

Agro Pak

For farming operations



www.sgicanada.ca



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Introduction

“Your” Agro Pak consists of this policy booklet, the Cover Page which contains information that is unique to “your” insurance policy, any other policy booklets or riders that may need to be attached as described on the Cover Page, and the Statutory Conditions. Together, these represent the legal contract between “you” and “us”. This policy contains various conditions, exclusions and limitations which eliminate or restrict coverage. Please read it carefully.

Any property associated with the farm business operation, either completely or partially must be covered under Farm Property. Property related to any “business” or occupation other than “farming” is not covered, unless permission is granted and shown on “your” Cover Page.

Where a separate policy booklet is issued as part of an Agro Pak policy to cover a dwelling or belongings, the liability coverage of that booklet is replaced by Comprehensive Farmer’s Liability of the Agro Pak booklet.

Farm Property

A. General Section

Insuring Agreement

(Applicable to all Farm Property Coverages of this Policy)

SGI CANADA, a division of SGI (hereinafter referred to as “we”, “us” or “our”) agrees with the named insured (hereinafter referred to as “you” or “your”), to provide the insurance described in this policy, in consideration of payment of the premium, in reliance upon the statements on the Cover Page made as part of this policy and subject to the terms, provisions and conditions of this policy and the policy booklets, endorsements and riders attached, as follows:

1. Indemnity Agreement

This insurance applies if the property described on “your” Cover Page and defined hereunder in this policy is lost, destroyed or damaged by the perils insured against as defined and limited hereunder. The amount “we” will indemnify “you” against such direct loss or damage to the insured property shall not exceed the least of:

- a) the “actual cash value” of the property at the time of loss, destruction or damage;
- b) “your” financial interest in the property; or
- c) the “amount of protection” shown on “your” Cover Page.

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

Where the insurance applies to the property of more than one person or interest, “our” total limit of liability for loss sustained by all such persons and interests shall be limited in the aggregate to the “amount of protection” shown on “your” Cover Page.

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

Claims presented for loss or damage by any person(s) or company covered under this policy, shall be considered to be made by all named or unnamed insureds 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.

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Limitations Act.

The Cover Page forms part of this policy and summarizes the insurance coverage “you” have selected and the premiums, limits, amounts and “deductibles” that apply. The Cover Page also identifies the effective and expiry dates of “your” policy. Only losses that occur within the policy term shown on the Cover Page will be covered under this policy.

2. Automatic Extensions Of Coverage

a) Debris removal

The “amount of protection” shown on “your” Cover Page includes the cost of removal of debris of the property insured from the farm “premises” occasioned by loss or damage to such property, by an insured peril. “We” will also cover the cost of clean up and removal of debris blown onto a location insured under “your” policy from someone else’s property, during a windstorm, excluding trees, shrubs and plants.

Debris removal does not apply to costs or expenses:

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

Debris removal will not be considered in the calculation of the "actual cash value" or "replacement cost" for the purpose of applying co-insurance.

b) **Removing property for protection**

"We" will pay up to the "amount of protection" shown on "your" Cover Page for loss or damage to "your" insured property that is necessarily removed from the farm "premises" to protect it from loss or damage that would have been caused by an insured peril, but only for seven days from the date such property is removed, or for the unexpired term of this policy, whichever occurs first.

3. Voluntary Fire Fighting Coverage

(Applicable if shown on your Cover Page)

"We" will pay up to the "amount of protection" shown on "your" Cover Page for fire department charges for which "you" are legally responsible, where a fire department is called because of a fire in, on or adjacent to "your" farm "premises" that is exposing insured property covered by this policy. This coverage is not subject to a "deductible" or co-insurance.

General Exclusions

(Applicable to all Farm Property Coverages of this Policy)

1. Excluded Property

This policy does not insure loss of or damage to:

a) **Property being worked on or repaired**

Property:

- (i) undergoing any process, including cleaning or being worked on, where the damage results from such process; or
- (ii) caused by or arising from any repairing, adjustment, servicing or maintenance operation.

If loss or damage from fire or explosion results, "we" will pay for that resulting loss or damage.

b) **Property illegally kept or transported**

Property illegally acquired, used, kept, stored, imported or transported, or any property subject to forfeiture.

c) **Removed heating systems**

Any removed heating system on the "premises", including the structure or enclosure housing the unit, and all contents of the same structure if caused by or resulting from the use of the heating unit.

d) **Wind turbine systems**

Wind turbine systems including all related equipment and structures manufactured for a rated power generation exceeding 1kW unless coverage is shown on "your" Cover Page.

2. Excluded Loss or Damage

This policy does not insure against loss or damage:

a) **Application of heat**

To property while undergoing any process involving the application of heat.

b) **Communicable disease**

Directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a "communicable disease" or the fear or threat (whether actual or perceived) of a "communicable disease".

This exclusion applies to, but is not limited to, any loss, damage, claim, cost, expense, or other sum as a result of:

- (i) any contamination by any "communicable disease"; or
- (ii) any denial, restriction, or impairment of access to property because of the existence, threat, or suspected presence of any "communicable disease"; or
- (iii) any deterioration, loss of value, loss of marketability, or loss of use to tangible or intangible property insured hereunder directly or indirectly caused by or arising out of any "communicable disease".

The phrase "any loss, damage, claim, cost, expense or other sum", as used herein includes, but is not limited to:

- (i) any cost to clean-up, detoxify, remove, monitor or test:
 - 1. for a "communicable disease"; or
 - 2. any tangible or intangible property insured hereunder that is affected or suspected to be affected by such "communicable disease"; and
- (ii) any time element losses, including any time element coverage extensions, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence by such "communicable disease".

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

c) Data or data problem

- (i) To "data"; or
- (ii) Caused directly or indirectly by a "data problem", regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to such loss or damage. If the "data problem" results in fire, explosion, smoke or water damage, "we" will pay for that resulting loss or damage where the forementioned perils are covered under "your" policy.

d) Dishonest and criminal acts

Caused by:

- (i) any dishonest or criminal act committed by "you" or "your" agents, acting alone or in collusion with others.
- (ii) theft or attempted theft committed by "you", "your" employees, "your" tenants, members of "your" household, or members of "your" employee's or tenant's households, acting alone or in collusion with others.
- (iii) vandalism or malicious acts committed by "you", "your" employees, "your" tenants, members of "your" household, or members of "your" employee's or tenant's households, acting alone or in collusion with others.
- (iv) any dishonest or criminal act committed by anyone, except for theft, attempted theft or vandalism as stated in (ii) and (iii) above, when "you" or "your" agents knew or ought to have known prior to the loss or damage, of the dishonest or criminal act. This exclusion does not apply if, upon becoming aware of the dishonest or criminal act, "you" or "your" agents immediately notify the police and "us".

Exclusion d) (ii) does not apply to physical damage caused directly by parties described in exclusion d) (ii), which results from a peril not otherwise excluded under this policy.

e) Faulty materials

Resulting directly from faulty materials, construction, design or workmanship.

f) Fungi or spores

Caused directly or indirectly, in whole or in part, by any "fungi" or "spores". This exclusion does not apply:

- (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this policy; or
- (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy.

This policy does not insure the cost or expense of any testing, monitoring, evaluating or assessing of "fungi" or "spores".

g) Illegal drugs and substances

Caused directly or indirectly by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic, or the possession of any substances or items of any kind which constitutes a criminal offence, whether or not "you" have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the "premises" to facilitate such illegal activity.

- h) **Misappropriation, secretion, conversion or infidelity**
Caused by or arising from misappropriation, secretion, conversion or infidelity by:
- (i) "you" or members of "your" household;
 - (ii) "your" employees or members of their households;
 - (iii) any agents or persons to whom the property may be entrusted (bailees for hire excepted); or
 - (iv) any other party of interest.
- i) **Mysterious disappearance**
Caused by or arising from any mysterious disappearance or shortage disclosed upon taking inventory.
- j) **Nuclear incident and radioactive contamination**
Caused directly or indirectly by:
- (i) any nuclear incident (as defined in the Nuclear Liability and Compensation Act, or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion. If loss or damage from fire, lightning or explosion of coal, natural or manufactured gas results, "we" will pay for that resulting loss or damage.
 - (ii) contamination by radioactive material.
- This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.
- k) **Pollution**
Caused directly or indirectly, by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting clean up. This exclusion does not apply:
- (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this policy; or
 - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy.
- This policy does not insure the cost or expense of any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".
- l) **Property lawfully seized**
Caused by or arising from seizure or confiscation by order of any government or public authority.
- m) **Terrorism**
Caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism", regardless of any other causes or events (whether covered or not) that contribute concurrently or in any sequence to the loss or damage. If loss or damage from fire or explosion results, "we" will pay for that resulting loss or damage.
- n) **War, invasion, act of foreign enemy**
Caused directly or indirectly, in whole or in part, by war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power, regardless of any other causes or events (whether covered or not) that contribute concurrently or in any sequence to the loss or damage.

General Conditions

(Applicable to all Farm Property Coverages of this Policy)

a) **Basis of settlement**

Unless otherwise provided, "we" will pay the "actual cash value" of the loss or damage at the date of "occurrence" up to the applicable limit or amount of insurance, but "we" will not pay more than what it would cost to repair or replace the property with materials of like kind and quality.

b) **Breach of condition**

If "you" do not comply with a condition of this policy, any claim for subsequent loss or damage is not recoverable. "We" will not deny a claim for this reason if "you" prove that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if "you" fail to comply with a condition over which "you" have no control.

c) **Canadian currency**

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

d) **Co-operation**

"You" are required to:

- (i) use all reasonable means to save and preserve insured property at and after a loss;
- (ii) help "us" obtain witnesses, information and evidence about a claim and co-operate with "us" if "we" ask "you" to; and
- (iii) immediately send "us" everything "you" receive in writing concerning the loss or claim.

e) **Declaration of emergency (extension of termination or expiry date)**

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

- (i) The "emergency" must have a direct effect or impact on:
 1. "you", the insured site or insured property located in the declared emergency area; or
 2. "our" operations or the operations of "our" agent/broker located in the declared emergency area.
- (ii) Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by "us", will not continue to run until the "emergency" is terminated plus the lesser of:
 1. 30 days; or
 2. the number of days equal to the total time the "emergency" order was in effect.
- (iii) If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
 1. 30 days; or
 2. the number of days equal to the total time the "emergency" order was in effect.
- (iv) In no event shall the total term of the extension exceed 120 consecutive days.

