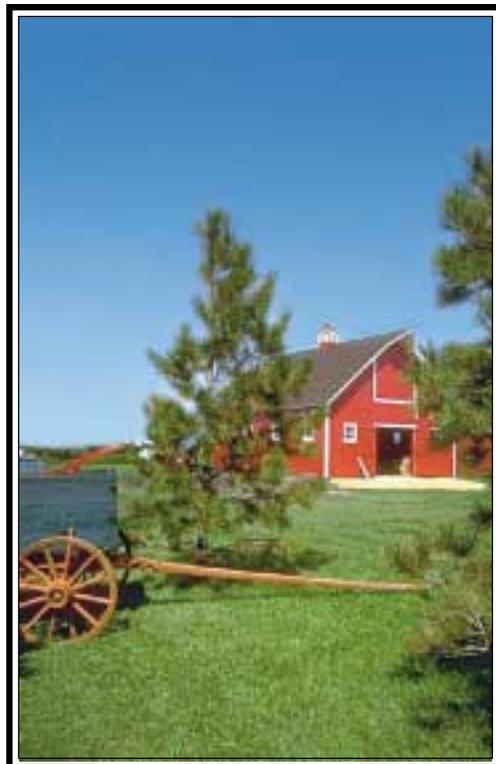




FARM INSURANCE POLICY



GENERAL INFORMATION

YOU MUST TELL YOUR BROKER/AGENT IF ANY OF THE FOLLOWING OCCUR AFTER YOUR POLICY IS ISSUED:

1. CHANGE IN NAMED INSURED, ADDRESS OR MORTGAGEE.
2. CHANGE IN OCCUPANCY, E.G., RENTING ALL OR PART OF THE DWELLING TO OTHERS INCLUDING ROOMERS OR BOARDERS; CONDUCTING BUSINESS ACTIVITIES ON YOUR PREMISES; IF THE DWELLING IS TO BE VACANT OR UNOCCUPIED FOR OVER 30 DAYS.
3. INSTALLATION OF A WOOD BURNING APPLIANCE.
4. IMPROVEMENTS OR ADDITIONS TO YOUR DWELLING COSTING MORE THAN \$10,000.
5. CHANGE IN COVERAGE OR LIMITS OF INSURANCE THAT REQUIRE ADDITIONS, DELETIONS OR CANCELLATION TO EXISTING INSURANCE, FOR EXAMPLE, PURCHASE OF NEW ITEMS ABOVE THE SPECIAL LIMITS OF INSURANCE, OR DELETION OF A SCHEDULED ITEM.

YOUR BROKER/AGENT WILL BE PLEASED TO ANSWER ANY QUESTIONS YOU MAY HAVE.

WHAT TO DO IF LOSS OR DAMAGE OCCURS:

1. CALL POLICE OR FIRE DEPARTMENT IMMEDIATELY, IF APPROPRIATE.
2. PROTECT YOUR PROPERTY FROM FURTHER DAMAGE WHERE PRACTICAL, BUT DO NOT ENDANGER LIVES.
3. IF YOUR HOME IS BURGLARIZED, DO NOT DISTURB ANYTHING UNTIL POLICE ARRIVE. THEY MAY BE ABLE TO GET CLUES AND FINGERPRINTS.
4. NOTIFY YOUR AGENT OR BROKER AS SOON AS POSSIBLE.



As a SMI policyholder, you have the right to attend meetings of the policyholders of the Company, and to vote in person or by proxy, at these meetings. If you wish to appoint someone to attend and vote at meetings on your behalf, you may request a Proxy Form by writing to: Saskatchewan Mutual Insurance Company, 279 3rd Avenue North, Saskatoon, Sask. S7K 2H8. If you wish to receive a notice of all policyholders' meetings during the next three years, please complete and return the "Request for Notice of Meetings" form below.

REQUEST FOR NOTICE OF MEETINGS

The undersigned, a policyholder of Saskatchewan Mutual Insurance Company, hereby requests that notice of each meeting of policyholders which may be held within three years from the date shown below, be sent to me at the address shown below.

Dated: _____

Policy Number: _____

Signature: _____

Please Print Name and Address:

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FARM INSURANCE POLICY

Your complete **Farm Insurance Policy** consists of this booklet, your **Personal Insurance Policy** booklet (if we insure your dwelling and/or personal property) together with one or more Coverage Summary pages. Coverages applicable to your dwelling and/or personal property are described in your **Personal Insurance Policy** booklet. Coverages applicable to your farm buildings and other farm property are described in this booklet.

This **Farm Insurance Policy** booklet consists of two sections:

Section II -This section replaces Section II of your **Personal Insurance Policy** booklet. It describes the insurance for your legal responsibility for injury to other people or damage to their property, arising from your “farming” operations and your personal activities.

Section V -This section describes the insurance on your farm buildings, machinery, produce, livestock and other farm property.

Sections I, III and IV are included in your **Personal Insurance Policy** booklet.

The Policy Conditions, Statutory Conditions and Additional Conditions set out at the back of this booklet apply to all sections of the policy.

The Amounts of Insurance are the “Limits” shown on the Coverage Summary page.

AGREEMENT

We provide the insurance described in this policy, only if indicated on the Coverage Summary page, in return for payment of the premium and subject to the exclusions, limitations, terms and conditions set out.

DEFINITIONS

As used throughout this policy:

“**Named Insured**” means the person or persons named as Insured on the Coverage Summary page, but not a person or persons named as an additional insured

“**You**” and “**your**” means:

1. the “Named Insured” and while living in the same household as the “Named Insured”, his or her “spouse”, the relatives of either or any person under the age of 21 in their care;
2. any person(s) or organization named as an “additional insured” on the Coverage Summary page.

Only the person(s) named as the Insured on the Coverage Summary page may take legal action against us.

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

“**We**”, “**us**”, “**our**” and “**the Insurer**” means Saskatchewan Mutual Insurance Company.

“**Business**” means any activity or pursuit undertaken for financial gain including a trade, profession or occupation, but does not include “farming”.

“**Custom farming**” means the use of your farm machinery or equipment for others for compensation, but only if the amount of compensation exceeds \$10,000 gross receipts in total during the policy term. Occasional farm work you do for others in return for their work for you, or crop-share or similar arrangements will not be considered “custom farming”.

“**Farming**” means the ownership, maintenance or use of premises or machinery for the production of crops or the raising or care of

livestock, including all necessary related operations. "Farming" also includes the operation of roadside stands and farm markets maintained principally for the sale of your own farm products.

"Insured peril" means a cause of loss or damage as described and limited for which you are insured by this policy.

Premises: "farm premises" and "your premises" mean the location(s) shown on the Coverage Summary page. It also includes other farmland owned, rented or leased by the "Named Insured" or his or her "spouse", but only within the territorial limits of Canada.

"Spouse" means husband or wife and includes either of two persons of the same or opposite sex who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 2 years or, if they are the natural or adoptive parents of a child, for a period of one year.

"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.

See also Additional Definitions Applicable to Section II

SECTION II - LIABILITY COVERAGE

This Section replaces Section II of your **Personal Insurance Policy booklet**.

Additional Definitions applicable to Section II.

As used in this section:

"You" and "your" has the same meaning as defined on page 1 and also includes:

1. any person or organization legally liable for damages caused by a watercraft or animal owned by the "Named Insured", and to which the insurance under this section applies. This does not include anyone using or having custody of the watercraft or animal in the course of any "business" or without the "Named Insured's" permission;
2. any "farm employee" or "residence employee" while engaged in his or her duties as such, but not for claims arising out of "bodily injury" to any person insured by this policy;
3. the "Named Insured's" legal representative having temporary custody of the "insured premises", if the "Named Insured" dies while insured by this policy, for "legal liability" arising out of the "insured premises";
4. any person who is insured by this policy at the time of the "Named Insured's" death and who continues residing on the "insured premises";
5. any parent of the "Named Insured" while residing in a nursing or special care home;
6. an unmarried student who is enrolled in and attending an educational institution and who is dependent on the "Named Insured" or his or her "spouse" for support and maintenance, while residing away from the "Named Insured's" residence.
7. if the "Named Insured" is an organization other than a partnership or joint venture:
 - a. any executive officer, director or shareholder of the organization whose principal residence is on the "premises" and, while living in the same household, his or her "spouse", the relatives of either or any person under the age of 21 in their care.
 - b. any other executive officer, director or shareholder of the organization while acting within the scope of his or her duties as such with respect to the conduct of the "Named Insured's"

“farming” operations;

8. any person while providing volunteer assistance in the “Named Insured’s” “farming” operations.

Only the Person(s) named as an Insured(s) on the Coverage Summary page may take legal action against us.

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

“**Bodily injury**” means bodily injury, sickness or disease or resulting death.

“**Farm employee**” means a person employed by you to perform duties principally connected with your “farming” activities outside of your dwelling.

“**Insured**” or “**insured person**” means any person insured by this policy under Section II (Liability Coverages) whether named or not. This includes all persons coming within the definition of “you” as set out in these definitions.

“**Insured premises**” means:

1. residential or farm premises at the location(s) shown on the Coverage Summary page;
2. other farmland within Canada owned, rented or leased by the “Named Insured”, or his or her “spouse”, and used for “farming” purposes;
3. individual or family cemetery plots or burial vaults;
4. vacant land you own or rent within Canada, excluding farmland;
5. land in Canada owned or rented by you where an independent contractor is building a one or two-family residence to be occupied by you;
6. premises you are temporarily using or where you are temporarily residing if you do not own such premises;
7. premises in Canada which you take possession of or become owner of during the policy term. This applies from the date you acquire ownership or take possession, but not beyond the earliest of:
 - a. 30 consecutive days;
 - b. the date the policy expires or is terminated; or
 - c. the date upon which specific liability insurance is arranged for such premises.

“Insured Premises” does not include either of the following:

1. any “business” property, meaning property on which a “business” is conducted, or
2. any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant, wherever located, including the grounds associated with any of these, unless coverage is specifically shown on the Coverage Summary page.

“**Jet Propulsion Personal Watercraft**” means a motorized sea vehicle, jet ski, or other motorized water device, designed as a self-propelled unit used on water and of the type commonly referred to as a “personal watercraft”.

“**Legal liability**” means responsibility which courts recognize and enforce between persons who sue one another.

“**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

“**Products hazard**” means the consumption, handling or use of goods or products manufactured, sold, handled or distributed by you if the consumption, handling or use occurs away from “your premises” after you have relinquished possession of the goods or products.

“**Property damage**” means physical injury to, or destruction of tangible property, including resulting loss of use of this property.

“Recreational Vehicle” means:

1. a motorized snow vehicle and its trailer; and
2. if not subject to motor vehicle registration, any land motor vehicle designed for recreational use off public roads, including all terrain vehicles, and restricted use motorcycles and mini-bikes.

“Residence employee” means a person employed by you, other than a “farm employee”, to perform exclusively household or domestic duties in connection with the maintenance or use of your dwelling on the “premises”. This does not include, if living in your household, your “spouse”, and the relatives of either of you or any person under the age of 21 in your care.

COVERAGES E, F, G and H

This insurance applies only to accidents or “occurrences” which take place during the term of this policy.

The limits of insurance are shown on the Coverage Summary page.

COVERAGE E – LEGAL LIABILITY

INSURING AGREEMENTS

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

We will not pay punitive or exemplary damages, meaning that part of an award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you.

Except as otherwise provided by the **Fire Fighting Expense Limitation**, the limit of insurance shown for Coverage E on the Coverage Summary page is the maximum amount we will pay, under one or more sections of Coverage E, for all compensatory damages in respect of one “occurrence”, regardless of the number of:

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

If there is a claim payable under Coverage E that is insured by more than one policy with us, we will pay up to the greatest limit available on any one policy.

With respect to damages arising out of the “products hazard”, the limit of insurance shown for Coverage E is also the maximum amount we will pay for all occurrences during any 12-month period commencing with the effective date of this policy and the effective date of each subsequent renewal. If the policy is extended for an additional period of less than 12 months, the additional period will be considered part of the last preceding 12-month period for the purposes of determining the amount of insurance.

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

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

SEPARATION OF INSURED – CROSS LIABILITY

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

1. relatives of either the “insured person” or his or her “spouse”, or

2. any person under the age of 21 in their care.

FIRE FIGHTING EXPENSE LIMITATION:

The limit shown on the Coverage Summary page for “Fire Fighting Expense Limitation” is the most we will pay in any one “occurrence” for your “legal liability” for all costs or expenses for or associated with fighting, suppressing, controlling or extinguishing a fire that arises from an activity pertaining to your “farming” operations or to a “business” to which Section II of this policy applies. This limit applies regardless of the number of:

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

Your liability for such costs and expenses is insured, subject to this limitation, only when they are associated with “property damage” to which this policy applies and for which you are legally liable.

COVERAGE E INSURANCE

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

1. **Personal Liability** – “bodily injury” or “property damage” arising out of your personal actions anywhere in the world, if you are an individual.
2. **Premises Liability** – “bodily injury” or “property damage” arising out of the ownership, use or occupancy of the “insured premises”.
3. **Farm Operations Liability** – “bodily injury” or “property damage” arising out of your “farming” operations.
4. **Contractual Liability** – “bodily injury” or “property damage” for which you are obligated to pay compensatory damages because prior to the “occurrence” for which the claim is made you assumed liability of others in a written contract or agreement pertaining to the “insured premises”. You are not insured for liability assumed in any contract or agreement:
 - a. where you assume liability for the sole negligence of the other party or parties to the contract or agreement; or
 - b. in connection with any “business” or “business” use of the “insured premises”.
5. **Tenants Legal Liability** – “property damage” to “premises” you do not own, including their contents, which you are using, renting or have in your care, custody or control.

You are insured to the same extent that damage to your own property is insured under Section I, except that the Coverage E limit will apply. If no building is insured in Section I, the “Insured Perils”, Exclusions and Limitations that apply to your personal property will apply to your “legal liability” for “property damage”, as insured by this coverage, to buildings as well as to contents. The deductible amount applicable to Section I applies to this coverage, except for damage caused by the following perils as defined and limited under “Insured Perils” of Homeowners Form A: Fire; Explosion or Implosion; Smoke; Falling Objects; Impact by Aircraft; Impact by Land Vehicle; Water Escape, Rupture, Freezing; Glass Breakage; Transportation or Electricity.

You are not insured for “property damage” to buildings or structures, including their contents, on the “farm premises”, other than a residence building you do not own and which you occupy solely for residential purposes. You are not insured for liability you have assumed by contract unless your “legal liability” would have applied even if no contract had been in force. This insurance does not apply to “property damage” to “premises” you are using for “business” purposes.

6. **Employer's Liability** – “bodily injury” to “residence employees” and “farm employees” arising out of and in the course of their employment by you. Your “legal liability” for “bodily injury” to “farm employees” is insured only if the Coverage Summary page indicates that “Employer's Liability” is included.

You are not insured for claims made against you resulting from the ownership, use or operation of any aircraft or air cushion vehicle while being operated or maintained by your employee.

You are not insured for liability imposed upon or assumed by you under any worker's compensation statute, or assumed by you under any contract or agreement with an employee.

You are not insured for claims made against you for “bodily injury” to a person employed by you in violation of any law relating to age.

7. **Watercraft Liability** – “bodily injury” or “property damage” arising out of:

a. **Watercraft You Own:** the ownership, maintenance, use or operation of watercraft equipped with an outboard motor or motors of not more than 19kW (25 h.p.) in total when used with or on a single watercraft. You are also insured if your watercraft has an inboard or an inboard/outboard motor of not more than 38kW (50 h.p.) or for any other type of watercraft not more than 8 meters (26 feet) in length.

If you own jet propulsion personal watercraft, you are insured only if the Coverage Summary page states: “Jet Propulsion Personal Watercraft Liability”.

If you own motor(s) or watercraft other than those stated above, you are insured only if “Watercraft Liability Extension” is shown on the Coverage Summary page. If they are acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of their acquisition.

b. **Watercraft You Do Not Own:** your use or operation of watercraft that you do not own, provided:

i) the watercraft is being used or operated with the owner's consent; and

ii) the watercraft is not owned by anyone included in the definition of “you” or “your” in Section II of this policy.

You are not insured for damage to the watercraft itself.

