer will pay the said amount for the period commencing on the eighth day after such accident, to the date of termination of the incapacity; or

      (2) where such total incapacity lasts 6 weeks or more, the Insurer will pay the said amount for the period commencing from the date of the accident to the termination of the incapacity or for 26 weeks; whichever is the lesser period; or

      (3) where such total incapacity is deemed permanent by medical evidence satisfactory to the Insurer, the Insurer will pay the said amount for the period commencing from the date of the accident to the termination of the incapacity or for 126 weeks; whichever is the lesser period.

   c. Death Benefits:

      (1) If the injury results in death within a period of 6 months from the date of the accident, the Insurer will pay to the deceased employee's dependents who, while resident in Canada, were wholly dependent upon him, the said amount for a period of 100 weeks, in addition to any payments made under paragraph (b) hereof; or

      (2) If no payment is made under (1), the amount of $1,500 will be paid to the employee's Estate.

Schedule of Incapacities

Loss or Total Loss of Use of	**No. of Weeks**
Arm at shoulder	100
Arm between shoulder and elbow	100
Arm below elbow, or hand at wrist	80
Thumb	25
Index finger	20
Middle finger, ring or little finger	15
First phalange of toe or finger, except of thumb and index finger	50% of the period granted for whole finger or toe.
First phalange of thumb or index finger	75% of the period granted for whole finger.
More than one phalange of toe, finger or of thumb	100% of the period granted for whole toe, finger or thumb.
Multiple finger injuries	Period equal to the sum of periods payable for each finger but not to exceed 75 weeks.
Multiple toe injuries	Period equal to the sum of periods payable for each toe but not to exceed 30 weeks.

Leg at hip 100
Leg between hip and knee 95
Leg at knee. 90
Foot at ankle. 75
Great toe 15
Any other toe 10
One eye 50
Both ears (hearing). 100
One ear or hearing of one ear 25

Conditions

1. **Premium Adjustment**
   (a) The premium shown on the Cover Page is an estimated deposit premium only. Adjustment of premium shall be made at the end of the policy period and for this purpose the premium shown on the Cover Page, or as amended in any endorsement attached hereto, shall be used in ascertaining the earned premium with respect to the insurance provided under Voluntary Compensation.
   (b) Subject to the retention by the Insurer of the minimum premium or premiums, if the total earned premium or premiums for this policy exceeds the estimated deposit premium or premiums paid, the Insured shall pay such excess to the Insurer. If such earned premium is less than the deposit premium, the Insurer shall return the unearned premium to the Insured.
   (c) The Insured shall maintain a record of the remuneration of all his employees, as well as any other information pertinent to the computation and adjustment of the earned premium, and shall submit such record and information to the Insurer at the end of the policy period.
   (d) The word **Remuneration** shall mean the entire remuneration earned during the policy period by all the employees of the Insured employed in, or in connection with, the farming operations whether paid by way of salary, wages, bonuses, overtime, allowance or piecework or whether paid wholly or partly in cash, board, rent, housing, lodging, store certificates, merchandise, credits, or any other substitute for cash, however, this is subject to such board and lodging being considered as not less than $100 per month for each employee.

Statutory Conditions

In respect to Comprehensive Farmers Liability coverage, only Statutory Conditions 1, 3, 4, 5 and 15 apply. Otherwise, all of the Statutory Conditions apply with respect to all of the perils insured by this policy.

1. Misrepresentation

If any person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance which is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract shall be 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 other person other than the Insured, unless the interest of the Insured therein is stated in the contract.

3. Change of Interest

The Insurer shall be liable for loss or damage occurring after an authorized assignment pursuant to *The Bankruptcy and Insolvency 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 shall avoid 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 15 days of the receipt of the notice, pay to the Insurer an additional premium; and in default of such payment the contract shall no longer be in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. Termination of Contract

(1) This contract may be terminated:

(a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail, or 5 days' written notice of termination personally delivered;

(b) by the Insured at any time on request.

(2) Where this contract is terminated by the Insurer:

(a) the Insurer shall refund the excess premium actually paid by the Insured over the *pro rata* premium for the expired time, but in no event, shall the *pro rata* premium for the expired time be deemed to be less than any minimum retained premium specified; and

(b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.

(3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of 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.

(4) The refund may be made by money, postal or express company money order, or by cheque payable at par.

(5) The 15 days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. Requirements After Loss

(1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if such loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:

(a) forthwith give notice thereof in writing to the Insurer;

(b) deliver as soon as practicable to the Insurer a proof of loss verified by statutory declaration:

(i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;

(ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;

(iii) stating that the loss did not occur through any wilful act or neglect or procurement, means or connivance of the Insured;

(iv) showing the amount of other insurances and the names of other Insurers;

(v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;

(vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;

(vii) showing the place where the property insured was at the time of the loss;

(c) if required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;

(d) 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.

(2) The evidence furnished under clauses (c) and (d) of subparagraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

7. Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, shall vitiate the claim of the person making the declaration.

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

(1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.

(2) The Insurer shall contribute *pro rata* towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (1) of this condition according to the respective interests of the parties.

10. Entry, Control, Abandonment

After any loss or damage to insured property, the Insurer shall have 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 appraisement or particular estimate of the loss or damage, but the Insurer shall not be 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 Saskatchewan 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 shall be payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

(1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within 30 days after receipt of the proofs of loss.

(2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within 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 shall be absolutely barred unless commenced within 2 years 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; and 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; and in this condition, the expression **registered** means registered in or outside Canada.

Privacy: Our Commitment

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– inquire about any other privacy questions or concerns.

Please contact:
SGI CANADA Chief Privacy Officer
2260 – 11th Ave.
Regina, Sask.
S4P 0J9
Phone: 1-800-667-8015
Email: privacyofficer@sgi.sk.ca

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503 – 1801 Hamilton St.
Regina, Sask.
S4P 4B4
Phone: 306-787-8350
Toll free within Saskatchewan: 1-877-748-2298
Fax: 306-798-1603
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