"You" agree to pay the pro rata premium earned for this additional time "we" remain on risk as a result of the above.

(v) "Emergency" is defined as the first statutory declaration of an emergency:

1. With respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise.
2. As provided for by the relevant governing legislation if different from point 1. but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

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

f) **Due diligence and dispatch**

"You" agree:

- (i) that repair or replacement must be executed with due diligence and dispatch and as soon as practicable and in any event completed before the two year anniversary of the date when damage to the insured property occurred.
- (ii) any loss or damage directly or indirectly, proximately or remotely, resulting from or contributed to by any delay to repair or delay to replace is not covered by this policy. This includes but is not limited to the increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair.

g) **Duties after a loss**

After a loss which may be insured under this policy, "you" shall upon "our" request:

- (i) submit to an examination under oath, and produce for the examination, at a reasonable place and time as designated by "us", all documents in "your" possession or control that relate to the matters in question, and permit extracts and copies to be made.
- (ii) use "your" reasonable best efforts to produce employees, members of "your" household or others for examination under oath.

"You" shall not interfere in any negotiation for settlement or in any legal proceeding.

h) **Insurance under more than one coverage**

If two or more of this policy's coverages apply to the same loss or damage, "we" will not pay more than the actual amount of the loss or damage.

i) **Insurance under more than one policy**

If "you" have insurance on specifically described property, this 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, "we" will pay "our" ratable proportion of the loss or claim under this policy.

j) **Liberalization**

If "we" adopt any revision which would broaden coverage under this policy, for which no additional premium is charged, the broadened coverage will immediately apply.

k) **No benefit to bailee**

"We" do not provide any coverage for the benefit of any person or organization holding, storing or transporting property for a fee, unless such coverage is provided by this policy.

l) **Notice to authorities**

Where loss or damage is, or is suspected to be, due to a crime, "you" must give immediate notice of such loss to the police or other law enforcement agency having jurisdiction. This includes crimes such as theft, burglary, vandalism, or malicious acts.

m) **Pair and set**

In case of loss of, or damage to, any article(s) which is part of a pair or set whether scheduled or unscheduled, the measure of loss or damage to such article(s) shall be a reasonable and fair proportion of the total value of the pair or set, but in no event shall such loss or damage be construed to mean total loss of the pair or set.

n) **Policy Period, Coverage Territory**

Under this policy:

- (i) We insure loss or damage commencing:
 - 1. during the policy period shown on the Cover Page; and
 - 2. within the coverage territory.
- (ii) The coverage territory is:
 - 1. Canada; and
 - 2. locations other than Canada, if permission is granted and shown on your Cover Page.

- o) **Property consisting of several parts**
In the case of loss or damage to any part of the insured property, whether scheduled or unscheduled, consisting when complete for use, of several parts, "we" shall not be liable for more than the insured value of the part lost or damaged, including the cost of installation.
- p) **Reinstatement**
Any loss hereunder shall not reduce the amount of this insurance for the rest of the policy term.
- q) **Subrogation**
 - (i) "We" will be entitled to assume "your" right of recovery against others and bring action in "your" name to enforce these rights if "we" make payment under this policy.
 - (ii) Where the net amount recovered, after deducting the costs to recover, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount will be divided between "us" and "you" in the proportion in which the loss or damage has been borne by "you" and "us" respectively.
 - (iii) "Your" right to recover from "us" is not affected by any release from liability entered into by "you" prior to loss.
- r) **Verification of values**
"We" or "our" duly appointed representative shall be permitted at all reasonable times during the term of this policy, or within a year after its expiration, to inspect the property covered hereunder and to examine "your" books, records and such policies as related to any property covered hereunder. Such inspection and/or examination shall not waive nor in any manner affect any of the terms or conditions of this policy.
- s) **Waiver of deductible**
"We" will pay the full amount of "your" insured loss to any insured property on this policy where the amount of loss or damage is greater than \$25,000 or 10 times the policy "deductible", whichever is greater.
This waiver does not apply if a Special Deductible applies or if loss or damage is caused by any of the following:
 - (i) flood;
 - (ii) ground water;
 - (iii) back up, accidental discharge or escape or overflow of water or sewage;
 - (iv) surface water;
 - (v) water escape and rupture; or
 - (vi) earthquake.

Definitions

(Applicable to all Farm Property Coverages of this Policy)

- a) **"Actual cash value"** means the market value of the property, and takes into account such things as the cost of replacement less any depreciation, obsolescence, resale value, age, normal life expectancy and condition of the property immediately before the loss or damage occurred.
- b) **"Aircraft"** means any apparatus used or designed for flight, including any parts whether or not attached to the "aircraft". "Aircraft" includes but is not limited to airplanes, helicopters, hot air balloons, drones, unmanned aerial vehicles or hovercrafts.
- c) **"Amount of protection"** means the maximum amount "we" will pay for an insured loss for any one "occurrence" or incident. Different amounts apply to different coverages and these amounts are shown on "your" Cover Page.
- d) **"Brushcutting"** means using a machine to clear land by removing trees and/or brush.
- e) **"Business"** means any occasional, continuous or regular pursuit, other than "farming", undertaken for compensation, including a trade, profession or occupation.

- f) **“Communicable disease”** means any infectious or contagious disease, infectious or contagious disease agent, including, but not limited to: a virus, bacterium, parasite, or other organism, or any mutation thereof, whether deemed living or not, that causes or could cause disease, illness, or physical distress to human health. Regardless of the method of transmission, whether direct or indirect, including, but not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal.
- g) **“Custom farming”** means the use of “your” farm machinery or equipment for the performance of any agricultural operations for others for compensation. “Custom farming” excludes any custom application or spraying of chemicals and/or fertilizers.
- h) **“Data”** means representations of information or concepts, in any form.
- i) **“Data problem”** means:
 - (i) erasure, destruction, corruption, misappropriation, misinterpretation of “data”;
 - (ii) error in creating, amending, entering, deleting or using “data”; or
 - (iii) inability to receive, transmit or use “data”.
- j) **“Deductible”** means the portion of the claim that is paid by “you”.
- k) **“Farming”** means ownership, maintenance or use of “premises” for producing crops, raising or care of livestock, or crop share or similar arrangements. “Farming” also includes the operation of roadside stands maintained solely for the incidental sale of “your” farm products.
- l) **“Fungi”** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any “fungi” or “spores” or resultant mycotoxins, allergens, or pathogens.
- m) **“Limited replacement cost”** means the cost, including labour, material and all other related costs, to replace or repair “your” property based on the age, condition and the remaining life expectancy of “your” property at the time of loss.
- n) **“Occupied farm”** means the dwelling at the farmyard site is occupied as a principal residence.
- o) **“Occurrence”** means a loss to insured property caused by one or more of the insured perils.
- p) **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminants, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- q) **“Premises”** means the location(s) shown on “your” Cover Page and includes all farm land owned by, rented or leased to “you” within the province, or within 40 kilometers of the provincial borders, but only within the territorial limits of Canada.
- r) **“Replacement cost”** means the cost of repairing or replacing, whichever is less, with like kind and quality, without deduction or depreciation, at the time loss or damage occurs.
- s) **“Spores”** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any “fungi”.
- t) **“Terrorism”** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- u) **“Unoccupied farm”** means the dwelling at the farmyard site is not occupied as a principal residence, or there is no dwelling at the yard site.

- v) **“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.
- w) **“We”, “us”, or “our”** means SGI CANADA, a division of SGI. “We” are the insurer.
- x) **“You” or “your”** means the person(s), corporation or limited company specified on the Cover Page or any executive officer or director of the corporation while acting within the scope of his or her duties related to the “farming” operation. “You” or “your” means the named insured.

“You” also means the following unnamed person(s) while living in the same household:

- (i) the spouse of the person(s) named on “your” Cover Page. Spouse means either of two persons of the same or opposite sex who have been continuously living together in a conjugal relationship and have so lived together for a period of two years or, if they are the natural or adoptive parents of a child, for a period of one year;
- (ii) the relatives of any of the above; and
- (iii) anyone in the care of any of the above.

“You” or “your” also means the following person(s):

- (i) any student attending school and residing away from “your” dwelling who is dependent on the named insured or his or her spouse for support and maintenance.
- (ii) any spouse, mother, father, grandmother, grandfather or child of the person(s) named on the Cover Page, while residing away from “your” dwelling in a nursing or care home.
- (iii) with respect to animals and watercraft insured under this policy and owned by an Insured, any person or organization legally responsible therefore, except a person or organization using or having custody or possession of such animals or watercraft in the course of his or her “business” pursuits or without the permission of the Insured.
- (iv) under Comprehensive Farmer’s Liability Insuring Agreement 1 only, any farm employee of the named insured, while engaged in his or her duties as such.
- (v) “your” executors or administrators while they are tending to “your” “premises”.

Only the named insured as stated on “your” Cover Page may take legal action against “us”.

B. Coverage Section

Farm Buildings, Structures and Contents

1. Insured Property

"We" will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following items for which a limit of insurance is shown on "your" Cover Page:

- a) **Farm buildings or structures**, including permanently attached fixtures and equipment forming a part of and pertaining to the use of the building or structure on the farm "premises".
- b) **Contents** while contained in farm buildings or structures, located on the farm "premises".

Insured property will be usual to a "farming" operation, owned or used by "you" and for which "you" are legally liable.

2. Insured Perils and Exclusions

A. Insured Perils

I. Fire – Cover Code F

Where the symbol F appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against loss or damage caused by the following perils:

- a) **Fire**
- b) **Lightning** – excluding loss or damage to electrical appliances or devices.
- c) **Explosion of natural, coal or manufactured gas**

II. Named Perils – Cover Code G

Where the symbol G appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against loss or damage caused by the following perils:

- a) **Fire**
- b) **Lightning** – including loss or damage to electrical appliances or devices.
- c) **Explosion**
- d) **Smoke** – meaning smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney in or on the "premises".
- e) **Impact by Aircraft, Spacecraft or Land Vehicle**
- f) **Riot** – including open assemblies of strikers and of locked-out employees on the "premises". This peril does not cover loss or damage caused:
 - (i) by cessation of work or by interruption to process or "business" operations or by change(s) in temperature;
 - (ii) by flood or release of water impounded by a dam, or due to any explosion other than an explosion otherwise insured by this policy; or
 - (iii) directly or indirectly by theft or attempted theft.
- g) **Vandalism or Malicious Acts** – this peril does not cover loss or damage:
 - (i) caused by any tenant, tenant's guests, tenant's employees, or members of their households;
 - (ii) caused by "you" or members of "your" household;
 - (iii) caused by "your" employees or members of their households;
 - (iv) directly or indirectly caused by theft or attempted theft; or
 - (v) to glass constituting part of a building or structure.