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

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

8. **Motorized Vehicle Liability** – “bodily injury” or “property damage” arising out of:

a. **Vehicles You Own:** the ownership, maintenance, use or operation of the following motorized vehicles, including their trailers and attachments, provided they are not subject to motor vehicle

registration or used for compensation or hire:

- i) motorized wheelchairs and motorized scooters having more than two wheels and specifically designed for carrying a person who has a physical disability;
 - ii) self propelled lawn mowers, snow blowers, farm or garden tractors, or farm implements if these are used or operated mainly on the “insured premises”;
 - iii) “recreational vehicles” while on the “insured premises” but not while being used in any organized race;
 - iv) All Terrain Vehicles away from the “insured premises” while being used solely for “farming” purposes in connection with your farm;
 - v) motorized golf carts;
 - vi) any other motorized vehicle while on the “insured premises” and which is used exclusively on the “insured premises” or kept in dead storage on the “insured premises”.
- b. Vehicles You Do Not Own: your use or operation of any self-propelled land vehicle or amphibious vehicle which you do not own, provided that:
- i) the vehicle is not subject to motor vehicle registration and is designed primarily for use off public roads;
 - ii) you are not using it for “business” or organized racing.

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

- c. Attached Machinery: the functional use or operation, for your “farming” purposes, of machinery or apparatus mounted on or attached to a motorized vehicle, while at the site of the use or operation of such machinery or apparatus.

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

We do not insure claims made against you arising from the use or operation of any motorized vehicle, whether owned by you or not, while you are operating or controlling it while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper operation or control of the vehicle, or while your alcohol-blood ratio exceeds 80 milligrams of alcohol in 100 milliliters of blood.

9. **Trailer Liability** – “bodily injury” or “property damage” arising out of your ownership, maintenance, use or operation of any utility, boat, camp or home trailer or its equipment, provided that such trailer is not being towed by, attached to or carried on a motorized vehicle.
10. **Business and Business Property Liability** – “bodily injury” or “property damage” arising out of:
- a. your work for someone else as a sales representative, collector, messenger, clerk or teacher, provided the claim does not involve physical disciplinary action to a student or injury to a fellow employee;
 - b. the occasional rental of your residence to others; rental to others of a one- or two-family dwelling usually occupied in part by you as a residence, provided that there is no more than one roomer or boarder per family;
 - c. the rental of space in your residence to others for incidental office, school or studio occupancy;
 - d. the rental to others, or holding for rent, of not more than three car spaces or stalls in garages or stables;
 - e. activities during the course of your trade, profession or occupation which are ordinarily considered to be non-business activities;

f. the temporary or part-time “business” pursuits of an “insured person” under the age of twenty-one years.

You are insured for claims made against you arising from the following “business” pursuits, only if the properties or operations are declared on the Coverage Summary page:

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

11. **Resort Area Property Away From the Premises** – “bodily injury” or “property damage” arising out of boathouses, boatlifts, docks, piers, wharves and swimming rafts you own or in which you have a financial interest, which are not on the “insured premises” but located elsewhere in the same resort area as a dwelling insured by this policy.

DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

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

In addition to the limit of insurance under Coverage E, we will pay:

1. all expenses which we incur;
2. all costs charged against you in any suit insured under Coverage E;
3. any interest accruing after judgment on that part of judgment which is within the amount of insurance of Coverage E;
4. premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the amount of insurance, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or “occurrence” insured by this policy;
6. reasonable expenses including up to \$100 a day for your actual loss of wages or salary up to a maximum of \$250 in any one claim or suit if we request you to attend trials or hearings.

EXCLUSIONS

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

1. “bodily injury” or “property damage” arising out of the ownership, maintenance, use, operation, loading, unloading or entrustment to others of any motorized vehicle, trailer or watercraft, including the equipment of any of them, except those for which coverage is provided under “Motorized Vehicle Liability”, “Trailer Liability”, “Watercraft Liability” and “Jet Propulsion Personal Watercraft Liability” in this section of the policy. This exclusion does not apply to “Employer’s Liability”;
2. “bodily injury” or “property damage” arising from the ownership, maintenance, use, operation, loading, unloading or entrustment to others of any aircraft or air cushion vehicle;
3. “bodily injury” or “property damage” arising from the ownership, existence, maintenance, use or operation of any property used as an airport or aircraft landing strip and all necessary or incidental operations;
4. “property damage” to:
 - a. property owned by you or by any person residing in your household other than a “residence employee”;
 - b. property you use, occupy or lease, property in your care, custody or control, or property as to which you are for any purpose exercising physical control, except property for which coverage

- is provided under “Tenants Legal Liability” in this section of the policy;
- c. personal property or fixtures as a result of work done on them by you or anyone on your behalf;
 5. “property damage” you cause while you are unlawfully on premises of others, or any obligation to share compensatory damages with or repay someone else who must pay compensatory damages for “property damage” arising out of acts committed by you or such other person while unlawfully on premises of others;
 6. “bodily injury” to you or to any person residing in your household other than a residence employee;
 7. “bodily injury”, if you are an organization, to any executive officer, partner, director or shareholder of the organization or the “spouse” or relative of any of them, if such person resides on the “farm premises”;
 8. “bodily injury” arising out of the transmission of a communicable or sexually transmitted disease, including Acquired Immune Deficiency Syndrome, by any “insured person”;
 9. “bodily injury” arising out of abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological or emotional abuse, molestation, or harassment, including corporal punishment caused directly or indirectly, by:
 - a. any “insured person”;
 - b. any “insured person” having knowledge of such an activity taking place;
 - c. any “insured person” failing to prevent such an activity from taking place;
 - d. or at the direction of any “insured person”;
 - e. any person who is an employee, volunteer or invitee of any “insured person”;nor are you insured for any claim or action for negligence, vicarious liability, occupiers liability, fiduciary duty, breach of trust, abuse of authority, or any other obligation of an “insured person” arising from:
 - a. employment, including failure to adequately or properly investigate the prior employment history of,
 - b. supervision of,
 - c. continuing employment of, or
 - d. failure to report to the proper authorities where allegations of abuse or molestation have been made against any person involved with or subject to allegations of any conduct as described in the first part of this exclusion 9;
 10. “bodily injury” or “property damage” arising out of any “business” or “business” use of the “insured premises” except as may otherwise be specified in this policy;
 11. “bodily injury” or “property damage” arising out of the rendering of or failure to render any professional service;
 12. “bodily injury” or “property damage” caused directly or indirectly by any intentional or criminal act or failure to act by:
 - a. any “insured person” or
 - b. any other “insured person” at the direction of any “insured person”;
 13. “bodily injury” or “property damage” caused by an animal you own or for which you are responsible and which, prior to the “occurrence” which gives rise to the claim, has been declared under any law, by-law or municipal ordinance to be a dangerous animal;
 14. liability you have assumed under any contract or agreement except those for which coverage is provided under “Contractual Liability” in this section of the policy. This exclusion does not apply to

- “bodily injury” or “property damage” for which you would have been legally liable in the absence of the contract or agreement and for which you are insured by this policy;
15. “bodily injury” to any employee if the “bodily injury” arises out of and in the course of his or her employment by you, except as provided for under “Employer’s Liability” in this section of the policy. This exclusion does not apply to employees on whose behalf you are making or are required to make contributions under the provisions of any workers compensation law;
 16. “bodily injury” or “property damage” arising from premises you own, rent, use or occupy, other than the “insured premises”, but this exclusion does not apply to the grazing of your livestock on other premises;
 17. “bodily injury” or “property damage” arising out of “custom farming”, including property in transit in connection with “custom farming”, unless it is shown on the Coverage Summary page that “custom farming” is insured and an additional premium charged for it;
 18. “property damage” to goods or products manufactured, sold, handled or distributed by you arising out of such goods or products or any part of them;
 19. “property damage” to work performed by you or on your behalf arising out of such work or any part of it;
 20. “bodily injury” or “property damage” arising out of the “products hazard”, but this exclusion does not apply to farm products other than:
 - a. manufactured products including fertilizers, herbicides, pesticides or other chemicals, or
 - b. blended or processed seeds or feed, or
 - c. fish, or poultry products, processed or frozen meat, fruit or vegetables where the sale of such products exceeds 10% of the total farm product sales;
 21. “bodily injury” or “property damage” arising or resulting from any substance released or discharged from any aircraft;
 22. sickness, disease or death of animals arising from your feedlot operations, if any;
 23. “bodily injury” or “property damage” arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on your behalf of:
 - a. any draft or saddle animal or attached conveyance:
 - i) for charge or remuneration; or
 - ii) while entrusted to others; or
 - iii) for the carrying of passengers for hire or gain or under any other arrangement; or
 - b. any livestock away from the “Insured Premises” while on the grounds of any race-track or any premises for race or rodeo;
 24. “bodily injury” or “property damage” arising out of the ownership, maintenance, use, operation or the entrustment to others by or on your behalf of:
 - a. any premises used for the purpose of boarding animals or any riding stable, riding arena or riding academy, or
 - b. any premises used for the purpose of any rodeo, draft or saddle animal race or a gymkhana or similar equestrian event or activity, unless coverage is shown on the Coverage Summary page;
 25. “bodily injury” or “property damage” arising out of any activity in violation of any ordinance or law;
 26. a. “bodily injury” or “property damage” arising out of the discharge, dispersal, release or escape of “pollutants” into or upon land, the atmosphere or any water of any description no

- matter where located or how contained, or into any watercourse, drainage or sewage system, but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental. The words “**sudden and accidental**” mean an unexpected and unintentional discharge, dispersal, release or escape which is detected by any person within 120 hours after the commencement of the discharge, dispersal, release or escape;
- b. the cost of removing, nullifying, containing, treating, detoxifying, neutralizing or cleaning up “pollutants”, except such cost as may be incurred as part of claims not excluded under 26(a) above.
- “**Pollutant**” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- This exclusion (26) does not apply to:
- i) smoke or fumes from a “**hostile fire**” meaning a fire which becomes uncontrollable or breaks out from where it was intended to be;
 - ii) accidental chemical drift from spraying operations on your own crops, other than by means of an aircraft, which results in damage to growing crops on neighboring land belonging to others, provided you could not reasonably have expected such drift to occur;
27. a. “property damage” to products manufactured, sold, handled or distributed by you or work performed by or for you, arising out of such products or work or any part thereof, or
- b. 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 you or on your behalf of any contract or agreement, or
 - ii) the failure of your products or work performed by you or on your behalf to meet the level of performance, quality, fitness or durability warranted or represented by you;
28. any loss, cost or expense incurred by you for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
- a. products manufactured, sold or distributed by you; or
 - b. work performed by or for you, arising out of such product or a part of such product if that product or work is withdrawn from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy, or dangerous condition in it;
29. “bodily injury” or “property damage” arising out of your coaching of or officiating at sporting activities or events for which you receive remuneration;
30. “bodily injury” sustained by any person while in or on or getting onto or alighting from any motorized vehicle, trailer, farm machinery or equipment or watercraft or as a result of being struck by any motorized vehicle, trailer, farm machinery or equipment or watercraft, except those for which coverage is provided under “Motorized Vehicle Liability”, “Watercraft Liability”, “Jet Propulsion Personal Watercraft Liability” and “Trailer Liability” in this section of the policy.
31. This insurance does not apply to:
- a. “bodily injury” or “property damage” arising out of, resulting from, caused or contributed to by:
 - i) Transmissible Spongiform Encephalopathies (hereafter referred to as TSE),

- ii) Exposure to TSE, or
- iii) Exposure to any item that is known or suspected to cause, contribute to or enable TSE;
- b. the cost of abatement, mitigation, removal or disposal of feed, feed additives or animals, or of any premises or equipment handling such items, as a result of any known or suspected connection between such items and TSE; or
- c. any costs related to a person's abatement, mitigation or removal of, or testing, medical monitoring, medical costs or cure for TSE.

This exclusion also includes:

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

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

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

COVERAGE F - MEDICAL PAYMENTS

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

The limit of insurance shown on the Coverage Summary page for Coverage F is the maximum amount we will pay for each person in respect to one accident or "occurrence".

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

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

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

We will not pay for medical expenses arising out of:

1. the ownership, use or operation of any motorized vehicle, trailer, farm machinery or equipment or watercraft, except those for which coverage is provided in this section of the policy;
2. the ownership, use or operation of any aircraft or air cushion vehicle or premises used as an airport or landing strip, and all necessary or incidental operations;
3. your "business" or any "business" use of the "insured premises" except as may otherwise be specified in this policy;
4. the rendering or failure to render any professional service;
5. the transmission of communicable disease, including Acquired Immune Deficiency Syndrome, by any "Insured Person".

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

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

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

COVERAGE G - VOLUNTARY PROPERTY DAMAGE

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

The limit of insurance shown on the Coverage Summary page for Coverage G is the maximum amount we will pay for any one accident or "occurrence".

You are not insured for claims:

1. resulting from the ownership, use or operation of motorized vehicles, farm implements, watercraft or aircraft;
2. for property you or your tenants own, use or rent;
3. which are insured under any other section of this policy;
4. caused by the loss of use, disappearance or theft of property;
5. arising out of your "business" or any "business" use of "your premises".

Basis of Payment

We will pay whichever is the least of the following:

1. the actual cash value of the property at the time of loss;
2. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
3. the amount shown on the Coverage Summary page for Coverage G.

We 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 you or the owner of the property. We may take over any salvage if we wish. Within 60 days after the loss, you must submit to us (under oath if required) a Proof of Loss Form containing the following information:

1. the amount, place, time and cause of loss;
2. the interest of all persons in the property affected;
3. the actual cash value of the property at the time of loss.

If necessary, you must help us verify the damage.

COVERAGE H - VOLUNTARY COMPENSATION FOR EMPLOYEES

ADDITIONAL DEFINITIONS

As used in this coverage, "**Employee**" means your "residence employee" or "farm employee", as shown on the Coverage Summary page and any person claiming or acting on their behalf.

"**Weekly Indemnity**" means two-thirds of the "employee's" weekly wage at the time of the accident, but not exceeding the "Weekly Indemnity" shown on the Coverage Summary page.

INSURING AGREEMENTS

If the Coverage Summary page indicates a premium for Coverage H - Voluntary Compensation for Farm Employees, we offer to pay the benefits described below if your "farm employee" is injured or dies because of an accident while working for you even though you are not legally liable for the injuries or death.

If the Coverage Summary page indicates a premium for Coverage H - Voluntary Compensation for Residence Employees, we offer to pay the benefits described below if your "residence employee" is injured or dies because of an accident while working for you even though you are not legally liable for the injuries or death.

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

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

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

1. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
2. authorize us to obtain medical and other records.

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

We will not pay benefits:

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

SCHEDULE OF BENEFITS

Loss of Life

If your “employee” dies from injuries received in the accident within the following 26 weeks, we will pay:

1. to those wholly dependent upon such “employee”, a total of one hundred times the weekly indemnity in addition to any benefit for Temporary Total Disability paid up to the date of death;
2. actual funeral expenses up to \$500.

Temporary Total Disability

If your “employee” becomes temporarily totally disabled from injuries received in the accident within the following 14 days and cannot work at any job, we will pay weekly indemnity up to 26 weeks while such disability continues. We will not pay for the first seven days unless the disability lasts for six weeks or more.

Permanent Total Disability

If your “employee” becomes permanently and totally disabled from injuries received in the accident within the following 26 weeks and cannot work at any job, we will pay weekly indemnity for 100 weeks in addition to benefits provided under Temporary Total Disability.

Injury Benefits

If, as a result of the accident, your “employee” suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, we will pay weekly indemnity for the number of weeks shown. These benefits will be paid in addition to Temporary Total Disability Benefits but no others and for not more than 100 times the weekly indemnity.

<u>Loss of or permanent loss of use of:</u>	<u>No. of Weeks</u>
1. Arm	
a. at or above elbow	100
or	
b. below elbow	80
or	
2. Hand at wrist.....	80
or	
3. *a. Thumb	
i) at or above the second phalangeal joint	25
or	
ii) below the second phalangeal joint, involving a portion of the second phalange.....	18
*b. Index Finger	

i)	at or above the second phalangeal joint	25
	or	
ii)	at or above the third phalangeal joint.....	18
	or	
iii)	below the third phalangeal joint, involving a portion of the third phalange	12
*c.	Any other Finger	
i)	at or above the second phalangeal joint	15
	or	
ii)	at or above the third phalangeal joint.....	8
	or	
iii)	below the third phalangeal joint, involving a portion of the third phalange	5
4.	Leg	
a.	at or above knee.....	100
	or	
b.	below knee	75
	or	
5.	Foot at ankle	75
	or	
6.	**a. Great Toe	
i)	at or above the second phalangeal joint	15
	or	
ii)	below the second phalangeal joint, involving a portion of the second phalange.....	8
**b.	Any other Toe	
i)	at or above the second phalangeal joint	10
	or	
ii)	at or above the third phalangeal joint.....	5
	or	
iii)	below the third phalangeal joint, involving a portion of the third phalange	3
7.	a. One eye	50
	or	
	b. Both eyes.....	100
8.	a. Hearing of one ear	25
	or	
	b. Hearing of both ears	100

NOTE: For a combination of two or more of the items marked *, we will not pay more than 80 times the weekly indemnity.
For a combination of two or more items marked **, we will not pay more than 35 times the weekly indemnity.