- h) **Windstorm or Hail** – this peril does not cover loss or damage:
- (i) from snow load, ice or ice load whether driven by wind or not;
 - (ii) to the interior of any building or structure insured or its contents unless damage occurs concurrently with and results from an opening in the building or structure caused by windstorm or hail;
 - (iii) to buildings or structures in transit;
 - (iv) to buildings or structures, or to property contained therein, not fully enclosed on all sides. This exclusion does not apply to buildings under construction;
 - (v) to walls or roofs of buildings or structures constructed of or covered with straw, hay, tar paper, tarp or similar covering; or
 - (vi) caused by windstorm to buildings or structures while raised off their foundations.
- i) **Theft, including damage caused by attempted theft** (*Applicable to Building Contents – Cover Code G*) – this peril does not cover loss or damage caused by:
- (i) any tenant, tenant’s guests, tenant’s employees, or members of their households;
 - (ii) “you” or members of “your” household;
 - (iii) “your” employees or members of their households; or
 - (iv) any mysterious disappearance or loss or shortage disclosed upon taking inventory.
- Theft damage to buildings extension** – this extension covers damage to the insured buildings caused by theft or theft related damage committed on the same occasion up to a maximum of \$5,000 in respect of any one loss.
- j) **Transportation** (*Applicable to Building Contents – Cover Code G*) – meaning collision, upset, derailment, stranding, sinking or burning of any land conveyance, attached trailer or regular ferry on which the insured property is being transported or transfers in connection therewith. This peril does not cover loss or damage caused by the coming together of land conveyances and trailers during coupling and uncoupling operations.

III. All Risk Coverage – Cover Code Z4

Where the symbol Z4 appears in the Cover Code column opposite the item(s) described on “your” Cover Page, this policy, except as otherwise provided, insures against all risks of direct physical loss or damage.

B. Exclusions

I. Excluded Property

(Applicable to Cover Codes F, G and Z4)

This policy does not insure loss of or damage to:

- a) **Animal products**
Poultry or dairy products, honey, or processed or frozen meat.
- b) **Animals, birds, livestock, fish and bees**
- c) **Automobiles, watercraft and aircraft**
Automobiles, motorcycles, trailers, motorized snow vehicles, all-terrain vehicles, recreational vehicles, watercraft or their motors, “aircraft”, or any similar items not specifically mentioned, including equipment and accessories for any of the forementioned items.
- d) **Commercial use**
Property used, or intended for use, in whole or in part for “custom farming”, manufacturing or “business” pursuits, other than “farming” purposes, unless permission is granted and shown on “your” Cover Page.
- e) **Crop inputs and outputs**
Fertilizer, chemicals, herbicides, pesticides, fodder, produce, grain and seed.
- f) **Fences and corrals**
Permanent fences and corrals unless specifically shown on “your” Cover Page. Fences and corrals are covered for loss or damage caused by fire only if forming an integral part of an insured building or structure.

- g) **Fuel**
Liquefied petroleum gas, gasoline, benzene, diesel fuel and naphtha, unless specifically scheduled and shown on “your” Cover Page.
- h) **Intensive livestock operations**
The following specialty buildings or structures and contents within, whether in current use or not, unless permission is granted and shown on “your” Cover Page:
- (i) poultry barns that house more than 500 birds;
 - (ii) swine barns that house more than 100 swine;
 - (iii) dairy barns that house more than 20 dairy cows;
 - (iv) PMU barns; or
 - (v) elevators, elevator annexes, terminals and warehouses.
- i) **Machinery, equipment and tools**
Mobile machinery, equipment and tools, including attachments. Repair parts are not excluded, unless otherwise insured.
- j) **Money and bullion**
Currency, coins, bank notes and bullion.
- k) **Pressure vessels, boilers and piping, electrical equipment, turbines**
The following property owned, operated or controlled by “you” caused by explosion, collapse, rupture, bursting, cracking, burning out or bulging of:
- (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure, including moving or rotating machinery or parts connected to them;
 - (ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure;
 - (iii) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
 - (iv) electrical equipment; or
 - (v) gas turbines.
- This exclusion does not apply to:
- (i) tanks having an internal diameter of 610 millimeters (24 inches) or less used for the storage of hot water;
 - (ii) manually portable gas cylinders;
 - (iii) explosion of natural, coal or manufactured gas;
 - (iv) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere; or
 - (v) other property insured by this policy that has been damaged by the explosion vessels, apparatus or pipes while undergoing pressure testing.
- l) **Property otherwise insured**
Any property separately described and specifically insured in whole or in part by this or any other insurance policy.
- m) **Property that must be scheduled**
The following buildings or structures and any contents within, unless specifically scheduled and shown on “your” Cover Page:
- (i) buildings or structures equipped with living quarters;
 - (ii) fabric covered buildings or structures;
 - (iii) greenhouses;
 - (iv) buildings or structures used to house exotic livestock, game or fowl;
 - (v) buildings or structures used for beekeeping operations;
 - (vi) open sided buildings or structures that are not fully enclosed on all sides;
 - (vii) seed cleaning or grain handling complexes; or
 - (viii) silos.
- n) **Semen and semen tanks**
- o) **Under construction**
Any building or structure under construction and any contents within, unless permission is granted and shown on “your” Cover Page.

- p) **Unoccupied farm**
Property kept at an “unoccupied farm” when the farmyard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted and shown on “your” Cover Page.
- q) **Vacant**
Any building or structure and any contents within if “vacant” for more than 30 consecutive days, unless permission for vacancy is granted and shown on “your” Cover Page.

II. Excluded Loss or Damage

(Applicable to Cover Code Z4)

This policy does not insure against loss or damage:

- a) **Artificially generated electrical current**
Caused by artificially generated electrical currents, including arcing, that disturbs electrical devices, appliances or wiring. If loss or damage from fire or explosion results, “we” will pay for that resulting loss or damage.
- b) **By-law and zoning**
Caused by or arising from the enforcement of any by-law, regulation, ordinance or law regulating zoning, or the demolition, repair or construction of buildings or structures, which makes it impossible to repair or reinstate the property as it was immediately prior to loss.
- c) **Centrifugal force, mechanical or electrical breakdown**
Caused by or arising from centrifugal force, mechanical or electrical breakdown, or derangement in or on the “premises”. If loss or damage from fire results, “we” will pay for that resulting loss or damage.
- d) **Change in atmosphere, temperature, texture, finish or contamination**
Caused by or arising from dampness or dryness of atmosphere, extremes or changes of temperature, heating or freezing, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in flavour or colour or texture or finish, rust or corrosion, marring, scratching or crushing, or contamination. This exclusion does not apply to loss or damage caused directly by:
 - (i) a peril defined under Named Perils - Cover Code G;
 - (ii) leakage from fire protective equipment;
 - (iii) rupture of pipes or breakage of apparatus not excluded under section B. I. Excluded Property, k) Pressure vessels, boilers and piping, electrical equipment, turbines;
 - (iv) theft or attempted theft; or
 - (v) an accident to transporting conveyance.
- e) **Delay, loss of market, consequential loss**
Caused by or arising from delay, loss of market, indirect or consequential loss of any kind resulting in loss of revenue.
- f) **Earthquake**
Caused in whole or in part by earthquake. If loss or damage from fire, explosion, smoke or leakage from fire protective equipment results, “we” will pay for that resulting loss or damage.
- g) **Flood**
Caused by or arising from flood including waves, tides, tidal waves, and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made. If loss or damage from fire, explosion, smoke, leakage from fire protective equipment or from a water main results, “we” will pay for that resulting loss or damage.
- h) **Other water damage**
Caused by:
 - (i) seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently caused by a peril not otherwise excluded; or
 - (ii) the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless through an opening concurrently caused by a peril not otherwise excluded.

- i) **Rodents, insects, vermin and domesticated animals**
Caused by rodents, insects, vermin, bats, birds, moles, raccoons, skunks, zebra mussels, domesticated animals, or animals owned by "you" or in "your" care, custody or control.
- j) **Settling, moving or shifting**
Caused by settling, moving, expansion, contraction, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded.
- k) **Smoke**
Caused by smoke from agricultural smudging or industrial operations.
- l) **Snowslide, landslide, subsidence or other earth movement**
Caused by snow slide, landslide, subsidence or earth movement. If loss or damage from fire, explosion, smoke or leakage from fire protective equipment results, "we" will pay for that resulting loss or damage.
- m) **Wear and tear, rust, corrosion or gradual deterioration**
Caused by wear and tear, gradual deterioration, rust or corrosion, hidden or latent defect, or any quality in property that causes it to damage or destroy itself.
- n) **Windstorm or hail**
Caused by:
 - (i) windstorm or hail to buildings or structures in transit;
 - (ii) windstorm or hail to buildings or structures, or to property contained therein, not fully enclosed on all sides;
 - (iii) windstorm or hail to walls or roofs of buildings or structures constructed of or covered with straw, hay, tar paper, tarp or similar covering; or
 - (iv) windstorm to buildings or structures while raised off their foundations.

3. Automatic Extensions of Coverage

(Applicable to Cover Codes F, G and Z4)

The following extensions of coverage shall not increase the amounts of insurance applying under this policy and are subject to all conditions of this policy.

- a) **Building contents**
"You" may apply up to 10% of the "amount of protection" shown on "your" Cover Page for building contents to cover each of:
 - (i) fertilizers, herbicides, and pesticides while contained in any fully enclosed building, located on the farm "premises"; and then for loss or damage caused by fire only;
 - (ii) building contents while in the open on the farm "premises", or temporarily removed for service, repair, or adjustment; and
 - (iii) veterinary supplies while located in any dwelling on the farm "premises".
- b) **Building materials and supplies**
"You" may apply up to 10% of the "amount of protection" shown on "your" Cover Page for each building or structure to cover the "actual cash value" of building materials and supplies intended solely for use in construction, alteration, or repair of scheduled buildings and structures insured by this policy while located on the farm "premises". Coverage applies while in transit to the farm "premises", except while in transit by a common carrier, for the same perils applicable to the insured building and for collision, upset or overturning of a transporting conveyance.
- c) **Newly acquired buildings**
"You" may apply up to a maximum of \$250,000 or the "actual cash value", whichever is less, to cover buildings or structures newly acquired by "you", subsequent to the effective date and during the current term of this policy.
Coverage will cease when one of the following first occurs:
 - (i) 30 days from when the building or structure is purchased or acquired; or
 - (ii) when a request for insurance coverage for the building or structure is made.

This extension is not subject to co-insurance.

- d) **Permission for custom farming**
 Permission is granted for “custom farming” use by “you”, of buildings and structures insured by this policy and subject to the exclusions herein; and then only:
- (i) while on the farm “premises”; and
 - (ii) where remuneration received for such “custom farming” does not exceed \$35,000 gross receipts in total during the policy term.
- e) **Poultry**
 “You” may apply up to 10% of the “amount of protection” shown for building contents or \$1,000, whichever is less, to cover poultry including chickens, turkeys, geese and ducks, of any maturity, usual to mixed “farming” operations, and then for loss or damage caused by fire only.

4. Special Conditions

- a) **Deductible clause**
 “We” will pay only that part of the loss that exceeds the “deductible” shown on “your” Cover Page for this coverage. In the event of a covered loss where multiple “deductibles” apply under one loss, only the single highest “deductible” will be applied.
- b) **Co-Insurance clause**
 The “amount of protection” shown on “your” Cover Page must be equal to at least 80% of the “actual cash value” of the property insured (or 80% of the “replacement cost” if the basis of claim settlement is “replacement cost”). Should “you” fail to maintain such insurance, “we” shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the “actual cash value” (or 80% of the “replacement cost” if the basis of loss settlement is “replacement cost”) of such property at the time of loss.
 If the property is insured on a scheduled basis, this condition applies separately to each item situated at the location(s) described on “your” Cover Page.
 If the insured property is covered on a blanket basis, this condition applies to the total value of all property situated at all location(s) described on “your” Cover Page.
- c) **Waiver of co-insurance**
 If the amount of loss or damage is less than 5% of the applicable “amount of protection” or \$10,000, whichever is less, the Co-Insurance clause does not apply.
- d) **Replacement Cost clause**
 In the event of loss or damage to the building or structure insured by this policy and subject to this clause, “we” will make settlement on the following provisions:
- (i) Until repair or replacement have been made, the amount payable under this policy shall be limited to the “actual cash value” of the loss or damage to the building or structure. “Our” payment will not exceed the actual cost “you” incur for repair or replacement.
 - (ii) If repair or replacement of the damaged or destroyed building or structure is executed with due diligence and dispatch, “we” will pay the amount of loss payable upon satisfactory evidence that the actual costs “you” incurred for repairs or replacement, whichever is less, with materials of like kind and quality without deduction for depreciation.
 - (iii) “We” will not pay for increased costs of repair or replacement arising from any by-law, regulation, ordinance or law regulating zoning, or the demolition, repair or construction of buildings or structures.
 - (iv) If replacement is necessary, it must be on the same site or adjacent to the original site.
 - (v) In the event “you” are claiming an additional amount as stated in provision (ii), “our” payment shall be the lesser of the following:
 1. actual costs “you” incur for repairs or replacement, up to the “amount of protection” shown on “your” Cover Page.
 2. the proportion of the cost of repair or replacement, which the total amount of all valid insurance applicable to the building or structure, bears to 80% of the “replacement cost” of the building or structure.

- (vi) If there is other insurance in force, it must be written subject to the Replacement Cost clause.
- (vii) If two or more buildings or structures are made subject to this clause, this clause shall apply separately to each building or structure.
- (viii) Where the roof of “your” building or structure is damaged in whole or in part by windstorm or hail, “we” will pay only for the insured loss to the area of the roof directly damaged on a “limited replacement cost” basis according to the table below, subject to the following:
 1. Roof includes, but is not limited to roof material, roof coverings, roof accessories and venting, soffit, fascia, eavestroughs and downspouts connected to eavestroughs.
 2. Where the age of the roof is not reasonably determinable, the age and depreciation will be calculated by a Certified Residential Roof Inspector appointed by “us”. The maximum depreciation applied to these losses will continue to be according to the schedule shown below.

Roofing Material	Depreciation during the first 15 years	Annual Depreciation % after year 15	Maximum Depreciation
Asphalt/Fibreglass Composition Shingles (Class 1-3)	0%	10%	80%
Asphalt/Fibreglass Composition Shingles (Class 4)	0%	7%	80%
Architectural Shingles	0%	7%	80%
Membrane Roofing	0%	5%	80%
Metal/Rubber/Synthetic/Polymer/Tiles/Slate/Concrete	0%	2%	80%
Wood Shakes or Shingles	0%	4%	80%
Built-Up (Tar and gravel)	0%	30%	80%
Other	0%	9%	80%
Soffit/Fascia/Eavestroughs/Downspouts connected to Eavestroughs	0%	5%	80%

If the property is insured on a scheduled basis, this clause applies separately only to those buildings or structures, where shown on “your” Cover Page.

If the property is insured on a blanket basis, this clause applies only to those buildings or structures shown on “your” Application form or otherwise on file with “us.”

e) **Dent clause**

Where buildings or structures are shown on “your” Cover Page as being ‘Subject to the Dent Clause’, it is agreed between “us” and “you” that “we” will not pay for damage to metal roofs or siding of buildings or structures caused by hail, whether driven by wind or not, unless such cover is punctured by hail.

f) **No heat warranty clause**

Where shown on “your” Cover Page as being ‘Subject to the No Heat Warranty Clause’, it is warranted by “you” that no heat will be used in this building during the term of this policy. If this warranty is in any

way disregarded, coverage afforded to this building shall be null and void with respect to any claim which occurs as a direct result of the use of any heat, heating or cooking device.

g) **No solid fuel heat warranty clause**

Where shown on "your" Cover Page as being 'Subject to the No Solid Fuel Heat Warranty Clause', it is warranted by "you" that no solid fuel heat will be used in this building during the term of this policy. If this warranty is in any way disregarded, coverage afforded to this building shall be null and void with respect to any claim which occurs as a direct result of the use of solid fuel heat, heating or cooking device.

h) **Vacancy permit**

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

i) **Deferred loss settlement clause**

This clause applies separately to each building or structure when shown on "your" Cover Page as being 'Subject to the Deferred Loss Settlement Clause'.

In the event of loss or damage by fire or lightning to an insured building or structure to which this clause applies, "we" agree to make settlement based on the following provisions:

- (i) "We" will make an initial payment of 50% of the amount of loss payable or 50% of the limit stated on "your" Cover Page, whichever is less.
- (ii) If "you" repair or replace the insured building within nine months from the date of loss, "we" will pay the remaining 50% of the amount of the loss upon receipt of satisfactory evidence of the actual costs "you" incurred for repair or replacement, whichever is less. "We" will include interest on the additional payment at the rate of 3% per annum, from the sixtieth day after completion of proof of loss. The amount paid under provisions (i) and (ii) shall not exceed the "amount of protection" shown on "your" Cover Page.
- (iii) In the event "you" do not repair or rebuild the damaged or destroyed building or structure in accordance with provision (ii), the initial payment shall be the only payment "we" will make for the loss or damage to the building or structure. Upon written request, "you" will be entitled to a refund of 50% of the premium paid for the coverage on the building or structure.
- (iv) If replacement is necessary, it must be on the same site or within 65 meters of its original site.
- (v) If there is other insurance covering the building or structure to which this clause applies, "we" shall not pay under provision (i) for more than 50% of "our" proportion of any loss, nor under provision (ii) more than "our" proportion of such loss.

This clause is subject to all other conditions of this policy.

j) **Salvage material value clause**

Where shown on "your" Cover Page as being 'Subject to the Salvage Material Value Clause', it is agreed by "you" that in the event of loss or damage, and repairs are not or can not be made, or if the cost of repairs exceeds the "amount of protection", the value of loss shall be based on the building's value as salvage at the time of loss, excluding all labour costs.

k) **Permission clause**

Permission is granted:

- (i) to make alterations, additions and repairs to the buildings or structures insured by this policy that are not material to the risk; and
- (ii) to do such work and to keep and use such articles, materials, equipment and supplies as usual and necessary to the conduct of "farming".

Farm Machinery, Equipment and Tools

1. Insured Property

"We" will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following items for which a limit of insurance is shown on "your" Cover Page:

- a) **Scheduled equipment** meaning mobile machinery, implements or irrigation equipment, including attachments, specifically described and shown on "your" Cover Page.
- b) **Blanket equipment** meaning:
 - (i) Mobile machinery and implements, including attachments.
 - (ii) Tools meaning any device, apparatus, or instrument which is independent of any other apparatus and upon its own is used for repair, construction, or maintenance.

Insured property will be usual to a "farming" operation, owned or used by "you" and for which "you" are legally liable.

2. Insured Perils and Exclusions

A. Insured Perils

I. Fire – Cover Code F

Where the symbol F appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against loss or damage caused by the following perils:

- a) **Fire**
- b) **Lightning** – excluding loss or damage to electrical appliances or devices.
- c) **Explosion of natural, coal or manufactured gas**

II. All Risk – Cover Codes H and Z5

Where the symbol H or Z5 appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against all risks of direct physical loss or damage.

B. Exclusions

I. Excluded Property

(Applicable to Cover Codes F, H and Z5)

This policy does not insure loss or damage to:

- a) **Automobiles, watercraft and aircraft**
Automobiles, motorcycles, trailers that are licensed or required to be licensed for road use, motorized snow vehicles, all-terrain vehicles, recreational vehicles, watercraft or their motors, "aircraft", or any similar items not specifically mentioned, including equipment and accessories for any of the forementioned items.
- b) **Commercial use**
Property used, or intended for use, in whole or in part for "custom farming", manufacturing or "business" pursuits, other than "farming" purposes, unless permission is granted and shown on "your" Cover Page.
- c) **Permanent structures**
Property which has become a permanent part of any building or structure.
- d) **Property otherwise insured**
Any property separately described and specifically insured in whole or in part by this or any other insurance policy.
- e) **Property that must be scheduled**
The following machinery and equipment unless specifically scheduled and shown on "your" Cover Page:
 - (i) autonomous or remote-controlled machinery and implements;
 - (ii) irrigation equipment;
 - (iii) grain dryers; or
 - (iv) sawmill equipment and portable sawmills.

f) **Property that requires permission**

The following property unless permission is granted and shown on "your" Cover Page:

- (i) machinery and equipment when used in "brushcutting", forestry, land clearing or logging; or
- (ii) machinery and equipment when used in excavating, road building or snow clearing, on land that is not owned, leased or rented to "you". However, permission is granted for snow removal away from the "premises" for which there is no remuneration or compensation, either intended or implied.

g) **Repair parts**

h) **Tires, tubes or tracks**

Tires, tubes or tracks. "We" will however pay for loss or damage coincident with an insured peril on this policy for loss or damage that results from:

- (i) fire, lightning or explosion under Cover Code F; or
- (ii) fire, lightning, explosion, windstorm, vandalism or theft under Cover Code H.

i) **Underground property**

Underground property including wells, water supply, dams, piping, wiring and the cost of excavation for same.

j) **Unoccupied farm**

Tools kept at an "unoccupied farm" when the farmyard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted and shown on "your" Cover Page.