Medical Expenses

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

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

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

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

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

COVERAGE I - LEGAL LIABILITY FOR DAMAGE TO FARM BUILDINGS (Broad Form)

1. Insuring Agreement

If the Coverage Summary page indicates a limit of insurance and premium for Coverage I – Legal Liability for Damage to Farm Buildings, we will pay all sums which you become legally liable to pay as compensatory damages because of accidental “property damage” to buildings or structures on the “farm premises” which you do not own and which you are renting, using, occupying or have in your care, custody or control. The limit of insurance shown on the Coverage Summary page is the maximum amount we will pay for any one accident regardless of the number of

- a. persons insured;
 - b. claims made or actions brought; or
 - c. persons or organizations making claims or bringing actions.
2. **Defense, Settlement, Supplementary Payments**
The provisions for Defense, Settlement and Supplementary payments as set out under Coverage E are applicable to Coverage I.
3. **Exclusions - Loss or Damage Not Insured**
You are not insured for claims made or actions brought against you:
- a. arising out of “property damage” caused intentionally by you or at your direction;
 - b. for liability you have assumed under any contract or agreement unless you would have been liable even if no contract or agreement had been in force;
 - c. for damage to residential premises, including their contents, for which you are insured under “Tenants Legal Liability” as described in Coverage E.

COVERAGE J - LOSS ASSESSMENT COVERAGE

If you are the owner of a condominium unit described on the Coverage Summary page, we will pay up to the limit shown on the Coverage Summary page for Coverage J – Loss Assessment Coverage, in any one “annual policy period”, for your share of any special assessments, if:

1. the assessments are valid under the Condominium Corporation's governing rules, and
2. the assessments are made necessary by occurrences to which this Section of the policy applies.

This coverage includes that part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation.

“**Annual policy period**” means 12 consecutive months from the effective or last renewal date of this policy, but ends if the policy is terminated before the expiry of the 12 months.

JET PROPULSION PERSONAL WATERCRAFT LIABILITY

If the Coverage Summary page indicates that “Jet Propulsion Personal Watercraft Liability” is included, your insurance described for item 7 “Watercraft Liability” under Coverage E will extend to cover “legal liability” for “bodily injury” or “property damage” arising out of the ownership, maintenance, operation or use of a “jet propulsion personal watercraft”.

Passenger Hazard Option

If the Coverage Summary page indicates that Passenger Hazard Option is included, you are insured, subject to the exclusions set out herein, for claims made against you arising from “legal liability” for “bodily injury” sustained by a passenger on a “jet propulsion personal watercraft”. A passenger is anyone, other than the operator of the watercraft, who is being carried upon, or getting onto, or alighting from the unit. We do not pay for claims when the seating capacity as established by the manufacturer has been exceeded.

EXCLUSIONS

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

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

ADDITIONAL EXCLUSIONS -

Applicable to all Section II Coverages.

You are not insured for claims arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. "bodily injury" or "property damage" which is also insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of Insurers regardless of exhaustion of such policy limits or its termination.

CONDITIONS - Applicable to all Section II Coverages.

Notice of Accident or Occurrence: When an accident or occurrence takes place, you must promptly give us notice (in writing if required). The notice must include:

1. your name and policy number;
2. the time, place and circumstances of the accident;
3. the names and addresses of witnesses and potential claimants.

Co-operation: You are required to:

1. help us obtain witnesses, information and evidence about the claim and co-operate with us in any legal action if we ask you;
2. immediately send us everything received in writing concerning the claim, including legal documents.

Unauthorized Settlements - Coverages E and I: You shall not, except at your cost, voluntarily make any payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of the accident.

Action Against Us - Coverages E and I: You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until the amount of your obligation to pay has been finally determined, either by judgment against you or by an agreement which has our consent.

Action Against Us - Coverages F and G: You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until 60 days after the required Proof of Loss Form has been filed with us.

Payment of Claim - Coverages F and G: Payment by us under either of these coverages is not an admission of liability by you or us.

Insurance Under More Than One Policy: If you have other insurance which applies to a loss or claim, or would have applied if this policy did not exist, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

SPF No. 6 - STANDARD NON-OWNED AUTOMOBILE

The Limit of Insurance shown on the Coverage Summary page is the 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.

Insuring Agreement - Third Party Liability

In consideration of the payment of the premium specified and of the statements contained in the Coverage Summary page and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated, "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 the 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 form;

1. 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
- *2. for any liability imposed upon any person insured by this rider:
 - a. by any workers' compensation law; or
 - b. 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
3. for any liability assumed by any person insured by this rider voluntarily under any contract or agreement; or
4. 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
5. for any amount in excess of the limit stated in the Coverage Summary page and expenditures provided for in the Additional Agreements of this rider, subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard; or
- **6. for "bodily injury" or death for which protection is provided under Part VII of the Automobile Accident Insurance Act.

*Not applicable in the Province of Ontario

**Applicable in the Province of Saskatchewan only

Additional Agreements of Insurer

Where coverage is provided by this rider, we further agree:

1. upon receipt of notice of loss or damage to persons or property insured to serve any person insured by this policy by such investigation, negotiations with claimant, or settlement of any resulting claims, if we decide this is appropriate; and
2. to defend in the name and on behalf of any person insured by this rider and the cost of civil action; and
3. to pay all costs taxed against any person insured by this rider in any civil action we defend and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of our liability; and
4. in case injury be to a person, reimburse any person insured for such medical aid as may be immediately necessary at the time of such injury; and
5. to be liable up to the minimum limit(s) prescribed for in that province or territory of Canada in which the accident occurred if that limit(s) is higher than the amount shown on the Coverage Summary page; and
6. not to set up any defense to a claim that might not be set up if the policy were a motor vehicle policy issued in that province or

territory of Canada in which the accident occurred.

Agreements of Insured

Where coverage is provided by this Rider every person insured;

1. by 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 person insured arising out of the use or operation of an automobile insured by this rider;
2. shall reimburse the Insurance Company that amount paid by reason of the provisions of any statute relating to automobile insurance and which we would not otherwise be liable to pay under this policy.

General Provisions

1. Additional Insureds

The Insurance Company agrees to indemnify in the same manner and extent as the “Named Insured”, every partner, officer or employee who, with the consent of the owner, personally drives (a) in your agriculture or “farming” operations, any automobile not owned in whole or in part by or licensed in the name of (i) the person Insured, or (ii) such additional Insured person, or (iii) any person(s) residing in the same dwelling premises as the person Insured or such additional Insured person, or (b) any automobile hired or leased in your name except an automobile owned in whole or in part or licensed in the name of such additional Insured person.

2. Territory

This policy applies only to the use or operation of automobiles within Canada or United States of America or upon a vessel plying between ports of those two countries.

3. Two or More Automobiles

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

Statutory Conditions

The Insurance provided under this Coverage is subject to the “Standard Non-Owned Automobile Policy”, the “Automobile Statutory Conditions” and the “Excluding Long Term Leased Vehicle Endorsement” approved by the Superintendent of Insurance for the Province in which this policy is issued and upon request the Company will make available a complete copy of same.

SECTION II ENDORSEMENTS

The Endorsements described below apply only if they are indicated on the Coverage Summary page. Except as provided in these endorsements, all exclusions, limitations, terms and conditions of the policy remain unchanged. The inclusion of any endorsement does not increase our limit of liability as shown for Coverage E on the Coverage Summary page.

END. #50 - DAY CARE COVERAGE

If the Coverage Summary page indicates that Day Care Coverage is included, Item 10 – “Business and Business Property Liability” under Coverage E is extended to include the use of your residence premises for day care of children.

You are not insured for claims made against you arising from the following types of action: corporal punishment, abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological or emotional abuse or molestation, caused directly or indirectly by:

1. any person or any “named insured” who is insured by this policy or any employee or any other person involved in any capacity in the

- day care enterprise;
2. any person or any "named insured" who is insured by this policy or any employee or any other person involved in any capacity in the day care enterprise having knowledge of such an activity taking place;
 3. any person or any "named insured" who is insured by this policy or any employee or any other person involved in any capacity in the day care enterprise failing to prevent such an activity from taking place;
 4. at the direction of any person or any "named insured" who is insured by this policy or any employee or any other person involved in any capacity in the day care enterprise.

You are not insured for day care coverage if the number of children in your care (excluding your own children) exceeds the number stated on the Coverage Summary page.

END. # 51 – CERTIFIED AND REGISTERED SEED GROWERS LIMITED COVERAGE ENDORSEMENT

If the Coverage Summary page indicates that END #51 applies, Exclusion 20 of Coverage E is amended by deleting "b. blended or processed seeds or feed", subject to the following:

Our limit of liability for "property damage" arising out of:

- a. any error or mistake in the mixing of seed;
- b. the failure of the seed sold by you to germinate; or
- c. the failure of seed to conform to the variety or quality specified by you, or to be suitable for the purpose specified by you;

will be the amount set out for this endorsement on the Coverage Summary page and not the amount shown for Coverage E.

The sum of \$1,000 shall be deducted from each separate claim covered by this endorsement.

END. #52 - PROPERTY DAMAGE DEDUCTIBLE

If the Coverage Summary page indicates END. #52, it is agreed that:

1. Our obligation to pay for "property damage" under Coverage E and Coverage G applies only to the amount of "property damage" in excess of the deductible amount shown on the Coverage Summary page, in any one accident or occurrence.
2. The terms of the policy, including our rights and duties to defend and settle claims and your duties in the event of an accident or occurrence, apply irrespective of the deductible.
3. We may pay any part or all of the deductible amount to effect settlement of a claim or suit, in which case you agree to promptly reimburse us for such part of the deductible amount we have paid.
The deductible does not apply to claims for "property damage" arising out of your personal acts not connected with "farming" operations.

Otherwise, all terms, exclusions, limitations and conditions of Section II apply.

**SECTION V - FARM PROPERTY COVERAGES
BASIS OF CLAIM PAYMENT**

Unless otherwise stated in this policy, we will pay for insured loss or damage arising out of any one occurrence up to whichever is the least of:

1. your financial interest in the property;
2. the Actual Cash Value of the loss or damage at the date of the occurrence;
3. the amount it would cost to repair or replace the property with materials of similar quality; or
4. the applicable limit(s) of insurance shown in this policy.

This applies even if more than one person or organization has an insurable interest in the property insured.

Actual Cash Value: The Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in

determining depreciation, we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

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

Deductible: We are responsible only for the amount by which the loss or damage caused by any of the "Insured Perils" exceeds the amount of the deductible shown on the Coverage Summary page in any one occurrence.

Loss Limit: If the Coverage Summary page specifies a Loss Limit amount and there is insured loss or damage to more than one item insured under Section V of this policy arising from any one occurrence, we will not pay more, in all, than the specified Loss Limit amount.

Obsolescence: We will not pay for increased costs that result when you cannot repair or replace your property because material or parts are unavailable, obsolete, or outmoded. We will pay only the cost that would have been required if material or parts were available. We will pay on the basis of the last known cost of material or parts.

Insurance Under More than One Policy: If you have other insurance on specifically described property, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

In all other cases, our policy will pay its rateable proportion of the loss or claim.

Subrogation: We will be entitled to assume all your rights of recovery against others and may bring action in your name to enforce these rights when we make payment or assume liability under this policy.

If the net amount recovered, after deducting recovery costs, is less than the amount of the loss, the net amount recovered will be divided between you and us in the proportion that the loss has been borne by each of us respectively.

Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

EXTENSIONS OF COVER

Fire Department Charges

We will pay up to \$1,000, or such other amount as may be specified on the Coverage Summary page, for your liability for Fire Department Charges incurred when a Fire Department is called to save or protect property insured by this policy. No deductible applies to this coverage. You may not claim under this extension if you have insurance for Fire Department Charges under Section I of your Personal Insurance Policy.

The following Extensions of Cover shall not increase the amounts of protection applying under this Policy to the property damaged or destroyed:

Debris Removal Expense

The limit of insurance includes the expense incurred in the removal of debris of insured property which has been damaged or destroyed by an "insured peril". If the property is subject to a Co-Insurance Clause, the debris removal expense will not be considered in determining value for the purpose of applying the Co-Insurance Clause.

Removal of Property

If you must remove insured property from "your premises" to protect it from loss or damage, it is insured by this policy for 30 days or until your policy term ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of loss.

GENERAL EXCLUSIONS—

LOSS OR DAMAGE NOT INSURED

Applicable to all Section V coverages.

We do not insure:

1. loss or damage resulting directly or indirectly from:
 - a. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
 - b. war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. loss or damage resulting from any intentional or criminal act or failure to act by:
 - a. any person insured by this policy; or
 - b. any other person at the direction of any person insured by this policy; or
 - c. if you are an organization, by
 - i. any director, officer or shareholder of the organization, or
 - ii. any other person at the direction of any such director, officer or shareholder;
3. loss due to delay or loss of market, except as may otherwise be insured by Rider FP11;
4. loss due to the parting with title or possession of any property by you or others, whether or not induced to do so by any fraudulent scheme or false pretence;
5. any property illegally imported, acquired, kept, stored or transported;
6. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
7. loss or damage directly or indirectly caused by or resulting from neglect, meaning neglect by you to use all reasonable means to save and preserve the property at and after the time of a loss, or when property is endangered by an "insured peril";
8. losses, expense or increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.

RIDER FP1 FARM OUTBUILDINGS OR CONTENTS

If the Coverage Summary page indicates that Rider FP1 applies, we provide the insurance described below in return for payment of the premium.

A. FARM OUTBUILDINGS

1. PROPERTY INSURED

a. Scheduled Cover

We insure the buildings and structures described on the Coverage Summary page for which a limit of insurance and premium are shown, including:

- i) permanently attached fixtures and equipment, and
- ii) materials and supplies on "the premises" intended for use in construction, alteration or repair of the building or structure and which are to enter into and form part of the building or structure.

b. Blanket Cover

If the Coverage Summary page indicates a limit of insurance and premium for "Farm Buildings Blanket Cover", we insure farm buildings and structures on the "farm premises", including their permanently attached fixtures and equipment, which you own and which are used in connection with your "farming" operations, excluding the following:

- i) any building, structure or mobile home used in whole or in part or designed for residential purposes;
- ii) any building or structure used or intended for use as a

- greenhouse or fruit stand;
- iii) any building or structure which is separately described and specifically insured by this or any other policy;
- iv) windmills, wind chargers and their towers;
- v) any building or structure not fully enclosed on all sides;
- vi) any building used for housing more than 35 milk cows, 100 hogs, 100 birds (poultry);
- vii) P.M.U. barns;
- viii) elevators, elevator annexes, terminals, warehouses or seed cleaning plants;
- ix) any "vacant" building or structure;
- x) any building or structure where the wall or roof construction consists of tarp, plastic or similar non-rigid covering;
- xi) fuel tanks.

We also insure materials and supplies on the "farm premises" intended for use in construction, alteration or repair of a building or structure to which "blanket cover" applies and which are to enter into and form part of the building or structure.

Co-Insurance--Applicable to Blanket Cover: The Average Distribution Clause under E. SPECIAL LIMITS OF INSURANCE is replaced by the following:

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss. We agree to waive this clause if the amount of loss in any one occurrence does not exceed \$1,000 or 5% of the limit of insurance, whichever is less.

2. **PROPERTY NOT INSURED --**

Applicable to Scheduled Cover and Blanket Cover.

We do not insure:

- a. silos, fences or corrals, whether or not attached to any building or structure, unless specifically described on the Coverage Summary page;
- b. any structure or property used in whole or in part for manufacturing or commercial purposes other than "farming", unless permission for such use is stated on the Coverage Summary page;
- c. any building or structure while in course of construction or demolition, unless permission for construction or demolition is stated on the Coverage Summary page;
- d. outdoor radio and TV antennae, including satellite dishes, and their attachments, whether or not attached to a building or structure.
- e. any building or structure used for housing more than 35 milk cows, 100 hogs, or 100 birds (poultry) unless otherwise stated on the Coverage Summary page.