II. Excluded Loss or Damage

(Applicable to Cover Codes H and Z5)

This policy does not insure against loss or damage:

a) **Artificially generated electrical current**

Caused by artificially generated electrical currents, including arcing, that disturbs electrical devices, appliances or wiring. If loss or damage from fire or explosion results, "we" will pay for that resulting loss or damage.

b) **Changes in atmosphere or temperature**

Caused by or arising from dampness or dryness of atmosphere, extremes or changes of temperature, heating or freezing.

c) **Clogging, compacting or plugging of machinery**

Resulting from internal damage to combines, combine headers, balers, swathers, forage machines, haybines and haybine headers caused by clogging, compacting, plugging, or piling up of material(s) intended to be ingested into the machine.

d) **Earthquake**

Caused in whole or in part by earthquake. If loss or damage from fire, explosion, smoke or leakage from fire protective equipment results, "we" will pay for that resulting loss or damage.

e) **Rodents, insects, vermin and domesticated animals**

Caused by rodents, insects, vermin, bats, birds, moles, raccoons, skunks, zebra mussels, domesticated animals, or animals owned by "you" or in "your" care, custody or control.

f) **Scratching, scraping, abrasion or chipping**

Caused by scratching, scraping, abrasion or chipping.

g) **Wear and tear, mechanical breakdown, rust, corrosion or gradual deterioration**

Caused by wear and tear, mechanical breakdown, rust or corrosion, gradual deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself.

3. Automatic Extensions of Coverage

(Applicable to Cover Codes F, H and Z5)

The following extensions of coverage are subject to all conditions of this policy.

a) **Newly acquired machinery**

This extension provides an additional amount of insurance for newly acquired machinery and equipment, excluding irrigation equipment,

acquired subsequent to the effective date and during the current term of this policy.

- (i) **Replacement unit** – newly acquired machinery is a replacement for machinery insured under the policy where the previously insured property has been disposed of. “Our” limit of liability shall be:
 - 1. Scheduled machinery: The “amount of protection” shown on “your” Cover Page for the previously scheduled machinery plus the “actual cash value” of the replacement unit to a maximum of \$150,000.
 - 2. Blanket machinery: The blanket “amount of protection” shown on “your” Cover Page plus the “actual cash value” of the replacement unit(s) up to a maximum of \$150,000.
- (ii) **Additional unit** – “our” limit of liability shall be:
 - 1. Scheduled machinery: the “actual cash value” of the newly acquired unit to a maximum of \$150,000.
 - 2. Blanket machinery: the blanket “amount of protection” shown on “your” Cover Page plus the “actual cash value” of the newly acquired unit(s) to a maximum of \$150,000.

The coverage provided by this extension is for a period of 30 days only from the date of purchase or acquisition of the replacement or additional unit(s). The extension for newly acquired machinery is not subject to the Co-Insurance clause.

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

b) **Permission for custom farming**

Permission is granted for “custom farming” use by “you”, for machinery, equipment and tools, excluding irrigation equipment, insured by this policy and subject to the exclusions herein; and then only:

- (i) while within the resident province; and
- (ii) where remuneration received for such “custom farming” does not exceed \$35,000 gross receipts in total during the policy term.

4. Special Conditions

a) **Deductible clause**

“We” will pay only that part of the loss that exceeds the “deductible” shown on “your” Cover Page for this coverage. In the event of a covered loss where multiple “deductibles” apply under one loss, only the single highest “deductible” will be applied.

b) **Special deductible**

- (i) **Internal damage caused by foreign object(s)** – with respect to any claim arising out of internal damage caused by foreign object(s) being ingested into combines, combine headers, balers, swathers, forage machines, haybines, haybine headers, the “deductible” shall be the greater of:
 - 1. \$2,500;
 - 2. 25% of the amount of the loss or damage; or
 - 3. the amount shown on “your” Cover Page.

Internal damage caused by foreign object(s) is defined as the entry, or taking in, of any material or object that is not intended to be ingested into the area of a harvesting machine intended for cutting, threshing or processing of material.

- (ii) **Irrigation equipment** – with respect to loss or damage by windstorm; weight of ice, sleet or snow; caused by rutting or grounding out of any part of the irrigation system while in use; the “deductible” shall be the greater of:
 - 1. \$1,000;
 - 2. 10% of the amount of loss or damage; or
 - 3. the amount shown on “your” Cover Page.

c) **Co-Insurance clause**

The “amount of protection” shown on “your” Cover Page must be equal to at least 80% of the “actual cash value” for machinery and irrigation equipment or 80% of the “replacement cost” for tools. Should “you” fail to maintain such insurance, “we” shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the “actual cash value” for machinery and irrigation equipment or 80% of the “replacement cost” for tools at the time of loss.

d) **Waiver of co-insurance**

The Co-Insurance clause does not apply for:

- (i) Machinery and equipment, excluding irrigation equipment, where the amount of loss or damage is less than \$5,000 or less than 5% of the applicable "amount of protection", whichever is less.
- (ii) Tools where the amount of loss or damage is less than \$1,000 or less than 10% of the applicable "amount of protection", whichever is greater.

e) **Replacement Cost clause for farm tools**

In the event of loss, destruction or damage to farm tools insured by this policy, "we" agree to make settlement on the basis of "replacement cost" subject to the following provisions:

- (i) This clause shall not apply to property which, at the time of loss, has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss.
- (ii) This clause shall not apply to property which is not in current use by "you" at the time of loss and which was stored away with no specific future use intended.
- (iii) This clause does not apply to antiques, rare objects, and other items that cannot be replaced.
- (iv) "We" will keep any salvage or proceeds from salvage.
- (v) Only once replacement has been made, "we" will pay the lesser of the amount actually and necessarily spent for replacement or the "amount of protection" shown on "your" Cover Page.

"You" may choose payment on an "actual cash value" basis initially. Any subsequent claim for settlement on a "replacement cost" basis must be made no later than 180 days after payment of an "actual cash value" settlement.

This clause is subject to all other conditions of this policy.

f) **Limited Waiver of Depreciation for machinery**

In the event of loss, destruction or damage to machinery and equipment, excluding irrigation equipment, "we" agree to make settlement without deduction for depreciation subject to the following provisions:

- (i) "You" must be the first owner/lessee of the property.
- (ii) Loss or damage must occur within 60 months of the date on which the property was delivered to "you".
- (iii) Repair or replacement must be effected within a reasonable period of time after the loss; "we" will not pay for increased costs due to unnecessary delay.
- (iv) Failing compliance by "you" with any of the foregoing provisions, settlement shall be made as if this waiver had not been in effect.
- (v) This waiver will not apply:
 - 1. to parts consisting of tires, tubes, tracks or batteries.
 - 2. to parts that have previous unrepaired damage.
 - 3. if loss or damage is caused by ingestion of a foreign object.
- (vi) The "actual cash value" for the purpose of applying the Co-Insurance clause will be calculated on the basis of the "replacement cost" or the original purchase price, whichever is less, without deduction for depreciation.
- (vii) "We" may, at "our" option, keep any salvage or proceeds from salvage.
- (viii) "We" will pay the lesser of:
 - 1. the original purchase price of the property;
 - 2. the "replacement cost"; or
 - 3. the "amount of protection" shown on "your" Cover Page.

This waiver is subject to all other conditions of this policy.

5. Machinery Loss of Use Coverage

(Applicable if indicated on your Cover Page)

"We" agree to reimburse "you" for expenses incurred for the rental of replacement machinery and equipment, excluding irrigation equipment, similar in size and capacity to an insured machine which has become inoperable because of loss or damage caused by an insured peril. This coverage applies separately to each item of machinery insured should two or more items become inoperable in the same "occurrence".

"We" agree to pay up to the "amount of protection" shown on "your" Cover Page. Payment shall end on the date of completion of repairs or replacement of the lost or damaged property or on the date "we" may make or tender settlement for such loss.

This extension does not apply to any machinery and equipment while being used in any "custom farming", manufacturing or "business" pursuits, other than "farming" purposes.

Miscellaneous Farm Property and Equipment

1. Insured Property

"We" will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following items specifically described on "your" Cover Page and for which a limit of insurance is shown:

- a) **Miscellaneous farm equipment** meaning portable items such as aeration fans, bin sweeps, weigh scales, pumps, generators, pond mills, pressure washers, drill fills, portable water tanks, chemical and fuel tanks not mounted on a stand, cradle or platform, and other similar items.
- b) **Miscellaneous farm property** meaning portable items such as corrals, cattle squeezes and chutes, watering bowls and other similar items.

Insured property will be usual to a "farming" operation, owned or used by "you" and for which "you" are legally liable.

2. Insured Perils and Exclusions

A. Insured Perils

I. Fire – Cover Code F

Where the symbol F appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, as defined and limited, insures against loss or damage caused directly by the following perils:

- a) **Fire**
- b) **Lightning** – excluding loss or damage to electrical appliances or devices.
- c) **Explosion of natural, coal or manufactured gas**

II. Named Perils – Cover Code G

Where the symbol G appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, as defined and limited, insures against loss or damage caused directly by the following perils:

- a) **Fire**
- b) **Lightning** – including loss or damage to electrical appliances or devices.
- c) **Explosion**
- d) **Smoke** – meaning smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney in or on the "premises".
- e) **Impact by Aircraft, Spacecraft or Land Vehicle**
- f) **Riot**
- g) **Vandalism or Malicious Acts** – this peril does not include loss or damage:
 - (i) caused by any tenant, tenant's guests, tenant's employees, or members of their households;
 - (ii) caused by "you" or members of "your" household;
 - (iii) caused by "your" employees or members of their households; or
 - (iv) directly or indirectly caused by theft or attempted theft.
- h) **Windstorm or Hail** – this peril does not cover loss or damage from snow load, ice or ice load whether driven by wind or not.