3. **BUILDINGS UNDER CONSTRUCTION**

The following special conditions apply to buildings and structures under construction when such buildings or structures are insured under this Rider:

- a. The building or structure must be fully enclosed within 60 days from the day on which construction is started. Otherwise, you will be insured only for the perils named in Cover Code A - Fire & Lightning, even though another cover code may be shown on the Coverage Summary page.
- b. During the entire time that the building or structure is under construction, a separate deductible applies to loss

or damage caused by windstorm. The windstorm deductible is shown on the Coverage Summary page.

B. CONTENTS

1. PROPERTY INSURED

a. Scheduled Cover

We insure the contents of a building or structure described on the Coverage Summary page and for which a limit of insurance and premium for Contents are shown, while contained in the described building or structure. This insurance applies only to property you own and which is usual and incidental to your “farming” operations, but you may apply up to 10% of the limit of insurance or \$2,000, whichever is less, to contents owned by others and for which you are responsible.

b. Blanket Cover

If the Coverage Summary page indicates a limit of insurance and premium for “Farm Contents Blanket Cover”, we insure the contents of farm outbuildings or structures on the “Farm Premises”, while contained in the outbuildings or structures, excluding the following:

- i) contents of any building or structure not fully enclosed on all sides;
- ii) any property separately described and specifically insured by this or any other policy;
- iii) contents of any building used for housing more than 35 milk cows, 100 hogs, 100 birds (poultry);
- iv) contents of P.M.U. barns;
- v) contents of elevators, elevator annexes, terminals, warehouses, or seed cleaning buildings;
- vi) farm produce.

This insurance applies only to property you own and which is usual or incidental to your “farming” operations, but you may apply up to 10% of the limit of insurance or \$2,000, whichever is less, to contents owned by others and for which you are responsible.

You may also apply up to 10% of the limit of insurance to cover contents described above while in the open on the “farm premises” or while temporarily away from the “farm premises” anywhere in Canada.

Co-Insurance--Applicable to Blanket Cover: The Average Distribution Clause under E. SPECIAL LIMITS OF INSURANCE is replaced by the following:

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss. We agree to waive this clause if the amount of loss in any one occurrence does not exceed \$1,000 or 5% of the limit of insurance, whichever is less.

2. PROPERTY NOT INSURED--Applicable to Scheduled Cover and Blanket Cover.

We do not insure:

- a. whole or threshed grain or seed;
- b. semen and semen tanks;
- c. milk, except for direct loss by fire only;
- d. automobiles, trucks, motorcycles, dirt bikes, go carts, golf carts, snowmobiles, all terrain vehicles, campers, trailers,

- tractors, combines or other motorized land vehicles or mobile machinery and implements including all equipment therefore attached or otherwise, including the equipment and appurtenances of any of these, unless specifically described on the Coverage Summary page, but this exclusion does not apply to spare parts for motorized land vehicles;
- e. aircraft, hang gliders, ultra lights, or other aircraft, or the equipment or appurtenances of any of these;
 - f. watercraft including any air cushion vehicle, their equipment and appurtenances;
 - g. household personal property or property usual to a dwelling;
 - h. liquefied petroleum or manufactured gas, gasoline or other fuels;
 - i. animals, birds, fish or bees at any stage of development;
 - j. permanently attached fixtures and equipment forming part of any building or structure;
 - k. contents of any building or structure used in whole or in part for manufacturing or commercial purposes other than "farming", unless permission for such use is stated on the Coverage Summary page;
 - l. money, bullion, precious metals, notes, securities, accounts, bills, stamps, tickets, tokens, deeds, evidence of debt or title or letters of credit;
 - m. fertilizer, herbicides and pesticides;
 - n. bagged silage and silage bags;
 - o. irrigation equipment;
 - p. nesting boards, shelters, hives.

C. EXTENSIONS OF COVERAGE

1. Vacancy Permit

If "Vacancy Permit" is specified on the Coverage Summary page, we grant permission for the property to be "vacant", but only for the period of time indicated. The building(s) must be under the supervision and care of some competent person during the term of vacancy.

2. Private Power and Light Poles

We will pay up to \$1,000 in any one occurrence, as additional insurance, for direct physical loss or damage by an "insured peril" to private power and light poles and outside wiring you own, located on "your premises", including switch boxes, fuse boxes and other electrical equipment mounted on poles you own at "your premises". The \$1,000 limit applies in excess of the deductible amount.

D. REPLACEMENT COST OPTION – FARM BUILDINGS

If there is loss or damage to a building or structure insured by this rider, you may choose as the basis of loss settlement either Option A or Option B below, provided that:

- 1. the building or structure is used for the purpose for which it was built or has been altered in a manner suitable for current use,
 - 2. the building or structure is not more than 15 years old,
 - 3. the building or structure is on a masonry foundation and is fully enclosed,
 - 4. you repair or replace the property within 180 days after the date on which the loss or damage occurs,
- otherwise settlement will be as set out for Option B.

OPTION A:

Replacement Cost Settlement: **Replacement Cost** means the cost,

at the time of the loss, of repair or replacement (whichever is less) with new property of similar kind and quality, without deduction for depreciation.

If replacement is necessary, you replace the building on the same site, or within 200 feet (65 meters) thereof, with a building designed for the same purpose for which the destroyed building was originally intended, and

If you have other insurance on the building insuring against the same perils as this policy, it must include "Replacement Cost" cover identical to this endorsement, otherwise, settlement will be as if this endorsement had not been in effect.

We will not pay more than the applicable limit of insurance shown on the Coverage Summary page, nor will we pay a greater proportion of the loss than the limit of insurance bears to 80% of the Replacement Cost of the property at the time of the loss.

OPTION B:

Actual Cash Value Settlement: The Actual Cash Value of the loss or damage at the time of the loss, but not exceeding the applicable limit of insurance shown on the Coverage Summary page. Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value, and the normal life expectancy.

We will not pay a greater proportion of the loss than the limit of insurance bears to 80% of the Actual Cash Value of the property at the time of the loss.

E. SPECIAL LIMITS OF INSURANCE

1. Average Distribution Clause:

If you have a single limit of insurance on more than one building, the limit of insurance will be divided in the proportions that the value of each building bears to the total value of all buildings at the time of the loss. If you have a single limit of insurance on the contents of more than one building, the limit of insurance will be divided in the proportions that the value of the contents of each building bears to the total value of the contents of all buildings at the time of the loss.

If you have a single limit of insurance on corrals, the limit of insurance will be divided in the proportions that the value of each corral bears to the total value of all corrals at the time of the loss.

2. Co-Insurance Clause: Applicable if indicated on the Coverage Summary Page.

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss. If two or more items are insured, this clause will apply separately to each item.

3. Salvage Value Clause: Applicable if indicated on the Coverage Summary page.

In the event of loss or damage to the building by an "insured peril", if repair or replacement is not or cannot be made within a reasonable time after the loss, we will not pay more than the "Salvage Value" of the building. "Salvage Value" means the market value, immediately prior to the loss, of the used materials comprising the building, excluding any labor costs.

4. Dent Clause: Applicable if indicated on the Coverage Summary page.

We do not pay for damage to the outer metal cover of the building or structure caused by hail, whether driven by wind or not, unless such cover is punctured by the hail.

5. **Deferred Loss Settlement Clause:** Applicable only to a building or structure for which “Deferred Loss Settlement Clause” is indicated on the Coverage Summary page. If there is loss or damage to the building by an “insured peril”, the Basis of Claim Payment will be as follows:
- a. We will not pay more than 50% of the amount we would otherwise have paid if this clause had not been in effect.
 - b. If you repair or replace the damaged or destroyed building within nine months of the date of the loss or damage, and, if replacement is necessary, you replace the building on the same site or within 200 ft. (65 m) with a building designed for the same purpose for which the destroyed building was originally intended, we will, upon receipt of satisfactory evidence of your expenditures for such repair or replacement, pay the remaining 50% of the loss. Our total payment under paragraphs (a) and (b) above will not exceed:
 - i) the expense you have actually incurred for repair or replacement;
 - ii) the actual cash value of the building at the time of loss;
 - iii) the applicable amount of insurance; or
 - iv) your financial interest in the building;whichever is least.
 - c. If you do not repair or replace the damaged or destroyed building within the provisions of paragraph (b) above, the reduced payment you receive under the provisions of paragraph (a) shall constitute full and final settlement under this policy with respect to such loss. We will then refund one-half the premium you paid us for the insurance on the building, if you request us to do so within one year from the date the loss or damage occurs.
 - d. If you have other insurance on the building, we will pay our rateable proportion of the loss subject to the terms and conditions of this clause.

We do not pay for any loss, expense or increased cost of repair or replacement due to the operation of any law or ordinance regulating zoning, demolition, repair or construction of buildings and their related services.

F. INSURED PERILS

Cover Code A--Fire & Lightning: If the Coverage Summary page specifies Cover Code A, you are insured against direct loss or damage caused by:

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

Cover Code B--Fire & Extended Coverage: If the Coverage Summary page specifies Cover Code B, you are insured against direct loss or damage caused by:

1. Fire;
2. Lightning, including lightning damage to electrical devices or appliances;
3. Explosion: This peril does not include loss or damage caused by or resulting from:
 - a. explosion, rupture or bursting in or of any of the following property owned, leased, operated or controlled by you:
 - i) any boiler and connecting piping or other equipment containing steam or water under steam pressure;

- ii) any other equipment under pressure if its maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, other than the following:
 - manually portable gas cylinders;
 - domestic hot water heaters, air storage tanks or air receivers having an internal diameter not exceeding 610 millimeters (24 inches);
- iii) moving or rotating machinery or parts of same if the loss or damage is caused by centrifugal force or mechanical breakdown;
- iv) any vessels and apparatus and connecting piping while undergoing pressure test, but we will pay for other insured property damaged by the explosion;
- v) gas turbines;
- b. electric arcing or any co-incident rupture of electrical equipment due to arcing;
- c. bursting, rupture or collapse caused by hydrostatic pressure or freezing;
- d. bursting or rupture of any safety disc, rupture diaphragm or fusible plug;
- e. water hammer.
- 4. Falling Object: This peril means a falling object which strikes the exterior of a building but not objects which strike the building because of a snow slide, landslide or any other earth movement. This peril does not include damage to glass which forms part of the building;
- 5. Impact by Aircraft or Spacecraft, including articles dropped from aircraft or spacecraft. This peril does not include any impact by an aircraft or spacecraft when being taxied or moved on the ground;
- 6. Impact by Land Vehicle;
- 7. Riot;
- 8. Smoke: This peril means the sudden, unusual and faulty operation of any heating or cooking apparatus flued to a chimney, other than an open fireplace;
- 9. Windstorm or Hail: This peril does not include loss or damage:
 - a. to windmills and wooden silos;
 - b. to awnings and roof signs, outside radio and/or television antennae, or satellite receivers and appurtenances;
 - c. to fences or corrals anywhere on the "farm premises", unless specifically described and insured;
 - d. to all other property outside of buildings except realty fixtures attached and belonging to the individual building insured;
 - e. to the interior of buildings or their contents unless damage occurs concurrently with and results from an opening caused by windstorm or hail;
 - f. directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow load, ice load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide;
 - g. wind damage to any building, other than a portable granary, which is not securely fastened to a concrete or cement foundation, unless the Coverage Summary page indicates "foundation clause deleted".

Cover Code X: If the Coverage Summary page specifies Cover Code X, you are insured against direct loss or damage caused by the perils described for Cover Code B and, in addition, against direct loss or damage caused by:

10. Vandalism or Malicious Acts: This peril does not include loss or damage:
- a. occurring while a building is “vacant” or under construction even if permission for vacancy or construction has been given by us. Farm buildings which are in a seasonable state of vacancy due to normal practices of “farming” operations, are not considered “vacant”;
 - b. to glass constituting part of a building;
 - c. caused directly or indirectly by theft or attempted theft;
 - d. caused by any person employed by you.

Damage to buildings by burglary:

If the Coverage Summary page specifies a limit of insurance and premium for “Damage to Buildings by Burglary”, you are insured against damage to farm outbuildings caused by “burglary”, including damage caused by vandalism or malicious acts committed on the same occasion. This insurance does not apply to damage:

1. to glass;
2. occurring while the building is “vacant”, even if we have given permission for vacancy;
3. caused by a tenant or any person employed by you.

“**Burglary**” means theft or attempted theft of your property from within a building following illegal and forcible entry into or exit from the building leaving visible marks at the point of forced entry or exit.

Cover Code C--Comprehensive: If the Coverage Summary page specifies Cover Code C, you are insured against all risks of direct physical loss or damage from any external cause, except the following:

We do not insure loss or damage caused directly or indirectly by:

1. snowslide, landslide, earthquake, land subsidence or any other earth movement, but if any of these result in fire or explosion, we will pay for the resulting loss or damage to the insured property by the fire or explosion;
2. flood, surface water, spray, waves, tides, tidal waves, ice or water borne objects, all whether driven by wind or not;
3. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings;
4. the entrance of rain, sleet or snow through doors, windows, skylights or other wall or roof openings, unless the damage occurs concurrently with and results from an opening caused by windstorm or hail;
5. the backing up of a sewer, sump, septic tank or drain;
6. centrifugal force or mechanical breakdown or derangement, but if fire results, we will pay only for the resulting fire loss or damage to insured property;
7. explosion, collapse, rupture, bursting, cracking, burning out or bulging of any of the following property you own, operate or control, but if fire results we will pay only for the resulting fire loss or damage to insured property:
 - a. any boiler and connecting piping or other equipment containing steam or water under steam pressure;
 - b. any other equipment under pressure if its maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except the following:
 - i) manually portable gas cylinders;
 - ii) domestic hot water heaters having an internal diameter not exceeding 610 millimeters (24 inches);
 - iii) air storage tanks or air receivers having an internal

- diameter not exceeding 610 millimeters (24 inches);
- c. moving or rotating machinery or parts thereof;
 - d. gas turbines;
8. settling, expansion, contraction, moving, shifting or cracking;
 9. dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, pollution, contamination, change in color or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by:
 - a. an "Insured Peril" as defined and limited under Cover Codes B and X;
 - b. theft or attempted theft;
 - c. rupture or breakage of pipes not excluded under paragraph (7) above, provided the rupture or breakage is not due to freezing or changes of temperature;
 10. smoke from agriculture smudging or industrial operations;
 11. rodents, insects, vermin, skunks, moles, mice, raccoons or domesticated animals;
 12. the melting of ice or snow on the roof of a building.

We do not insure:

13. wear and tear, gradual deterioration, latent defect, disease, wet or dry rot or mould;
14. mysterious disappearance or unexplained loss;
15. the cost of making good faulty or improper material, workmanship or design;
16. accumulative damage however caused or any loss or damage not due to a sudden unexpected event;
17. disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning;
18. any loss or damage, whether direct or indirect, or any clean up or removal cost incurred as a result of any spill, discharge or seepage of a pollutant or contaminant. This exclusion does not apply to loss or damage to the property insured caused directly by fire, lightning, smoke, windstorm, hail, explosion, riot, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, rupture of pipes or breakage of apparatus not excluded under paragraph (7) above, vandalism or malicious acts, theft or attempted theft.

LOCKED ACCESS WARRANTY

In respect to loss or damage by Theft of Fertilizer and Farm 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.

CO-INSURANCE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss. We agree to waive this clause if the amount of loss in any one occurrence does not exceed \$1,000 or 5% of the limit of insurance, whichever is less. If two or more items are insured, this clause will apply separately to each item.

G. LOSS OR DAMAGE NOT INSURED--Applicable to all Cover Codes.

We do not insure:

1. Loss or damage to a building occurring after the building has, to your knowledge, been "vacant" for more than 30 consecutive days. Farm buildings which are in a seasonal state of vacancy due to normal practices of "farming" operations are not considered "vacant";
2. Loss or damage due to the use of heat lamps or brooders in any

building other than a building described on the Coverage Summary page as a brooder house, unless permission for the use of such device is specifically stated on the Coverage Summary page;

3. Loss or damage to contents while being worked on or while undergoing any repairing, adjusting or servicing operations where the loss or damage results from such work or operations, but if any of these result in fire or explosion, we will pay for resulting loss or damage to insured property caused by the fire or explosion;
4. Loss or damage to electrical devices or appliances caused by electrical currents other than lightning unless fire or explosion follows and then we will pay only for the resulting loss or damage to insured property by the fire or explosion;
5. Loss or damage to a building or structure, or their contents, occurring while the building or structure is raised or lowered, or while it is being moved or while at any location other than the "farm premises", except as otherwise provided for contents temporarily removed from the "farm premises".

The General Exclusions on page 21 are applicable to this rider.

RIDER FP2 FARM MACHINERY

If the Coverage Summary page indicates that Rider FP2 applies, we provide the insurance described below in return for payment of the premium.

"Irrigation Equipment" as used in this Rider includes all equipment used for irrigation purposes other than repair parts, buildings, underground property including wells, underground piping and wiring and the cost of excavation for any underground property.

A. PROPERTY INSURED

1. **Scheduled Cover:** We insure the Farm Implements and Machinery described on the Coverage Summary page, for which a limit of insurance and premium are shown.
2. **Blanket Cover:** If the Coverage Summary page indicates a limit of insurance and premium for "Blanket Cover", we insure mobile farm implements and machinery usual to a "farming" operation, including all equipment therefor attached or otherwise but excluding repair parts. This insurance applies to mobile farm implements and machinery you own or lease or being the property of others used in your "farming" operations and for which you are legally liable.
3. We do not insure:
 - a. tools, as defined under "Blanket Cover" of Rider FP3, grain dryers, irrigation equipment or all terrain vehicles;
 - b. aeration fans, bin sweeps, weigh scales, pumps, generators, pond mills, pressure washers, drill fills or welders;
 - c. watercraft and their motors, aircraft or air cushion vehicles, including the equipment and appurtenances of any of the foregoing;
 - d. automobiles, motor trucks, motorcycles, all terrain vehicles and snowmobiles, whether or not they are required to be licensed and any other motorized vehicle required to be licensed for use on public roads, including trailers and the furnishings, equipment or appurtenances of any of the foregoing. This exclusion does not apply to trailers used in connection with your "farming" operations and which are not required to be licensed for use on public roads;
 - e. property which is separately described and specifically

insured elsewhere in this policy.

Other property we do not insure is named under "C. Property Not Insured".

B. EXTENSIONS OF COVERAGE - Newly Acquired Machinery

"Additional Machinery" means mobile farm implements or machinery acquired by you, as owner or lessee, after the inception or last renewal date of this Rider, whichever is later, and used for your "farming" operations, other than "Replacement Machinery" defined below.

"Replacement Machinery" means mobile farm implements or machinery you acquire, as owner or lessee, to replace an item of machinery insured by this Rider which you have disposed of. The "Replacement Machinery" must be designed for the same purpose as the item it replaces.

1. Scheduled Cover

- a. "Additional Machinery" is automatically insured for an amount equal to 25% of the total limit of insurance on all scheduled items or \$50,000, whichever is less.
- b. "Replacement Machinery": The insurance on the replaced item will automatically transfer to the Replacement Machinery, with the limit of insurance increased by \$50,000.

The insurance under (a) and (b) above is limited to a period of 30 days from the date you acquire the "Additional or Replacement Machinery" or until it is added to the schedule, whichever is first, but not past the date on which this policy expires or is cancelled.

If you acquire more than one item of "Additional or Replacement Machinery" within a 30-day period, the \$50,000 referred to in (a) and (b) above will not apply to each item. It will be divided among the newly acquired items in the proportions that the value of each item bears to the value of all items.

The insurance on newly acquired machinery as provided for in (a) and (b) above is subject to the Co-Insurance Clause.

2. Blanket Cover

If you acquire "Additional or Replacement Machinery", the limit of insurance applicable to "Blanket Cover", as stated on the Coverage Summary page, will be increased by 25% or \$50,000, whichever is less, from the date you acquire the "Additional or Replacement Machinery" until 30 days thereafter or until the limit of insurance for "Blanket Cover" is changed at your request, whichever is first, but not past the date on which this policy expires or is cancelled. The 25% or \$50,000 referred to above is the maximum increase that will apply regardless of the number of additional or replacement items you acquire within the 30-day period.

The value of "Additional or Replacement Machinery" is subject to the Co-Insurance Clause.

C. PROPERTY NOT INSURED--Applicable to Scheduled Cover and Blanket Cover.

We do not insure:

1. Property engaged in "custom farming" or while in transit in connection with "custom farming", unless permission for "custom farming" is stated on the Coverage Summary page;
2. Underground property including wells, piping, and wiring, or the cost of excavation for any of these;
3. Property used for logging, forestry, or sawmill operations;
4. Property used for brush cutting or land clearing unless

permission for such use is stated on the Coverage Summary page;

5. Property used commercially for any purpose other than your "farming" operations, unless permission for such use is stated on the Coverage Summary page.

D. INSURED PERILS

Cover Code A: If the Coverage Summary page specifies Cover Code A, you are insured against direct loss or damage caused by Fire, Lightning, or Explosion of natural, coal or manufactured gas.

Cover Code C: If the Coverage Summary page specifies Cover Code C, you are insured against all risks of direct physical loss or damage from any external cause, except the following:

We do not insure:

1. loss or damage caused by or resulting from wear, tear, gradual deterioration, latent defect, inherent vice, dryness or dampness of atmosphere, freezing or extremes of temperature, scraping, scratching, insects, rodents, vermin, skunks, moles, mice, raccoons or domesticated animals;
2. loss or damage caused by or resulting from:
 - a. mechanical or electrical breakdown, disturbance or failure, or
 - b. repairing, adjusting (including the necessary adjustments to a machine to place it into or out of its transporting position), servicing, fueling or maintenance operations, but if any of these result in fire or explosion, we will pay only for the resulting loss or damage to the insured property caused by the fire or explosion;
3. loss or damage to tires or tubes unless the loss or damage is caused by fire, lightning, explosion, windstorm, vandalism or theft, or is coincident with other loss or damage insured by this Rider;
4. internal damage to combines, balers, forage harvesters or other harvesting equipment caused by clogging, compacting, plugging or piling up of straw, hay, or other material intended to be ingested into the machine;
5. mysterious disappearance or unexplained loss;
6. accumulative damage, however caused;
7. loss or damage caused by earthquake.

The General Exclusions on page 21 are applicable to this Rider.

E. DEDUCTIBLE

The deductible clause shown under "Basis of Claim Payment" is replaced by the following:

1. In case of internal damage caused by a foreign object(s) being ingested into a combine, baler, swather, haybine, forage harvester or other harvesting equipment, we are responsible only for the amount by which the loss or damage in any one occurrence exceeds whichever is the greater of:
 - a. 25% of the amount of the loss or damage, or
 - b. \$2,500, or
 - c. the amount of the deductible shown on the Coverage Summary page.
2. In case of loss or damage to irrigation equipment which is not within a fully enclosed building, caused by windstorm during a season when the irrigation equipment is not in use or by the weight of ice, sleet or snow or caused by rutting or grounding out of any part of the irrigation system while in use, we are responsible only for the amount by which the loss or damage in any one occurrence exceeds whichever is the greater of:
 - a. 10% of the amount of the loss or damage, or
 - b. \$1,000, or

- c. the amount of the deductible shown on the Coverage Summary page.
3. In case of loss or damage caused by any “insured peril” other than stated in 1. or 2. above, we are responsible only for the amount by which the loss or damage exceeds the amount of the deductible shown on the Coverage Summary page in any one occurrence.

F. REPLACEMENT COST OPTION

If there is loss or damage to property insured by this rider, you may choose as the basis of loss settlement either Option A or Option B below, provided that:

1. you were the first to have possession of the property, whether as owner or lessee, except for the selling dealer;
2. the loss or damage occurs within 36 months from the date you first took possession of the property as owner/lessee; and
3. you repair or replace the property within 180 days after the date on which the loss or damage occurs,

otherwise, settlement will be as set out for Option B.

If the 36 months referred to in 2. above ends within the term of this policy, you may still choose either Option A or Option B if the loss or damage occurs before the next policy anniversary date following the end of the 36-month period, provided you repair or replace the property within 180 days after the date on which the loss or damage occurs.

OPTION A:

Replacement Cost Settlement: “**Replacement Cost**” means the cost, at the time of the loss, of repair or replacement (whichever is less) with new property of similar kind and quality, without deduction for depreciation.

We will not pay more than the applicable limit of insurance shown on the Coverage Summary page, nor will we pay a greater proportion of the loss than the limit of insurance bears to 80% of the “Replacement Cost” of the property at the time of the loss.

OPTION B:

Actual Cash Value Settlement: The Actual Cash Value of the loss or damage at the time of the loss, but not exceeding the applicable limit of insurance shown on the Coverage Summary page. Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value, and the normal life expectancy.

We will not pay a greater proportion of the loss than the limit of insurance bears to 80% of the Actual Cash Value of the property at the time of the loss.

G. TERRITORIAL LIMITS

We insure the described property while on “your premises” and while temporarily away from “your premises” anywhere in Canada. However, if the Coverage Summary page indicates “Premises Coverage only”, we insure the property only while it is on “your premises”.

H. LOSS OF USE EXTENSION--Applicable only if a limit is shown for “Loss of Use” on the Coverage Summary page.

We agree to pay for expenses incurred by you for the rental of mobile farm machinery similar in size and capacity to an item insured by this rider which has become inoperative because of loss or damage exceeding the deductible amount and caused by an “insured peril”.

Our payment shall be limited to 90% of the actual rental expense incurred by you, up to the limit shown on the Coverage Summary page for “Loss of Use”.

Payment shall end on the date of completion of repairs or replacement of the lost or damaged property or on the date that we make or tender settlement for such loss, whichever is first.

This extension does not apply to any machinery which has become inoperative while being used for "custom farming" or any "business" use.

RIDER FP3 FARM TOOLS

If the Coverage Summary page indicates that Rider FP3 applies, we provide the insurance described below in return for payment of the premium.

A. DEFINITIONS

1. **"Occupied farm"** means that the "farm premises" where the insured property is situated and the dwelling at such premises is occupied as a principal residence.
2. **"Unoccupied farm"** means that the "farm premises" where the insured property is situated and the dwelling at such premises is not occupied as a principal residence.

B. PROPERTY INSURED

1. **Scheduled Cover:** We insure the Farm Tools described on the Coverage Summary page, for which a limit of insurance and premium are shown.
2. **Blanket Cover:** If the Coverage Summary page indicates a limit of insurance and premium for "Blanket Cover", we insure your **"farm 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 your "farming" operations. We do not insure any farm tool(s) separately described and specifically insured in whole or in part by this or any other insurance policy.

C. PROPERTY NOT INSURED -- Applicable to Scheduled Cover and Blanket Cover.

We do not insure:

1. any motorized vehicle or its equipment;
2. repair parts or materials intended to form part of any machinery or building;
3. property used for logging, forestry, brush cutting, land clearing or sawmill operations;
4. property used commercially for any purpose other than "farming" operations, unless permission for such use is stated on the Coverage Summary page.

D. INSURED PERILS

You are insured against all risks of direct physical loss or damage from any external cause, except the following:

We do not insure:

1. loss or damage caused by or resulting from wear, tear, rust or corrosion, gradual deterioration, inherent vice, latent defect, dryness or dampness of atmosphere, freezing or extremes of temperature, scraping, scratching, moths, rodents, vermin, moles, mice, insects, raccoons, skunks or domesticated animals;
2. loss or damage caused by or resulting from mechanical or electrical breakdown, disturbance or failure, or repairing, adjusting, servicing or maintenance operations, but if any of these result in fire or explosion, we will pay only for the resulting loss or damage to insured property caused by the fire or explosion;
3. any mysterious disappearance or unexplained loss;
4. accumulative damage, however caused.

The General Exclusions on page 21 are applicable to this Rider.

E. CO-INSURANCE CLAUSE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of loss. If two or more items are described on the Coverage Summary page, this condition will apply separately to each item.

F. REPLACEMENT COST COVERAGE

We agree to pay for loss or damage of property insured under this Rider on the basis of "Replacement Cost" provided that:

1. the property at the time of the loss was useable for its original intended purpose and
2. you repair or replace the property within 180 days after the date on which the loss or damage occurs,

otherwise settlement will be as if this Coverage had not been in effect.

The CO-INSURANCE CLAUSE (Clause E) of this rider is amended to read as follows for insured property to which Replacement Cost Coverage applies:

E. CO-INSURANCE CLAUSE: We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Replacement Cost of the insured property at the time of loss. If two or more items are described on the Coverage Summary page, this condition will apply separately to each item.

"Replacement Cost" means the cost, at the time of the loss, of repair or replacement (whichever is lower) with new property of similar kind and quality, without deduction for depreciation, but we will not pay more than the applicable limit of insurance shown on the Coverage Summary page.

G. TERRITORIAL LIMITS

We insure the described property while on "your premises" and while temporarily away from "your premises" anywhere in Canada. However, if the Coverage Summary page indicates "Premises Coverage Only", we insure the property only while it is on "your premises".

RIDER FP4 FARM LIVESTOCK

If the Coverage Summary page indicates that Rider FP4 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

1. **Scheduled Cover:** We insure each animal specifically described on the Coverage Summary page for which a limit of insurance and premium are shown.
2. **Blanket Cover:** If the Coverage Summary page indicates a limit of insurance and premium for "Blanket Cover" we insure all your livestock of the class of animal shown on the Coverage Summary page for which a limit per animal, limit of insurance and premium are indicated. "Blanket cover" does not apply to any animal separately described and specifically insured by this or any other policy.

B. INSURED PERILS

Cover Code A: If the Coverage Summary page specifies Cover Code A, you are insured against death or destruction of livestock directly resulting from or made necessary by Fire, Lightning, or Explosion of natural, coal or manufactured gas.

Cover Code D: If the Coverage Summary page specifies Cover Code D, you are insured against:

1. death or destruction of livestock directly resulting from or made necessary by:

- a. fire, lightning, explosion, smoke or artificial electricity;
- b. windstorm or hail. This peril does not include loss caused by wind-driven snow, sleet or dust;
- c. riot or civil commotion;
- d. flood, meaning the rising of natural bodies of water;
- e. impact by aircraft or spacecraft including objects dropped from aircraft or spacecraft;
- f. drowning, breaking or falling through ice or stranding in mud;
- g. the collapse of any building, bridge, culvert; any falling structure, tree or part thereof;
- h. accidental collision with land vehicles other than land vehicles owned or operated by you, your employees or other persons residing on the "your premises";
- i. accidental shooting except by you, your employees or other persons residing on "your premises";
- j. collision, derailment or overturn of a land vehicle on which the insured livestock is being transported;
- k. stranding, sinking, burning or collision of vessels, including General Average and Salvage Charges incurred, while waterborne on land conveyances on board any regular ferry;
- l. attack by dogs or wild animals. This peril does not include:
 - i) attack by dogs or wild animals owned by you, your employees or other persons residing on "your premises";
 - ii) death or destruction of sheep;
- m. mutilation by a person or persons other than you, your employees or other persons residing on "your premises";
- n. entrapment. This peril means the accidental and involuntary ensnaring or restraint of an animal which results in its death or makes its destruction necessary. This peril does not include loss:
 - i) due to animal birth;
 - ii) due to splitting;
 - iii) of an animal in transit or while being loaded or unloaded;
 - iv) of an animal while being handled or forcibly restrained for care, treatment, breeding or other purposes, including normal restraint in tie stalls, stanchion stalls or similar apparatus;
 - v) caused by huddling, piling, smothering, or stampeding;
 - vi) due to casting, or an animal's inherent inability to regain an upright position;
 - vii) due to choking on objects, food or medicine; bloat or suffocation of an animal in its own fluid.
2. Theft or attempted theft, but excluding escape or mysterious disappearance.

Cover Code R: If the Coverage Summary page specifies Cover Code R, you are not insured against the perils of attack by dogs or wild animals, mutilation, or entrapment as described in paragraphs 1(l), (m) and (n) of Cover Code D. In all other respects, the provisions of Cover Code D are applicable.

C. SUFFOCATION EXTENSION

If "Suffocation Extension" is shown on the Coverage Summary page, you are also insured against death of livestock due to suffocation as a direct and immediate consequence of:

1. an "insured peril" causing actual physical damage to the building(s) in which the livestock is contained or to the heating or ventilation system of the building; or

2. the interruption of electrical power as a result of an “insured peril”, but this coverage (2) applies only if there is in place an auxiliary power generator designed to operate automatically in the event of an interruption of electrical power.

D. VETERINARIAN FEES

We agree to pay reasonable fees charged by a veterinarian employed by you to verify the cause of death of an animal to which this Rider applies or to provide documents or other relevant information we may require to determine the indemnity payable under this Rider.