III. All Risk Coverage – Cover Code Z3

Where the symbol Z3 appears in the Cover Code column opposite the item(s) described on “your” Cover Page, this policy, except as otherwise provided, insures against all risks of direct physical loss or damage.

B. Exclusions

I. Excluded Property

(Applicable to Cover Codes F, G and Z3)

This policy does not insure loss of or damage to:

- a) **Commercial use**
Property used, or intended for use, in whole or in part for “custom farming”, manufacturing or “business” pursuits, other than “farming” purposes, unless permission is granted and shown on “your” Cover Page.
- b) **Property otherwise insured**
Any property separately described and specifically insured in whole or in part by this or any other insurance policy.
- c) **Tires, tubes or tracks**
Tires, tubes or tracks. “We” will however pay for loss or damage coincident with an insured peril on this policy for loss or damage that results from:
 - (i) fire, lightning or explosion under Cover Code F;
 - (ii) fire, lightning, explosion, windstorm or vandalism under Cover Code G; or
 - (iii) fire, lightning, explosion, windstorm, vandalism or theft under Cover Code Z3.
- d) **Unoccupied farm**
Property kept at an “unoccupied farm” when the farmyard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted and shown on “your” Cover Page.

II. Excluded Loss or Damage

(Applicable to Cover Code Z3)

This policy does not insure against loss or damage:

- a) **Artificially generated electrical current**
Caused by artificially generated electrical currents, including arcing, that disturbs electrical devices, appliances or wiring. If loss or damage from fire or explosion results, “we” will pay for that resulting loss or damage.
- b) **Changes in atmosphere or temperature**
Caused by or arising from dampness or dryness of atmosphere, extremes or changes of temperature, heating or freezing.
- c) **Earthquake**
Caused in whole or in part by earthquake. If loss or damage from fire, explosion, smoke or leakage from fire protective equipment results, “we” will pay for that resulting loss or damage.
- d) **Rodents, insects, vermin and domesticated animals**
Caused by rodents, insects, vermin, bats, birds, moles, raccoons, skunks, zebra mussels, domesticated animals, or animals owned by “you” or in “your” care, custody or control.
- e) **Scratching, scraping, abrasion or chipping**
Caused by scratching, scraping, abrasion or chipping.
- f) **Wear and tear, mechanical breakdown, rust, corrosion and gradual deterioration**
Caused by wear and tear, mechanical breakdown, rust or corrosion, gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

3. Automatic Extensions of Coverage

(Applicable to Cover Codes F, G and Z3)

The following extensions of coverage shall not increase the amount of insurance applying under this policy and are subject to all conditions of this policy.

- a) **Newly acquired miscellaneous farm property and equipment**
This policy is extended to cover miscellaneous farm property and equipment newly acquired by "you" subsequent to the effective date and during the current term of this policy. The maximum limit of liability available is 10% of the total "amount of protection" shown on "your" Cover Page or \$2,500, whichever is greater.

Coverage will cease when one of the following first occurs:

- (i) the current term of the policy expires; or
- (ii) when "you" request insurance coverage to be added for the property.

This extension is not subject to the Co-Insurance clause.

- b) **Permission for custom farming**
Permission is granted for "custom farming" use by "you", for miscellaneous farm property and equipment, insured by this policy and subject to the exclusions herein; and then only:
- (i) while within the residence province; and
 - (ii) where remuneration received for such "custom farming" does not exceed \$35,000 gross receipts in total during the policy term.

4. Special Conditions

- a) **Deductible clause**
"We" will pay only that part of the loss that exceeds the "deductible" shown on "your" Cover Page for this coverage. In the event of a covered loss where multiple "deductibles" apply under one loss, only the single highest "deductible" will be applied.
- b) **Co-Insurance clause**
The "amount of protection" shown on "your" Cover Page must be equal to at least 80% of the "replacement cost" of the property insured. Should "you" fail to maintain such insurance, "we" shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the "replacement cost" at the time of loss.
- c) **Waiver of co-insurance**
If the amount of loss or damage is less than 5% of the applicable "amount of protection" or \$2,500, whichever is less, the Co-Insurance clause does not apply.
- d) **Replacement Cost clause**
In the event of loss, destruction or damage to property insured by this policy, "we" agree to make settlement on the basis of "replacement cost" subject to the following provisions:
- (i) This clause shall not apply to property which, at the time of loss, has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss.
 - (ii) This clause shall not apply to property which is not in current use by "you" at the time of loss and which was stored away with no specific future use intended.
 - (iii) This clause does not apply to antiques, rare objects, and other items that cannot be replaced.
 - (iv) "We" will keep any salvage or proceeds from salvage.
 - (v) Only once replacement has been made, "we" will pay the lesser of the amount actually and necessarily spent for replacement or the "amount of protection" shown on "your" Cover Page.

"You" may choose payment on an "actual cash value" basis initially. Any subsequent claim for settlement on a "replacement cost" basis must be made no later than 180 days after payment of an "actual cash value" settlement.

This clause is subject to all other conditions of this policy.

Farm Property Advantage

1. Insured Property

"We" will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following items for which a single blanket limit of insurance is shown on "your" Cover Page:

- a) The following property usual to a "farming" operation, owned or used by "you" and for which "you" are legally liable:
 - (i) **Contents** while contained in farm buildings or structures, located on the farm "premises".
 - (ii) **Miscellaneous farm equipment** meaning portable items such as aeration fans, bin sweeps, weigh scales, pumps, generators, pond mills, pressure washers, drill fills, portable water tanks, chemical and fuel tanks not mounted on a stand, cradle or platform, and other similar items.
 - (iii) **Miscellaneous farm property** meaning portable items such as corrals, cattle squeezes and chutes, watering bowls and other similar items.
 - (iv) **Tack equipment** including bridles, halters, harnesses, saddles, grooming equipment and supplies, veterinarian supplies and other portable property usual to the use, care, or grooming of livestock.
 - (v) **Tools** meaning any device, apparatus, or instrument which is independent of any other apparatus and upon its own is used for repair, construction, or maintenance.
- b) **Debris removal additional limit** – this coverage will be considered as excess to any debris removal coverage available elsewhere on this policy. "We" will cover the cost of removal of debris of the property insured from the farm "premises" occasioned by loss or damage to such property, by an insured peril. "We" will also cover the cost of clean up and removal of debris blown onto a location insured under "your" policy from someone else's property, during a windstorm, excluding trees, shrubs and plants.

Debris removal additional limit does not apply to costs or expenses:

- (i) to clean up "pollutants" from land or water; or
 - (ii) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".
- c) **Voluntary fire fighting coverage** – "we" will pay fire department charges for which "you" are legally responsible, where a fire department is called because of a fire in, on or adjacent to "your" farm "premises" that is exposing insured property covered by this policy.

The limit shown on "your" Cover Page under "amount of protection" with respect to Farm Property Advantage is "our" limit of liability for all loss or damage in respect of any one "occurrence".

2. Insured Perils and Exclusions

A. Insured Perils

I. All Risk – Cover Code Z6

Where the symbol Z6 appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against all risks of direct physical loss or damage.

B. Exclusions

I. Excluded Property

(Applicable to Cover Code Z6)

This policy does not insure loss or damage to:

- a) **Animal products**
Poultry or dairy products, honey, or processed or frozen meat.
- b) **Animals, birds, livestock, fish and bees**
- c) **Automobiles, watercraft and aircraft**
Automobiles, motorcycles, trailers, motorized snow vehicles, all-terrain vehicles, recreational vehicles, watercraft or their motors, "aircraft", or any similar items not specifically mentioned, including equipment and accessories for any of the forementioned items.

- d) **Commercial use**
Property used, or intended for use, in whole or in part for “custom farming”, manufacturing or “business” pursuits, other than “farming” purposes.
- e) **Crop inputs and outputs**
Fertilizer, chemicals, herbicides, pesticides, fodder, produce, grain and seed.
- f) **Fuel**
Liquefied petroleum gas, gasoline, benzene, diesel fuel and naphtha.
- g) **Machinery and equipment**
Mobile machinery and equipment, including attachments. Repair parts are not excluded, unless otherwise insured.
- h) **Permanent structures**
Property which has become a permanent part of any building or structure.
- i) **Property otherwise insured**
Any property separately described and specifically insured in whole or in part by this or any other insurance policy.
- j) **Semen and semen tanks**
- k) **Silage and grain bags**
Silage bags, grain bags or similar coverings/enclosures while located in the open. If loss or damage from fire, lightning or explosion results, “we” will pay for that resulting loss or damage.
- l) **Tires, tubes and tracks**
Tires, tubes or tracks. If loss or damage results from fire, lightning, explosion, windstorm, vandalism, or theft, or is coincident with other loss or damage insured by this policy, “we” will pay for that resulting loss or damage.
- m) **Unoccupied farm**
Property kept at an “unoccupied farm” when the farmyard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted and shown on “your” Cover Page.

II. Excluded Loss or Damage

(Applicable to Cover Code Z6)

This policy does not insure against loss or damage:

- a) **Artificially generated electrical current**
Caused by artificially generated electrical currents, including arcing, that disturbs electrical devices, appliances or wiring. If loss or damage from fire or explosion results, “we” will pay for that resulting loss or damage.
- b) **Changes in atmosphere or temperature**
Caused by or arising from dampness or dryness of atmosphere, extremes or changes of temperature, heating or freezing.
- c) **Earthquake**
Caused in whole or in part by earthquake. If loss or damage from fire, explosion, smoke or leakage from fire protective equipment results, “we” will pay for that resulting loss or damage.
- d) **Rodents, insects, vermin and domesticated animals**
Caused by rodents, insects, vermin, bats, birds, moles, raccoons, skunks, zebra mussels, domesticated animals, or animals owned by “you” or in “your” care, custody or control.
- e) **Scratching, scraping, abrasion or chipping**
Caused by scratching, scraping, abrasion or chipping.
- f) **Wear and tear, mechanical breakdown, rust, corrosion or gradual deterioration**
Caused by wear and tear, mechanical breakdown, rust or corrosion, gradual deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself.