E. TERRITORIAL LIMITS

We insure the livestock while on “your premises” or temporarily away from “your premises” anywhere within Canada, except:

1. while in transit by common carrier or while in any aircraft;
2. while at any public stockyards, commercial livestock dealer, sale barn, sale yard, or auction mart while held on consignment or for sale by others;
3. while on the grounds of any racetrack or any premises for race, show, rodeo or other special event, unless permission is stated on the Coverage Summary page.

F. LOSSES NOT INSURED

We do not insure:

1. loss caused by or resulting from exposure or freezing, except as provided by Cover Code D peril 1(n) Entrapment;
2. loss caused by death or destruction resulting from or contributed to by any sickness or disease, whether resulting from an “insured peril” or not;
3. death or destruction of any animal which occurs more than 15 days after the occurrence of an “insured peril”;
4. loss due to delay or loss of market;
5. loss caused by the seizure, confiscation or destruction of any animal by order of any Government or public authority.

The General Exclusions on page 21 are applicable to this Rider.

G. LIMITS OF INSURANCE

1. In respect to animals separately described and specifically insured, we will not pay more than the fair market value of the animal at the time of the loss or the applicable limit of insurance, whichever is less.
2. In respect to livestock insured under the “Blanket Cover”, we will not pay more for any one animal than its fair market value at the time of the loss or the “Limit per Animal” shown on the Coverage Summary page, whichever is less.
3. In all cases, payment shall be limited to the amount of your loss in excess of any Government compensation that you are eligible to receive.

H. CO-INSURANCE CLAUSE--Applicable to “Blanket Cover.”

We will pay only in the proportion that the limit of insurance bears to 80% of the actual cash value of the insured livestock at the time of the loss. If two or more classes of animal are insured, this condition will apply separately to each class.

I. MINIMUM LOSS CLAUSE--Applicable if indicated on the Coverage Summary page.

The insurance under this rider applies only if the number of insured animals “lost” in any one occurrence exceeds the number of animals shown as a deductible on the Coverage Summary page.

“Loss” means loss by death, destruction or theft for which

insurance is provided under Cover Code D of this Rider.

RIDER FP5 GRAIN FLOATER

If the Coverage Summary page indicates that Rider FP5 applies, we provide the insurance described below in return for payment of the premium.

A. DEFINITIONS

1. **“Grain”** means whole threshed grain and seed usual to a “farming” operation.
2. **“Transportation Perils”** means accidental collision of a 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 peril) upset or overturning of a transporting conveyance and collapse of bridges or culverts.

B. PROPERTY INSURED

1. We insure your “grain” while it is:
 - a. within the building(s) described on the Coverage Summary page for which Rider FP5 is specified. If you have a single limit of insurance on property in more than one building, the limit of insurance will be divided in the proportions that the value of the property in each building bears to the total value of the property in all buildings at the time of the loss;
 - b. anywhere on the “farm premises” if the Coverage Summary page indicates “Blanket Grain”;
 - c. in transit within Canada but only if Cover Code B or G applies.
2. If a limit of insurance is shown for Customer's “Grain” on the Coverage Summary page, we insure “Grain” belonging to others while in your care, custody or control, up to the limit shown.

C. PROPERTY NOT INSURED: We do not insure:

1. Property in any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant, whether or not in course of transit, unless otherwise shown on the Coverage Summary page;
2. Property in any cleaning plant or dryer away from the “farm premises”;
3. Property which has been delivered to any railway company for transportation purposes, except as provided under clause E.- Rail Transportation Extension.

D. INSURED PERILS

Cover Code A: If Cover Code A is shown on the Coverage Summary page, you are insured against direct loss or damage caused by Fire, Lightning, or Explosion of natural, coal or manufactured gas.

Cover Code B: If Cover Code B is shown on the Coverage Summary page, you are insured against direct loss or damage caused by Fire, Lightning, Explosion of natural, coal or manufactured gas and “Transportation Perils”.

Cover Code G: If Cover Code G is shown on the Coverage Summary page, you are insured against direct loss or damage caused by:

1. Fire, lightning or explosion;
2. Windstorm, but only while the property is within a fully enclosed building. This peril does not include loss or damage due to the entrance into the building of rain, hail, sleet or snow, whether or not resulting from windstorm;

3. "Transportation Perils";
4. Theft from within a fully enclosed building, or while the property is in transit, but excluding any mysterious disappearance or unexplained shortage.

E. RAIL TRANSPORTATION EXTENSION

Cover Codes B and G

The insurance provided by Cover Codes B and G is extended to apply to your financial interest in grain being transported directly on rail cars.

F. LOSSES NOT INSURED: We do not insure loss or damage:

1. To property while undergoing any process involving the application of heat where this is the cause of the loss, but if fire results we will pay for the loss or damage to insured property caused by the fire;
2. caused by or resulting from strike, lockout, labor disturbances, or the acts of any person(s) taking part in any such occurrence or disorder.

The General Exclusions on page 21 are applicable to this Rider.

G. CO-INSURANCE CLAUSE: Applicable to Blanket Cover.

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of all insured property at the time of the loss.

RIDER FP6 FODDER

If the Coverage Summary page indicates that Rider FP6 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

We insure your fodder which includes prepared feed and supplements, silage (other than bagged silage) and straw used for feed or bedding while baled, stacked or piled in the open or in any building or open-sided shelter within the territorial limits of Canada.

B. INSURED PERILS

Cover Code A: If Cover Code A is shown on the Coverage Summary page, you are insured against direct loss or damage caused by Fire, Lightning, or Explosion of natural, coal or manufactured gas.

Cover Code B: If Cover Code B is shown on the Coverage Summary page, you are insured against direct loss or damage caused by the following named perils:

1. Fire or Lightning;
2. Explosion of natural, coal or manufactured gas;
3. Windstorm or Hail while the property is stored in a fully enclosed building, structure or tank;
4. Accidental collision of a 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 peril);
5. Upset or overturning of a transporting conveyance, including collapse of bridges or culverts;
6. Theft from within a fully enclosed building, structure or tank, or while the property is in transit, but excluding any mysterious disappearance or loss or shortage disclosed on taking inventory;
7. Vandalism or Malicious Acts.

C. LOSSES NOT INSURED: We do not insure loss or damage:

1. to property before delivery has been accepted by you;
2. caused by or resulting from strike, lockout, labor

- disturbances, riot, civil commotion, or the acts of person(s) taking part in any of these activities;
3. as a result of the insured property undergoing any process or while actually being worked upon;
 4. to property stored in any commercial warehouse, unless otherwise shown on the Coverage Summary page.

The General Exclusions on page 21 are applicable to this Rider.

D. CO-INSURANCE CLAUSE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of all insured property at the time of the loss.

RIDER FP7 FERTILIZER AND FARM CHEMICALS

If the Coverage Summary page indicates that Rider FP7 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

We insure chemical fertilizer, herbicides and pesticides usual to a “farming” operation, owned by you and intended for your own use, while in all situations within the territorial limits of Canada, except as herein provided.

B. INSURED PERILS

Cover Code A: If Cover Code A is shown on the Coverage Summary page, you are insured against direct loss or damage caused by Fire, Lightning or Explosion of natural, coal or manufactured gas.

Cover Code H: If Cover Code H is shown on the Coverage Summary page, you are insured against direct loss or damage caused by:

1. Fire, Lightning or Explosion;
2. Windstorm. This peril does not include loss or damage:
 - a. to property in transit, or
 - b. due to the entrance into a building of rain, hail, sleet or snow, whether or not resulting from windstorm;
3. Collision, upset or overturning of a vehicle on which the insured property is being transported, including collapse of bridges or culverts;
4. Vandalism or Malicious Acts. This peril does not include loss or damage caused by theft or attempted theft or by any person employed by you;
5. Theft from within a fully enclosed building, structure or storage tank on “your premises”, but only if such building, structure or tank is securely locked when not in use. This peril does not include mysterious disappearance or unexplained shortage.

The General Exclusions on page 21 are applicable to this Rider.

C. CO-INSURANCE CLAUSE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of all insured property at the time of the loss.

RIDER FP8 MISCELLANEOUS FARM PROPERTY

If the Coverage Summary page indicates that Rider FP8 applies, we provide the insurance described below in return for payment of the premium.

A. DEFINITIONS

“**Occupied farm**” means that the “farm premises” where the insured property is situated and the dwelling at such premises are occupied as a principal residence.

“Unoccupied farm” means that the “farm premises” where the insured property is situated and the dwelling at such premises are not occupied as a principal residence.

“Farm Equipment” means aeration fans, bin sweeps, weigh scales, pumps, generators, pond mills, pressure washers, drill fills, and portable water, chemical and fuel tanks not mounted on a stand, cradle or platform.

“Farm Property” means portable corrals, cattle squeezes and chutes and watering bowls.

“Tack” means bridles, halters, harnesses, saddles, grooming equipment and supplies and other similar portable property usual to the use, care or grooming of livestock.

B. PROPERTY INSURED

We insure the property described on the Coverage Summary page for which a limit of insurance and premium are shown.

C. PROPERTY NOT INSURED

We do not insure:

1. Property engaged in “custom farming” or while in transit in connection with “custom farming”, unless permission for such use is stated on the Coverage Summary page;
2. Underground property other than pumps separately described and specifically insured. We do not insure wells, underground piping or wiring or the cost of excavation for any of these;
3. Property used for logging, forestry, brush cutting, land clearing or sawmill operations;
4. Property used commercially for any purpose other than your “farming” operations, unless permission for such use is stated on the Coverage Summary page.

D. INSURED PERILS

Cover Code A: If the Coverage Summary page specifies Cover Code A, you are insured against direct loss or damage caused by Fire, Lightning or Explosion of natural, coal or manufactured gas.

Cover Code I: If the Coverage Summary page specifies Cover Code I, you are insured against direct loss or damage caused by:

1. Fire or Lightning;
2. Explosion, except explosion originating in internal combustion engines;
3. Windstorm or Hail;
4. Collision, upset or overturning of a vehicle on which the insured property is being transported, including collapse of bridges or culverts.
5. Vandalism or malicious Acts. This peril does not include loss or damage:
 - a. caused by theft or attempted theft,
 - b. caused by any person employed by you,
 - c. to tires or tubes unless the loss or damage is coincident with other loss or damage to the insured property;
6. Theft, unless the Coverage Summary page indicates “excluding theft”. This peril does not include any mysterious disappearance or unexplained loss.

If the Coverage Summary page indicates “limited theft”, this peril is limited to theft of insured property from within a building on the “farm premises” following illegal and forcible entry into the building, leaving visible marks at the point of forced entry.

Cover Code C: If the Coverage Summary page specifies Cover Code C, you are insured against all risks of direct physical loss

or damage from any external cause, except the following:

We do not insure:

1. loss or damage caused by or resulting from wear, tear, gradual deterioration, latent defect, dampness of atmosphere, freezing or extremes of temperature, moths, moles, mice, rodents, vermin, insects, raccoons, skunks or domesticated animals;
2. loss or damage caused by or resulting from mechanical or electrical breakdown, disturbance or failure, or repairing, adjusting, servicing or maintenance operations, but if any of these result in fire or explosion, we will pay only for the resulting loss or damage to insured property caused by the fire or explosion;
3. loss or damage to tires or tubes unless the loss or damage is caused by fire, lightning, explosion, windstorm, vandalism or theft, or is coincident with other loss or damage insured by this Rider;
4. vandalism or malicious acts caused by any person employed by you;
5. any mysterious disappearance or unexplained loss;
6. accumulative damage, however caused.

The General Exclusions on page 21 are applicable to this Rider.

E. CO-INSURANCE CLAUSE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss. If two or more items are insured, this condition will apply separately to each item.

F. EXTENSION OF COVER – CUSTOM FARMING

Permission is hereby granted for property insured by this Rider to be used by you for “custom farming” provided the remuneration received for such “custom farming” does not exceed \$10,000 gross receipts in total during the policy term.

G. REPLACEMENT COST COVERAGE

In the event of loss or damage to property insured by this Rider, we agree to pay such loss on the basis of “Replacement Cost”, provided that:

1. the property at the time of the loss was useable for its original intended purpose, and
2. you repair or replace the property within 180 days after the date on which the loss or damage occurs,

otherwise settlement will be as if this coverage had not been in effect.

The Co-insurance Clause (Clause E) of this Rider is amended to read as follows for each item to which “Replacement Cost” coverage applies:

E. CO-INSURANCE: We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the “Replacement Cost” of the insured property at the time of the loss. If two or more items are insured, this condition will apply separately to each item.

“**Replacement Cost**” means the cost, at the time of loss, of repair or replacement (whichever is lower) with new property of similar kind and quality, without deduction for depreciation, but we will not pay more than the applicable limit of insurance shown on the Coverage Summary page.

H. TERRITORIAL LIMITS

We insure the described property while on “your premises” and while temporarily away from “your premises” anywhere in Canada. However, if the Coverage Summary page indicates “Premises Coverage Only”, we insure the property only while it is on “your premises”.

RIDER FP9 SEMEN AND SEMEN TANKS

If the Coverage Summary page indicates that Rider FP9 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

We insure your semen tank(s) and semen held in tank(s) while at “your premises” or while at any other location in Canada for the purpose of artificial insemination, including while in transit to and from “your premises” and such other location. Separate limits of insurance apply to the semen and the tank, as shown on the Coverage Summary page.

If you have more than one semen tank, the limit of insurance on tanks will be divided in the proportion that the value of each tank bears to the value of all tanks, and the limit of insurance on semen will be divided in the proportion that the value of semen in each tank bears to the total value of semen in all tanks.

B. INSURED PERILS

You are insured against direct physical loss or damage from any external cause, except the following:

We do not insure:

1. any loss arising from the failure of the semen to fertilize;
2. wear, gradual deterioration, mechanical breakdown or mechanical defect of the semen tank;
3. loss or damage caused by vermin, insects, moles, mice, rodents, raccoons, skunks, domesticated animals;
4. inherent vice, latent defect, rust, corrosion or mold;
5. loss or damage caused by dryness or dampness of atmosphere, extremes of temperature or deterioration, unless the direct result of fire or explosion;
6. loss or damage caused by neglect in failing to maintain proper nitrogen charge;
7. loss or damage to the insured property while it is undergoing any process or while it is being worked on, but if fire or explosion results, we will pay only for resulting loss or damage to the insured property caused by the fire or explosion.

The General Exclusions on page 21 are applicable to this Rider.

C. TERRITORIAL LIMITS

Insurance under this Rider applies only while the insured property is within the territorial limits of Canada.

RIDER FP10 MILK

If the Coverage Summary page indicates that Rider FP10 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

We insure raw milk while in milk tanks on “your premises”.

B. INSURED PERILS

You are insured against all risks of direct physical loss or damage

from any external cause, but we do not insure loss due to souring, change of flavor, contamination, change of temperature or spoilage of any kind, unless such loss is as a direct consequence of:

1. fire, lightning, explosion, vandalism or malicious mischief, or
2. interruption of electrical power.

The General Exclusions on page 21 are applicable to this Rider.

RIDER FP11 BLANKET EARNINGS AND EXTRA EXPENSE

If the Coverage Summary page indicates that Rider FP11 applies, we provide the insurance described below in return for payment of the premium.

A. DEFINITIONS -- As used in this Rider:

“business” or **“operations”** means your “farming” operations at the location(s) shown on the Coverage Summary page.

“earnings” means your net profit before income taxes, plus all operating expenses earned by your “business”. If your “business” is not operating at a profit, “earnings” will be determined by subtracting your net loss before income taxes from continuing operating expenses.

“extra expense” means the expense you incur during the “period of restoration” which you would not have incurred if there had been no “insured loss” and which is necessary to continue as nearly as possible the normal conduct of your “farming” operations. This includes the expense of using other property or facilities of others.

“insured loss” means:

1. loss or damage to buildings or structures or their contents for which indemnity is payable under Rider FP1 of this policy, and
2. death or necessary destruction of livestock for which indemnity is payable under Rider FP4 of this policy.

“period of restoration” means the period, beginning with the date on which the “insured loss” occurs, which would reasonably be required to repair, rebuild or replace the damaged or destroyed property, not limited by the expiry date of this policy.

The “period of restoration” does not include any additional time needed because of any law or ordinance regulating the zoning, demolition, repair or construction of buildings or their related services.

B. DESCRIPTION OF COVERAGE

We insure your loss of “earnings” (less operating expenses which do not necessarily continue) and the “extra expense” you incur, directly resulting from the interruption of your “business” due to an “insured loss” which occurs while this Rider is in force. We will pay only for the loss of “earnings” and “extra expense” you incur during the “period of restoration”.