3. Automatic Extensions of Coverage

(Applicable to Cover Code Z6)

The following extensions of coverage shall not increase the amounts of insurance applying under this policy and are subject to all conditions of this policy.

a) **Building contents**

"You" may apply up to 10% of the "amount of protection" shown on "your" Cover Page to cover each of:

- (i) fertilizers, herbicides, and pesticides while contained in any fully enclosed building located on the farm "premises"; and then for loss or damage caused by fire only; and
- (ii) veterinary supplies while located in any dwelling on the farm "premises".

b) **Permission for custom farming**

Permission is granted for "custom farming" use by "you", for property insured under Farm Property Advantage and subject to the exclusions herein; and then only:

- (i) while within the resident province; and
- (ii) where remuneration received for such "custom farming" does not exceed \$35,000 gross receipts in total during the policy term.

c) **Poultry**

"You" may apply up to \$1,000 to cover poultry including chickens, turkeys, geese and ducks, of any maturity, usual to mixed "farming" operations, and then for loss or damage caused by fire only.

4. Special Conditions

a) **Deductible clause**

"We" will pay only that part of the loss that exceeds the "deductible" shown on "your" Cover Page for this coverage. In the event of a covered loss where multiple "deductibles" apply under one loss, only the single highest "deductible" will be applied.

A "deductible" will not apply for voluntary fire fighting or debris removal additional limit claims.

b) **Co-Insurance clause**

The "amount of protection" shown on "your" Cover Page must be equal to at least 80% of the "replacement cost" of the property insured. Should "you" fail to maintain such insurance, "we" shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the "replacement cost" at the time of loss.

Debris removal additional limit will not be considered for the purpose of applying the Co-Insurance clause.

c) **Waiver of co-insurance**

If the amount of loss or damage is less than \$5,000, the Co-Insurance clause does not apply.

d) **Replacement Cost clause**

In the event of loss, destruction or damage to property insured by this policy, "we" agree to make settlement on the basis of "replacement cost" subject to the following provisions:

- (i) This clause shall not apply to property which, at the time of loss, has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss.
- (ii) This clause shall not apply to property which is not in current use by "you" at the time of loss and which was stored away with no specific future use intended.
- (iii) This clause does not apply to antiques, rare objects, and other items that cannot be replaced.
- (iv) "We" will keep any salvage or proceeds from salvage.
- (v) Only once replacement has been made, "we" will pay the lesser of the amount actually and necessarily spent for replacement or the "amount of protection" shown on "your" Cover Page.

"You" may choose payment on an "actual cash value" basis initially. Any subsequent claim for settlement on a "replacement cost" basis must be made no later than 180 days after payment of an "actual cash value" settlement.

This clause is subject to all other conditions of this policy.

Farm Produce and Farm Produce Advantage

1. Insured Property

"We" will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following items for which a blanket limit of insurance is shown on "your" Cover Page:

- a) **Grain** meaning whole threshed grain and seed, including cereals, oilseeds and pulses.
- b) **Fodder** meaning prepared feed and supplements, silage, silage in bags, screened grain, hay or straw.
- c) **Fertilizer and Chemicals** including herbicides and pesticides.
- d) **Produce** meaning edible agricultural plant products consisting of harvested fruits and vegetables.

Insured property will be:

- (i) usual to a "farming" operation;
- (ii) stored in buildings, bins or enclosures or baled or stacked in the open;
- (iii) owned by "you", except where Grain (Customer's) is shown on "your" Cover Page; and
- (iv) in "your" care, custody or control.

Farm Produce Advantage provides coverage under a single blanket limit for the above Grain, Fodder, Fertilizer and Chemicals, and Produce. The limit shown on "your" Cover Page under "amount of protection" with respect to Farm Produce Advantage is "our" limit of liability for all loss or damage in respect of any one "occurrence".

2. Insured Perils and Exclusions

A. Insured Perils

I. Fire – Cover Code F

Where the symbol F appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against loss or damage caused by the following perils:

- a) **Fire**
- b) **Lightning**
- c) **Explosion of natural, coal or manufactured gas**

II. Named Perils – Cover Codes G1, J, W and W4

Where the symbol G1, J, W or W4 appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against loss or damage caused by the following perils:

- a) **Fire**
- b) **Lightning**
- c) **Explosion**
- d) **Smoke** – meaning smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney in or on the "premises".
- e) **Impact by Aircraft, Spacecraft or Land Vehicle**
- f) **Riot**
- g) **Vandalism or Malicious Acts** – this peril does not cover loss or damage caused:
 - (i) by "you" or members of "your" household;
 - (ii) by "your" employees or members of their households; or
 - (iii) directly or indirectly by theft or attempted theft.
- h) **Windstorm or Hail** – while property is stored within a fully enclosed building, structure or tank. This peril does not cover loss or damage:
 - (i) from snow load, ice or ice load whether driven by wind or not; or
 - (ii) to insured property unless damage occurs concurrently with and results from an opening in the building or structure caused by windstorm or hail.

- i) **Theft, including damage caused by attempted theft** – from within a fully enclosed building, structure or tank, or while the property is being transported. This peril does not cover loss or damage:
- (i) caused by “you” or members of “your” household;
 - (ii) caused by “your” employees or members of their households;
 - (iii) caused by any mysterious disappearance or loss or shortage disclosed upon taking inventory; or
 - (iv) to fertilizer or chemicals unless buildings, tanks, and pumps have been securely locked when not in use.
- Coverage for theft or attempted theft for fertilizer and chemicals being transported is restricted to transportation from the supplier to the farm “premises” and is deemed to have ended upon reaching the farm “premises”, regardless if the fertilizers and chemicals remain on the transporting conveyance.
- j) **Water Escape Coverage** – meaning freezing of a heating, plumbing or air conditioning system or by escape of water from any such system or from a public water main. This peril does not cover loss or damage:
- (i) directly or indirectly caused by freezing of any part of any such system which is not within a building in which heat is maintained during the usual heating season;
 - (ii) directly or indirectly caused by escape of water from a sewer or drain at or below the surface level of the lowest floor, nor by escape of water from a sump, septic tank, eavestrough or down spout;
 - (iii) occurring while a building insured is “vacant” irrespective of any permission elsewhere in this policy; or
 - (iv) occurring while a building insured is in course of construction irrespective of any permission elsewhere in this policy to complete construction.
- k) **Transportation** – meaning collision, upset, derailment, stranding, sinking or burning of any land conveyance, attached trailer or regular ferry on which the insured property is being transported or transfers in connection therewith. This peril does not cover loss or damage caused by the coming together of land conveyances and trailers during coupling and uncoupling operations.

B. Exclusions

I. Excluded Property

(Applicable to Cover Codes F, G1, J, W and W4)

This policy does not insure loss or damage to:

- a) **Grain stored in temporary enclosure**
Grain while being stored within a bin ring, grain bag or other temporary enclosure. If loss or damage from fire, lightning or explosion results, “we” will pay for that resulting loss or damage.
- b) **Pressure vessels, boilers and piping, electrical equipment, turbines**
The following property owned, operated or controlled by “you” caused by explosion, collapse, rupture, bursting, cracking, burning out or bulging of:
- (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure, including moving or rotating machinery or parts connected to them;
 - (ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure;
 - (iii) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
 - (iv) electrical equipment; or
 - (v) gas turbines.
- This exclusion does not apply to:
- (i) tanks having an internal diameter of 610 millimeters (24 inches) or less used for the storage of hot water;
 - (ii) manually portable gas cylinders;

- (iii) explosion of natural, coal or manufactured gas;
 - (iv) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere; or
 - (v) other property insured by this policy that has been damaged by the explosion vessels, apparatus or pipes while undergoing pressure testing.
- c) **Property in elevator or commercial facility**
Property in any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant, unless permission is granted and shown on "your" Cover Page.
 - d) **Property otherwise insured**
Any property separately described and specifically insured in whole or in part by this or any other insurance policy.

II. Excluded Loss or Damage

(Applicable to Cover Codes G1, J, W and W4)

This policy does not insure against loss or damage:

- a) **Delay, loss of market, consequential loss**
Caused by or arising from delay, loss of market, indirect or consequential loss of any kind resulting in loss of revenue.
- b) **Labour disturbance or civil commotion**
Caused by or arising from strike, lockout, labour disturbances, civil commotion, or the acts of any person(s) taking part in any such occurrence or disorder.

3. Automatic Extensions of Coverage

(Applicable to Cover Codes F, G1, J, W and W4)

The following extensions of coverage shall not increase the amounts of insurance applying under this policy and are subject to all conditions of this policy.

- a) **Consequential loss assumption clause**
Where 'Consequential Loss Assumption Clause' or Cover Code W4, is indicated on "your" Cover Page, this policy is extended to include any indirect or consequential loss, destruction or damage to insured fruits and vegetables caused by change in temperature or humidity resulting from damage to the building containing the produce, or the refrigerating or cooling apparatus connections, or supply pipes and apparatus furnishing power, caused by an insured peril or due to the interruption of the main electrical power service to the insured farm property. This clause applies only to insured fruits and vegetables while contained within buildings, structures, bins or enclosures located on the farm "premises".
- b) **Crop outputs**
Where an "amount of protection" for Grain is shown on "your" Cover Page, "you" may apply up to \$1,000 to cover standing or swathed grain and seed crops against loss or damage caused by fire only. For Cover Code W4 only, a maximum of \$5,000 is available.
- c) **Loose hay**
"You" may apply up to 10% of the "amount of protection" shown on "your" Cover Page for Fodder or \$1,000, whichever is less, to cover loose hay in the open; and then for loss or damage caused by fire only. For Cover Code W4 only, a maximum of \$5,000 is available.

4. Special Conditions

- a) **Deductible clause**
"We" will pay only that part of the loss that exceeds the "deductible" shown on "your" Cover Page for this coverage. In the event of a covered loss where multiple "deductibles" apply under one loss, only the single highest "deductible" will be applied.
- b) **Co-Insurance clause**
The "amount of protection" shown on "your" Cover Page must be equal to at least 80% of the "actual cash value" of the property insured. Should "you" fail to maintain such insurance, "we" shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the "actual cash value" at the time of loss.

If 'Farm Produce Advantage (No Co-Insurance Option)' is shown on "your" Cover Page, the Co-Insurance clause is waived. The application of co-insurance is also waived for Grain under Cover Codes F and J.

c) **Waiver of co-insurance**

(Applicable to Cover Code W4)

If the amount of loss or damage is less than \$5,000, the Co-Insurance clause does not apply.