We also insure:

1. expenses you necessarily incur for the purpose of reducing any loss under this Rider (except expense incurred to extinguish a fire) but not exceeding the amount by which such loss is thereby reduced;
2. “extra expense” incurred in obtaining property for temporary use during the “period of restoration” which is necessary for the conduct of your “business”. We will deduct the salvage value that remains of any property bought for temporary use, after you have resumed normal operations.

C. LOSSES EXCLUDED

All the exclusions in riders FP1 and FP4 as well as the following exclusions apply to this Rider.

We do not insure:

1. the cost of repairing or replacing damaged or destroyed

- property;
- 2. any increase of loss due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings or their related services;
- 3. any increase of loss due to interference at “your premises” by strikers or other persons with rebuilding, repairing or replacing damaged or destroyed property, or with the resumption or continuation of your “business”;
- 4. loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of any nature;
- 5. loss due to the suspension, lapse or cancellation of any lease, license, contract or order. However, if the suspension, lapse or cancellation results directly from the interruption of your “business” by an “insured loss”, we will insure any resulting loss of “earnings”, but only during the “period of restoration”;
- 6. the cost of compiling books of accounts, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing.

D. BASIS OF LOSS SETTLEMENT

When an earnings or extra expense loss occurs, the following will be considered in determining the loss settlement:

1. **“Earnings”:** Your amount of “earnings” loss will be determined taking into consideration:
 - a. the net income of your “business” before the insured loss occurred;
 - b. the probable net income if no insured loss had occurred;
 - c. the operating expenses, including payroll expense, necessary to resume operations to the same extent that existed just before the insured loss, and
 - d. other sources of information on your “business” such as your financial records, bills, invoices and other similar documents.
2. **Your Responsibility for Resuming Operations:** If you can reduce your loss by resuming operations on “your premises” or elsewhere, using damaged or undamaged property, you agree to do so.
 We will reduce the amount of your “earnings” loss to the extent you can resume operations in whole or in part by using damaged or undamaged property at “your premises” or elsewhere.
 We will reduce the amount of your “extra expense” loss to the extent you can return your operations to normal and discontinue extra expenses.
3. **Limitation – Electronic Data Processing Media and Records:**
 When an insured loss of earnings results from damage to or destruction of electronic data processing media or records, we will pay for such loss of earnings only for a period of 30 consecutive days or the length of time it should reasonably take to repair, rebuild or replace other property damaged or destroyed by the same occurrence, whichever is the greater period of time.
4. **Limit of Insurance:** In any 30 consecutive calendar days, we will not pay more than the amount obtained by

applying the percentage shown on the Coverage Summary page as the “Monthly Limit” to the limit of insurance applicable to this Rider.

In all, we will not pay more than the limit of insurance applicable to this Rider for loss of earnings and “extra expense” combined arising from any one occurrence.

RIDER FP12 LEAF CUTTER BEEKEEPERS

If the Coverage Summary page indicates that Rider FP12 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

We insure the property described on the Coverage Summary page for which a limit of insurance and premium are shown.

“Bees” means bees and cocoons in all stages of development.

“Nesting Boards” means nesting boards and shelters used for your beekeeping operations. “Beekeeping equipment” means equipment and supplies used principally for your beekeeping operations.

B. INSURED PERILS

Cover Code A: If the Coverage Summary page specifies Cover Code A, you are insured against direct loss or damage caused by Fire, Lightning or Explosion of natural, coal or manufactured gas.

Cover Code K: If the Coverage Summary page specifies Cover Code K, you are insured against direct loss or damage caused by the perils insured by Cover Code A, plus the following named perils:

1. Smoke. This peril means smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney.
2. Riot, Vandalism or Malicious Acts. This peril does not include loss or damage caused by:
 - a. any tenant, tenants' guests, tenants' employees or members of their households;
 - b. you or any person employed by you; or
 - c. resulting from theft or attempted theft.
3. Theft or attempted theft. This peril does not include:
 - a. theft or attempted theft by any person employed by you or a member of his or her household;
 - b. theft or attempted theft by any tenant, tenants' guest, tenants' employees or members of their household;
 - c. any mysterious disappearance or unexplained loss.
4. Windstorm or Hail. This peril does not include:
 - a. Loss or damage to property in a building, unless damage is concurrent with and results from an aperture caused by windstorm or hail;
 - b. Loss or damage by windstorm to an outside shelter or property within an outside shelter, unless the shelter was properly anchored;
 - c. Loss or damage to property in an outside shelter, unless the shelter sustained damage by the windstorm or hail;
 - d. caused by water, waterborne objects, ice, waves whether or not driven by wind;
 - e. Loss or damage to adult bees in the open field, including while in “hives” or shelters.
5. Ravaging by bears. We will only pay in excess of any amount payable under any Government assistance program.
6. Transportation. This peril means direct loss or damage to insured property while in transit on land in or on a

transporting conveyance, if the loss or damage is caused by collision, upset or overturn of the transporting conveyance, or collapse of bridges or culverts within Canada.

7. Impact by aircraft or land vehicles.

C. LOSS OR DAMAGE NOT INSURED - Applicable to Cover Codes A and K.

We do not insure loss or damage:

1. caused by electrical currents other than lightning, but if there is resulting fire or explosion, we will pay only for the resulting damage to the insured property caused by the fire or explosion;
2. caused by dishonesty of an employee or any other person to whom the property is entrusted;
3. caused by death resulting from or contributed to by disease, illness, parasites, predators or poisoning whether consequent upon an "insured peril" or not.

The General Exclusions on page 21 are applicable to this Rider.

D. CO-INSURANCE CLAUSE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss. If two or more items are specifically insured by this Rider, this condition will apply separately to each item.

E. DEDUCTIBLE

In case of damage to insured property while located in the open field, including while in hives or shelters, caused by any of the following perils:

1. windstorm or hail;
2. riot, vandalism or malicious acts;
3. theft, or attempted theft; or
4. ravaging by bears;

we are responsible only for the amount by which the loss or damage exceeds the greater of \$2,500. or the deductible amount shown on the Coverage Summary page in any one occurrence. Otherwise, the deductible amount shown on the Coverage Summary page will apply.

F. LOSS ADJUSTMENT CLAUSE

ADULT BEES AND COCOONS IN THE OPEN FIELD: Where coverage is provided for adult bees and cocoons while in the open field and loss or damage is caused by an "insured peril" while such bees or cocoons are in the open field, including while in hives or shelters, we will not pay any loss if the number of cocoons recovered during the season is equal to or greater than the number of adult bees and/or cocoons released at the beginning of the season.

G. TRANSPORTATION EXTENSION

If the Coverage Summary page specifies a limit of insurance and premium for "Transportation Extension", you are insured for the peril of transportation within the Continental United States of America for those items for which Cover Code K is designated on the Coverage Summary page.

RIDER FP13 HONEY PRODUCERS BEEKEEPERS

If the Coverage Summary page indicates that Rider FP13 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

We insure the property described on the Coverage Summary page

for which a limit of insurance and premium are shown.

“**Stack of Honey**” means processed or unprocessed honey while contained in barrel(s) or within any building(s) situated on “your premises”. “**Hives**” means one or two brood chambers with not more than six supers. Insurance on hives includes, if contained in the hives, raw honey and bees at all stages of development. “**Beekeeping Equipment**” means equipment and supplies used principally in your beekeeping and honey producing operations, but does not include hives.

B. INSURED PERILS

Cover Code A: If the Coverage Summary page specifies Cover Code A, you are insured against direct loss or damage caused by Fire, Lightning or Explosion of natural, coal or manufactured gas.

Cover Code K: If the Coverage Summary page specifies Cover Code K, you are insured against direct loss or damage caused by the perils insured by Cover Code A, plus the following named perils:

1. Smoke. This peril means smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney.
2. Riot, Vandalism or Malicious Acts. This peril does not include loss or damage caused by:
 - a. any tenant, tenants' guests, tenants' employees or members of their households;
 - b. you or any person employed by you;
 - c. or resulting from theft or attempted theft.
3. Theft or attempted theft. This peril does not include:
 - a. theft or attempted theft by any person employed by you or a member of his or her household;
 - b. theft or attempted theft by any tenant, tenants' guest, tenants' employees or members of their household;
 - c. any mysterious disappearance or unexplained loss.
4. Windstorm or Hail. This peril does not include:
 - a. loss or damage to property in a building, unless damage is concurrent with and results from an aperture caused by windstorm or hail;
 - b. loss or damage by windstorm to an outside hive or shelter or property within an outside hive or shelter, unless the hive or shelter was properly anchored;
 - c. loss or damage to property in an outside hive or shelter, unless the hive or shelter sustained damage by the windstorm or hail;
 - d. caused by water, waterborne objects, ice, waves whether or not driven by wind;
 - e. loss or damage to adult bees in the open field, including while in hives or shelters.
5. Ravaging by bears. We will only pay in excess of any amount payable under any Government assistance program.
6. Transportation. This peril means direct loss or damage to insured property while in transit on land in or on a transporting conveyance, if the loss or damage is caused by collision, upset or overturn of the transporting conveyance, or collapse of bridges or culverts within Canada.
7. Impact by aircraft or land vehicles.

C. LOSS OR DAMAGE NOT INSURED - Applicable to Cover A Codes A and K.

We do not insure loss or damage:

1. caused by electrical currents other than lightning, but if there is resulting fire or explosion, we will pay only for the

- resulting damage to the insured property caused by the fire or explosion;
2. caused by dishonesty of an employee or any other person to whom the property is entrusted;
 3. caused by death resulting from or contributed to by disease, illness, parasites, predators or poisoning whether consequent upon an "insured peril" or not.

The General Exclusions on page 21 are applicable to this Rider.

D. CO-INSURANCE CLAUSE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss. If two or more items are specifically insured by this Rider, this condition will apply separately to each item.

E. DEDUCTIBLE

In case of loss or damage to insured property while located in the open field caused by any of the following perils:

1. windstorm or hail;
2. riot, vandalism or malicious acts;
3. theft or attempted theft; or
4. ravaging by bears;

we are responsible only for the amount by which the loss or damage exceeds the greater of \$1,000, or the deductible amount shown on the Coverage Summary page in any one occurrence. Otherwise, the deductible amount shown on the Coverage Summary page will apply.

F. TRANSPORTATION EXTENSION

If the Coverage Summary page specifies a limit of insurance and premium for "Transportation Extension", you are insured for the peril of transportation within the Continental United States of America for those items for which Cover Code K is designated on the Coverage Summary page.

RIDER FP14 SILAGE BAGS AND BAGGED SILAGE

If the Coverage Summary page indicates that Rider FP14 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

We insure the property described on the Coverage Summary page for which a limit of insurance and premium are shown, while the property is on your "farm premises".

B. INSURED PERILS

You are insured against direct loss or damage caused by:

1. Fire or Lightning.
2. Vandalism or Malicious Acts. This peril does not include loss or damage caused by:
 - a. any tenant, tenants' employees or members of their households;
 - b. any person employed by you;
 - c. theft or attempted theft.
3. Windstorm or Hail. This peril does not include loss or damage caused by high water, overflow, flood, waterborne objects, waves or ice whether or not driven by wind or due to windstorm.
4. Impact by land vehicle, other than a land vehicle owned, operated or controlled by you, your tenant or any person

employed by you or your tenant.

C. LOSSES NOT INSURED

We do not insure:

1. loss or damage to property while undergoing a process involving the application of heat where this is the cause of loss;
2. Spoilage or deterioration of silage unless it is a direct and immediate result of an “insured peril”.

The General Exclusions on page 21 are applicable to this Rider.

D. EXTENSION OF COVERAGE

If this Rider insures silage in silage bags, you may apply the insurance to pay for the cost of rebagging silage made necessary as a result of an “insured peril”. This extension does not increase the limit of insurance shown on the Coverage Summary page.

E. DEDUCTIBLE

We are responsible only for the amount by which the loss or damage caused by any of the “Insured Perils” exceeds the deductible amount shown on the Coverage Summary page in any one occurrence.

F. CO-INSURANCE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss.

RIDER FP101 FARM PROPERTY BLANKET COVER

If the Coverage Summary page indicates that Rider FP101 applies, we provide the insurance described below in return for payment of the premium.

A. PROPERTY INSURED

Except as otherwise stated herein, we insure moveable property owned by you and used principally in connection with your “farming” operations, while on “your premises”.

B. PROPERTY NOT INSURED

We do not insure:

1. household personal property, personal property usual to a dwelling or property of a personal nature, including jewelry, precious gems, watches and clothing;
2. contents of any building or structure used for housing more than 35 milk cows, 100 hogs, 100 birds (poultry), or used as a P.M.U. barn;
3. contents of any building or structure used or intended for use as a greenhouse or fruit stand;
4. any property separately described and specifically insured by this or any other insurance policy or plan;
5. windmills, wind chargers or their towers;
6. communication towers, outdoor radio and TV antennae (including satellite dishes) and their attachments;
7. any contents of any building or structure not fully enclosed on all sides;
8. contents of elevators, elevator annexes, terminals, warehouses or seed cleaning buildings;
9. contents of any building or structure or any other property used in whole or in part for manufacturing or commercial purposes other than “farming”, unless permission for such use is stated on the Coverage Summary page;
10. exterior signs;
11. automobiles, trucks, motorcycles, dirt bikes, go carts, golf carts, snowmobiles, all terrain vehicles, campers, trailers,

- tractors, combines or other motorized land vehicles, mobile machinery and implements including all equipment therefore attached or otherwise, including the equipment or appurtenances of any of these but this exclusion does not apply to spare parts for motorized land vehicles;
12. aircraft, hang gliders, ultra lights or other aircraft or the equipment or appurtenances of any of these;
 13. watercraft, including any air cushion vehicle, their equipment and appurtenances;
 14. trees, shrubs, growing plants (including standing crops) or crops in swath;
 15. whole or threshed grain or seed;
 16. bagged silage and silage bags;
 17. irrigation equipment;
 18. underground property including wells, piping and wiring, or the cost of excavation for any of these, but this exclusion does not apply to the underground foundation of an insured building;
 19. milk, except for direct loss by fire only;
 20. liquefied petroleum or manufactured gas, gasoline or other fuels, or fuel tanks;
 21. money, bullion, precious metals, notes, securities, stamps, tickets, tokens, deeds, evidence of debt or title, accounts, bills or letters of credit;
 22. farm produce;
 23. semen and semen tanks;
 24. nesting boards, shelters, hives;
 25. fodder;
 26. chemical fertilizers, herbicides and pesticides, except as provided by the Extensions of Cover;
 27. animals, livestock, poultry, birds, fish, bees at any stage of development; poultry or dairy products, processed or frozen meats, or honey.

C. INSURED PERILS

You are insured against all risks of direct physical loss or damage from any external cause, except as otherwise stated herein.

D. LOSS OR DAMAGE NOT INSURED

We do not insure loss or damage caused directly or indirectly by:

1. snowslide, landslide, earthquake, land subsidence or any other earth movement, but if any of these result in fire or explosion, we will pay for the resulting loss or damage to the insured property by the fire or explosion;
2. flood, surface water, spray, waves, tides, tidal waves, ice or water borne objects, all whether driven by wind or not;
3. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings;
4. the entrance of rain, sleet or snow through doors, windows, skylights or other wall or roof openings, unless the damage occurs concurrently with and results from an opening caused by windstorm or hail;
5. the backing up of a sewer, sump, septic tank or drain;
6. centrifugal force or mechanical breakdown or derangement, but if fire results, we will pay only for the resulting fire loss or damage to insured property;
7. explosion, collapse, rupture, bursting, cracking, burning out or bulging of any of the following property you own, operate or control, but if fire results we will pay only for the

resulting fire loss or damage to insured property:

- a. any boiler and connecting piping or other equipment containing steam or water under steam pressure;
 - b. any other equipment under pressure if its maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except the following:
 - i) manually portable gas cylinders;
 - ii) domestic hot water heaters having an internal diameter not exceeding 610 millimeters (24 inches);
 - iii) air storage tanks or air receivers having an internal diameter not exceeding 610 millimeters (24 inches);
 - c. moving or rotating machinery or parts thereof;
 - d. gas turbines;
8. settling, expansion, contraction, moving, shifting or cracking;
 9. dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, pollution, contamination, change in color or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by:
 - a. a "Named Peril";
 - b. theft or attempted theft;
 - c. rupture or breakage of pipes not excluded under paragraph (7) above, provided the rupture or breakage is not due to freezing or changes of temperature;
 10. smoke from agriculture smudging or industrial operations;
 11. rodents, insects, vermin, skunks, moles, mice, raccoons or domesticated animals;
 12. the melting of ice or snow on the roof of a building.

We do not insure:

13. wear and tear, gradual deterioration, latent defect, disease, wet or dry rot or mould;
14. mysterious disappearance or unexplained loss;
15. the cost of making good faulty or improper material, workmanship or design;
16. accumulative damage however caused or any loss or damage not due to a sudden unexpected event;
17. disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning;
18. any loss or damage, whether direct or indirect, or any clean up or removal cost incurred as a result of any spill, discharge or seepage of a pollutant or contaminant. This exclusion does not apply to loss or damage to the property insured caused directly by fire, lightning, smoke, windstorm, hail, explosion, riot, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, rupture of pipes or breakage of apparatus not excluded under paragraph (7) above, vandalism or malicious acts, theft or attempted theft;
19. loss or damage due to the use of heat lamps or brooders in any building, unless permission for the use of such device is specifically stated on the Coverage Summary page;
20. loss or damage to property, other than buildings, while being worked on or while undergoing any repairing,

adjusting or servicing operations where the loss or damage results from such work or operations, but if any of these result in fire or explosion, we will pay for resulting loss or damage to insured property caused by the fire or explosion;

21. loss or damage to electrical devices or appliances caused by electrical currents other than lightning unless fire or explosion follows and then we will pay only for the resulting loss or damage to insured property by the fire or explosion;
22. theft of liquid fertilizer, herbicides or pesticides from a storage tank unless the pumps are securely locked when not in use;
23. loss or damage to contents, occurring while the building or structure is raised or lowered, or while it is being moved or while at any location other than the "farm premises", except as otherwise provided herein. Moving includes the period of time during which the leveling jacks or blocks are removed.

The General Exclusions on page 21 are applicable to this Rider.

E. CO-INSURANCE

We will not pay a greater proportion of any loss than the applicable limit of insurance bears to 80% of the Actual Cash Value of the insured property at the time of the loss. We agree to waive this clause if the amount of loss in any one occurrence does not exceed \$5,000 of the limit of insurance.

F. EXTENSIONS OF COVER

1. **Property away from "your premises"**

Up to \$5,000 (or such other amount as may be shown on the Coverage Summary page for "property away from the premises") of the limit of insurance applicable to this Rider may, at your option, be applied to property insured by this Rider which is temporarily away from "your premises" anywhere in Canada.

2. **Property of Others**

You may apply up to 10% of the limit of insurance applicable to this Rider or \$5,000, whichever is less, to property of the kind insured by this Rider which is owned by others and for which you are responsible, while such property is on "your premises".

3. **Fertilizer and Farm Chemicals**

You may apply up to 10% of the limit of insurance shown on the Coverage Summary page for this Rider to cover chemical fertilizers, herbicides and pesticides while contained in any fully enclosed building located on the "premises" and then, for loss by fire only.

G. NAMED PERIL

"Named Peril" means a peril as defined and limited in Cover Codes B and X of Rider FP1 Farm Outbuildings or Contents.

FARM POLICY ENHANCEMENT ENDORSEMENT

If the Coverage Summary page shows that the "Farm Policy Enhancement Endorsement" applies to this policy, we provide the insurance described in this endorsement in return for payment of the premium. Except as otherwise specifically provided by this endorsement, all terms, limitations, conditions and exclusions of this policy apply.

A. Fire Fighting Expense Limitation

We will pay up to \$15,000 as an additional limit of insurance for

the “Fire Fighting Expense Limitation” under Coverage E of Section II.

B. Fire Department Charges

We will pay up to \$2,000 as an additional limit of insurance for “fire Department Charges” under the Extensions of Cover of Section V – Farm Property Coverages.

C. By-Laws Coverages

The following is added to “C. Extension of Coverage” of Rider FPI Farm Outbuildings or Contents.

By-Laws Coverages

We agree to pay for the following:

Coverage A- Loss of the Undamaged Portion of a Building:

If an “insured peril” causes loss or damage to a building insured under this Rider, we will pay for loss to the undamaged portion of the building caused by the enforcement of any by-law that:

1. requires the demolition of parts of the same building not damaged by an “insured peril”;
2. regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described “premises”; and
3. is in force at the time of loss.

Coverage B- Demolition Cost:

If an “insured peril” causes loss or damage to a building insured under this Rider, we will pay the cost to demolish and clear the site of undamaged parts of the building caused by the enforcement of any building, zoning or land use by-law.

Coverage C – Increased Cost of Construction:

If an “insured peril” causes loss or damage to a building insured under this Rider, we will pay for the increased cost to repair or rebuild the building caused by the enforcement of any building, zoning or land uses by-law. If the building is repaired or rebuilt, it must be intended for the same occupancy as before the loss, unless otherwise required by a zoning or land use by-law. We will not pay for the increased cost of construction if the building is not repaired or replaced.

We will not pay under any of the foregoing Coverages (A, B, or C) for the cost associated with the enforcement of any by-law which requires you or others to test for, monitor, remove, clean up, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any “pollutant”. “Pollutant” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

The insurance under each of the foregoing coverages (A, B, and C) is part of, and does not increase, the limit of insurance applicable to the building under Rider FPI as shown on the Coverage Summary page.

We will not pay more than \$20,000 for all By-Laws Coverages combined, in any one occurrence.

The foregoing Coverages are effective notwithstanding exclusion 8 of the General Exclusions of Section V.

No additional deductible is applicable to these coverages.

D. Corrals and Fencing Coverage

We will pay up to \$5,000 in any one occurrence as an additional limit of insurance for direct physical loss of or damage to corrals and/or fences (excluding pasture fences) caused by the perils of Fire, Lightning, Impact by Land Vehicle or Impact by Aircraft or Spacecraft, including articles dropped from aircraft or spacecraft,

but excluding impact by an aircraft or spacecraft when being taxied or moved on the ground.

A deductible in the amount of \$500 applies to this coverage.

E. Cost of Preparing Proof of Loss

We will pay up to \$1,000 as an additional limit of insurance for reasonable professional expenses incurred by you in preparing the proof of your loss or any other exhibits we require for settlement of a loss under this policy.

No deductible applies to this coverage.

F. Cost of Restoring Farm Operations Records (including Auditor fees)

We will pay up to \$5,000 in any one occurrence as an additional limit of insurance to cover your cost to research, replace or restore lost information on farm operations records damaged by an “insured peril”.

No deductible applies to this coverage.

G. Debris Removal – Extended Coverage

The following paragraph is added to the “Debris Removal Expense” clause under the Extensions of Cover of Section V – Farm Property Coverages:

If the limit of insurance on your property is not sufficient to pay Debris Removal Expense as described above, we will pay an additional amount up to \$10,000 for such expenses.

H. Extra Expense

We will pay up to \$5,000 as an additional limit of insurance for the actual, reasonable and necessary expenses you incur to resume your normal “farming” operations which are interrupted as the result of direct physical loss or damage by an “insured peril” to property insured under Rider FPI Farm Outbuildings or Contents or Rider FP4 Farm Livestock.

Coverage for such extra expense is not limited by the expiration of this policy.

We will not pay any extra expense you incur after the period required for repair, rebuilding or replacement of the insured property.

No deductible applies to this coverage.

I. Exterior Farm Signs Coverage

We will pay up to \$3,000 in any one occurrence as an additional limit of insurance for direct physical loss or damage to an exterior farm sign on “your premises” caused by an “insured peril” as described and limited under Cover Code C – Comprehensive of Rider FP1 – Farm Outbuildings or Contents.

A deductible in the amount of \$500 applies to this coverage.

J. Farm Tools, Parts and Supplies Coverage

We will pay up to \$2,000 in any one occurrence as an additional limit of insurance for direct physical loss of or damage to Farm Tools, Parts and Supplies on “your premises” caused by an “insured peril” as described and limited under Rider FP3 – Farm Tools.

A deductible in the amount of \$500 applies to this coverage.

K. Farm Water System Coverage

We will pay up to \$5,000 in any one occurrence as an additional limit of insurance for direct physical loss of or damage to a water pump, pressure system or pump house on “your premises”, used in whole or in part for “farming” purposes, caused by an “insured peril” as described and limited under Cover Code C – Comprehensive of Rider FP1 – Farm Outbuildings or Contents.

A deductible in the amount of \$500 applies to this coverage.

L. Fuel and Fuel Tank Coverage

We will pay up to \$3,000 in any one occurrence as an additional

limit of insurance for direct physical loss or damage to fuel tanks, fuel tank stands, and liquefied petroleum or manufactured gas stored on “your premises”, caused by an “insured peril” as described and limited under Cover Code X of Rider FP1 – Farm Outbuildings or Contents. The tank(s) must be kept locked at all times otherwise there will be no insurance for loss by Theft, Vandalism or Malicious Acts.

A deductible in the amount of \$500 applies to this coverage.

M. Inflation Protection Coverage

The following is added to item 2. “Endorsement – Farm Buildings” under “C. Extensions of Coverage” of Rider FP1 - Farm Outbuildings or Contents:

During the term of this policy, we will increase the limit of insurance applicable to a Farm Building to which “Replacement Cost” applies by a portion of the Inflation Protection Rate percentage (IPR) shown on the Coverage Summary page, as follows:

2 months after inception – 25% of the IPR

5 months after inception – 50% of the IPR

8 months after inception – 75% of the IPR

11 months after inception – 100% of the IPR

“**Inception**” means the effective date of the policy or, if the policy has been in force more than one year, its last anniversary date. If you request a change in the limit of insurance during the policy term, the effective date of that change will be the “inception”, until the next policy anniversary date.

N. Property of Others

1. the following is added to Rider FP2 Farm Machinery:

Property of Others:

We will pay up to \$10,000 in any one occurrence as an additional limit of insurance for direct physical loss or damage to mobile farm implements and machinery owned by others, while in your care, custody or control, caused by an “insured peril” as described and limited under Cover Code C. If there is other insurance under this or any other insurance policy or plan covering the same loss or damage, we will pay only the amount of loss or damage insured by this coverage in excess of the amount payable under the other insurance, but we will not pay more than \$10,000.

A deductible in the amount of \$500 is applicable to this coverage.

This coverage does not apply to any type of property that we do not insure under this Rider.

2. the following is added to Rider FP3 Farm Tools or FP101 – Farm Property Blanket Cover:

Property of Others

We will pay up to \$10,000 in any one occurrence as an additional limit of insurance for direct physical loss or damage caused by an “insured peril” to farm tools, as described under Rider FP3 Farm Tools “2. Blanket Cover” of clause B. “Property Insured”, owned by others, while in your care, custody or control. If there is other insurance under this or any other insurance policy or plan covering the same loss or damage, we will pay only the amount of loss or damage insured by this coverage in excess of the amount payable under

the other insurance, but we will not pay more than \$10,000.

A deductible in the amount of \$500 is applicable to this coverage.

This coverage does not apply to any type of property that we do not insure under this Rider.

O. Newly Acquired or Newly Constructed Farm Property

1. Newly Acquired or Newly Constructed Farm Buildings

You may extend the insurance on Farm Outbuildings under Rider FP1 to apply to a new farm outbuilding while in course of construction on “your premises” or a farm outbuilding that you acquire during the policy term at locations other than the specified location for loss or damage caused by fire, lightning or explosion of natural, coal or manufactured gas.

The most we will pay under this coverage is \$100,000. This is part of the limit(s) of insurance shown on the Coverage Summary page for all items attached to Rider FP1 and not an additional limit of insurance.

2. Newly Acquired or Leased Farm Machinery

Clause B “Extension of Coverage – Newly Acquired Machinery” of Rider FP2 – Farm Machinery, is amended by deleting the figure \$50,000 where it appears under “1. Scheduled Cover” and “2. Blanket Cover” and replacing it with the figure \$100,000.

3. Newly Acquired Livestock

You may extend the insurance on Farm Livestock under Rider FP4 to apply to similar livestock that you acquire during the policy term.

The most we will pay under this coverage is \$10,000 and no more than \$5,000 for any one animal. This is part of the Limit(s) of insurance shown on the Coverage Summary page for all items attached to Rider FP4 and not an additional limit of insurance.

Insurance under A, B and C above will end when one of the following first occurs:

- a. the policy expires;
- b. 30 days expire after you acquire or begin to construct the property; or
- c. you report the values to us.

The Insured agrees to keep an accurate record of the date of the commencement of construction, acquisition and description and value of each item so covered and to pay pro rata additional premium thereon.

Subject to a \$500 deductible.

P. Private Power and Light Poles

We will pay up to \$5,000 in any one occurrence as an additional limit of insurance for “Private Power and Light Poles” under the Extensions of Coverage of Rider FP1 – Farm Outbuildings or Contents.

Q. Property in the Custody of a Common or Contract Carrier

You may extend the insurance under Rider FP4 Farm Livestock, Rider FP5 Grain Floater, Rider FP6 Fodder or Rider FP7 Fertilizer and Farm Chemicals, to include coverage while the insured property is in the custody of a Common or Contract carrier, up to an amount of \$15,000. This is part of and does not increase the applicable limit of insurance shown on the Coverage Summary page.

R. Chemicals and Fertilizer Coverage

We will pay up to \$5,000 in any one occurrence as an additional limit of insurance for direct physical loss or damage to farm chemicals and fertilizer caused by an “insured peril” as described

and limited under Cover Code H of Rider FP7 Fertilizer and Farm Chemicals.

If we do not insure your property under Rider FP7, a deductible in the amount of \$500 will apply to this coverage; otherwise, the deductible shown on the Coverage Summary page for Rider FP7 will apply.

S. Standing Crop Coverage

We will pay up to \$5,000 in any one occurrence as an additional limit of insurance for direct physical loss to your standing or swathed grain and seed crops and loose hay in the open caused by fire only.

A deductible in the amount of \$500 applies to this coverage.

POLICY CONDITIONS

With respect to the Section II--Liability Coverage, Statutory Conditions 1, 3, 4, 5 and 15 only apply. Otherwise, all of the Conditions set forth under the titles Statutory Conditions and Additional Conditions apply as Policy Conditions, with respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Riders or Endorsements forming part of this policy.

STATUTORY CONDITIONS

Misrepresentation - 1. If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property of others - 2. Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

Change of Interest - 3. The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.

Material Change - 4. Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

Termination - 5.

1. This contract may be terminated:
 - a. by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - b. by the Insured at any time on request.
2. Where this contract is terminated by the Insurer:
 - a. the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - b. the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
3. Where this contract is terminated by the Insured, the Insurer shall

refund as soon as practicable the excess of 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 fifteen days mentioned in clause (a) of sub condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Requirements After Loss - 6.

1. Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
 - a. forthwith give notice thereof in writing to the Insurer;
 - b. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - iii) stating that the loss did not occur through any willful act or neglect or the 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 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.

Fraud - 7. Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

Who May Give Notice and Proof - 8. 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.

Salvage - 9.

1. The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to

prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.

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

Entry, Control, Abandonment - 10. After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

Appraisal - 11. In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

When Loss Payable - 12. The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

Replacement - 13.

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

2. In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

Action - 14. Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within one year * next after the loss or damage occurs.

*Two years in the Province of Manitoba and the Yukon Territory.

Notice - 15. Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

ADDITIONAL CONDITIONS

Notice to Authorities—I. Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereat, or is suspected to be so due, the insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

No Benefit to Bailee—II. It is warranted by the Insured that this insurance shall in no wise inure directly or indirectly to the benefit of any carrier or other bailee.

Pair and Set—III. Unless otherwise provided, in the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such

article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

Parts—IV. 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 is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

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

Property of Others—Loss Settlement—VI. In the case of loss or damage to property of others covered by this policy, we reserve the right to settle such loss or damage with the owner or owners of the property.

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

Canadian Currency—VIII. All amounts of insurance, premiums or other amounts stated in this policy are in Canadian currency.

Co-operation—IX.

You are required to:

1. help us obtain witnesses, information and evidence about the claim and co-operate with us in any legal action if we ask you;
2. immediately send us everything received in writing concerning the claim, including legal documents.

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

IN WITNESS WHEREOF, the Insurer has caused this policy to be signed by its Chairman and President but the same shall not be binding upon the Insurer unless countersigned by an authorized representative of the Insurer on the Coverage Summary page.

Chairman

President and
Chief Executive Officer