Farm Livestock

1. Insured Property

"We" will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following classes of animals for which a limit of insurance is shown on "your" Cover Page:

- a) **Cattle**
- b) **Bison**
- c) **Swine**
- d) **Horses**
- e) **Sheep**
- f) **Goats**
- g) **Poultry**
- h) **Other livestock** meaning other animals, specifically described on "your" Cover Page that are not usually referred to as domestic livestock but are being raised on the farm "premises" for "farming" or pleasure purposes.

Insured property will be owned by "you" and for which "you" are legally liable.

2. Insured Perils And Exclusions

A. Insured Perils

I. Fire – Cover Code F

Where the symbol F appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against death or destruction directly resulting from or made necessary by the following perils:

- a) **Fire**
- b) **Lightning**
- c) **Explosion of natural, coal or manufactured gas**

II. Named Perils – Cover Code I

Where the symbol I appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against death or destruction directly resulting from or made necessary by the following perils:

- a) **Fire**
- b) **Lightning**
- c) **Explosion**
- d) **Smoke** – meaning smoke due to a sudden, unusual and faulty operation of any heating apparatus incidental to the raising of the insured livestock.
- e) **Impact by Aircraft, Spacecraft or Land Vehicle** – aircraft and spacecraft include objects falling from them. This peril does not cover loss or damage caused by land vehicles owned or operated by:
 - (i) "you" or members of "your" household; or
 - (ii) "your" employees or members of their households.
- f) **Windstorm or Hail** – this peril does not cover loss or damage caused by or resulting from exposure or wind driven snow or dust.
- g) **Theft** – this peril does not cover loss or damage, caused by:
 - (i) escape;
 - (ii) mysterious disappearance; or
 - (iii) loss or shortage disclosed upon taking inventory.

- h) **Transportation** – meaning collision, derailment, or overturning of any land conveyance or attached trailer on which the insured property is being transported by land. This peril does not cover loss or damage caused by the coming together of land conveyances and trailers during coupling and uncoupling operations.
- i) **Waterborne Transportation** – meaning stranding, sinking, burning or collision of vessels as well as jettison or washing overboard, while being transported on a land conveyance or attached trailer on board a ferry. “We” will also pay the general average and salvage charges for which “you” may be legally liable.
- j) **Earthquake**
- k) **Flood** – meaning the rising of, the breaking out or the overflow of any body of water or watercourse, whether natural or man-made.
- l) **Collapse** of any bridge or culvert.
- m) **Falling or Collapse** of any building, structure, tree or part thereof.
- n) **Electrocution**
- o) **Drowning**
- p) **Accidental Shooting or Mutilation** by a person or persons. This peril does not cover loss or damage caused by:
 - (i) “you” or members of “your” household; or
 - (ii) “your” employees or members of their households.
- q) **Attack by dogs or wild animals** – this peril does not cover loss or damage:
 - (i) to poultry;
 - (ii) to sheep, unless shown on “your” Cover Page; or
 - (iii) caused by animals owned by “you”, “your” employees or anyone residing at “your” farm “premises”.

Optional Extensions

(Applicable to Cover Code I)

Where shown on “your” Cover Page, coverage is extended to cover death or destruction resulting from:

- a) **Loading/Unloading** – accidents arising during loading/unloading operations of insured property while being transported, excluding improper or faulty loading or unloading, handling or care.
- b) **Entrapment** – accidental and involuntary ensnaring or restraint of insured property. This peril does not cover death or necessary destruction:
 - (i) due to animal birth;
 - (ii) while in transit or being loaded or unloaded;
 - (iii) while being handled or forcibly restrained for care, treatment or breeding;
 - (iv) due to physical injury from slipping or falling;
 - (v) due to choking on objects, foods or medicines, bloat or suffocation of an animal in its own fluids;
 - (vi) caused by huddling, piling, smothering, freezing or stampeding;
 - (vii) due to an animal’s inherent inability to regain an upright position; or
 - (viii) due to the animal becoming trapped or cast by the contours or depressions of the land, including but not limited to any furrow, gully, ditch, hill or any slope.

B. Exclusions

I. Excluded Property

(Applicable to Cover Codes F and I)

This policy does not insure loss of or damage to:

- a) **Intensive livestock operations**
Livestock while in the following specialty buildings or structures, unless permission is granted and shown on “your” Cover Page:
 - (i) poultry barns housing more than 500 birds;
 - (ii) swine barns housing more than 100 swine;
 - (iii) dairy barns housing more than 20 dairy cows; or
 - (iv) PMU barns.

- b) **Livestock used for race or rodeo**
Livestock while on the grounds of any racetrack or any premises for race or rodeo, unless permission is granted and shown on “your” Cover Page.
- c) **Stockyards, sale barns, auction marts or consignment**
Livestock while:
 - (i) located at a stockyard, stockyard sale barn or sale yard, commercial livestock dealer or auction mart; or
 - (ii) held on consignment or for sale by others.

II. Excluded Loss or Damage (Applicable to Cover Code I)

This policy does not insure against death or destruction:

- a) **Death or destruction after 15 days**
When more than 15 days after any “occurrence”.
- b) **Delay of market**
Caused by or arising from delay or loss of market.
- c) **Disease**
Resulting from, or that has been contributed to by, disease whether consequent upon a peril insured against or not.
- d) **Dishonesty of employees**
Caused by dishonesty of employees or any person to whom the insured property is entrusted (carriers for hire excepted).
- e) **Neglect**
Caused by the negligence of “you” or “your” representative to use all reasonable means to save and preserve the livestock for any peril insured against.

3. Special Conditions

- a) **Deductible clause**
“We” will pay only that part of the loss that exceeds the “deductible” shown on “your” Cover Page for this coverage. In the event of a covered loss where multiple “deductibles” apply under one loss, only the single highest “deductible” will be applied.
- b) **Co-Insurance clause**
Where coverage is provided on a blanket basis, the “amount of protection” shown on “your” Cover Page must be equal to at least 80% of the average value per head multiplied by the number of animals of each Class owned. Should “you” fail to maintain such insurance, Basis of Settlement on any loss will be multiplied by the ratio of the number of animals actually insured to the number that should have been insured.
- c) **Basis of Settlement**
Where scheduled cover is provided, a specific “amount of protection” per animal is indicated on “your” Cover Page and “we” will pay up to the amount indicated for the specific animal.

Where blanket cover is provided, a separate “amount of protection” shall apply to each Class of animal insured. “We” will pay the lesser of:
 - (i) market value;
 - (ii) 1.5 times the average value per head, excluding poultry and where ‘1.5 Adjusting Clause is hereby deleted’ is shown on “your” Cover Page; or
 - (iii) the “amount of protection” shown on “your” Cover Page.

Beekeeping

1. Insured Property

“We” will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following items specifically described on “your” Cover Page and for which a limit of insurance is shown:

- a) **Adult bees or cocoons** meaning leafcutter bees and cocoons, including all stages of development.

- b) **Beekeeping equipment** including portable or mobile beekeeping equipment and supplies used in conjunction with the beekeeping operation, excluding mobile machinery and implements.
- c) **Hives** meaning brood chambers, supers, and other attached components as well as raw honey contained therein and honeybees in all stages of development.
- d) **Nesting boards and shelters** meaning nesting boards and shelters used in conjunction with leafcutter operations.
- e) **Stock of honey** including unprocessed and processed honey and other bee products, such as beeswax, while contained in any building or structure, or while contained in barrels.

Insured property will be usual to a "farming" operation, owned or used by "you" and for which "you" are legally liable.

2. Insured Perils and Exclusions

A. Insured Perils

I. Fire – Cover Code F

Where the symbol F appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against loss or damage caused by the following perils:

- a) **Fire**
- b) **Lightning** – excluding loss or damage to electrical appliances or devices.
- c) **Explosion of natural, coal or manufactured gas**

II. Named Perils – Cover Code G

Where the symbol G appears in the Cover Code column opposite the item(s) described on "your" Cover Page, this policy, except as otherwise provided, insures against loss or damage caused by the following perils:

- a) **Fire**
- b) **Lightning** – including loss or damage to electrical appliances or devices.
- c) **Explosion**
- d) **Smoke** – meaning smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney in or on the "premises".
- e) **Impact by Aircraft, Spacecraft or Land Vehicle**
- f) **Riot**
- g) **Vandalism or Malicious Acts** – this peril does not cover loss or damage:
 - (i) caused by "you" or members of "your" household;
 - (ii) caused by "your" employees or members of their households;
 - (iii) directly or indirectly caused by theft or attempted theft; or
 - (iv) to glass constituting part of a building or structure.
- h) **Windstorm or Hail** – this peril does not cover loss or damage:
 - (i) from snow load, ice, ice load whether driven by wind or not;
 - (ii) to property contained within a building or structure; unless the damage occurs concurrently with and results from an opening in the building or structure caused by windstorm or hail; or
 - (iii) to adult bees or cocoons in the open field unless coverage has been extended on "your" Cover Page.
- i) **Theft, including damage caused by attempted theft** – this peril does not cover loss or damage caused by:
 - (i) "you" or members of "your" household;
 - (ii) "your" employees or members of their households; or
 - (iii) any mysterious disappearance or loss or shortage disclosed upon taking inventory.

- j) **Transportation** – meaning collision, upset, derailment, stranding, sinking or burning of any land conveyance, attached trailer or regular ferry on which the insured property is being transported or transfers in connection therewith. This peril does not cover loss or damage caused by:
 - (i) the coming together of land conveyances and trailers during coupling and uncoupling operations;
 - (ii) shifting of the load in the transporting conveyance;
 - (iii) poor or insufficient packing or rough handling; or
 - (iv) breakage, marring or scratching.
- k) **Ravaging by bears**

B. Exclusions

I. Excluded Property

(Applicable to Cover Code F and G)

This policy does not insure loss or damage to:

- a) **Property otherwise insured**
Any property separately described and specifically insured in whole or in part by this or any other insurance policy.
- b) **Unoccupied farm**
Property kept at an “unoccupied farm” when the farmyard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted and shown on “your” Cover Page.

II. Excluded Loss or Damage

(Applicable to Cover Code G)

This policy does not insure against loss or damage:

- a) **Artificially generated electrical current**
Caused by artificially generated electrical currents, including arcing, that disturbs electrical devices, appliances or wiring. If loss or damage from fire or explosion results, “we” will pay for that resulting loss or damage.
- b) **Delay, loss of market, consequential loss**
Caused by or arising from delay, loss of market, indirect or consequential loss of any kind resulting in loss of revenue.
- c) **Dishonesty of employees**
Caused by dishonesty of employees or any persons to whom the property is entrusted (carriers for hire excepted).

3. Special Conditions

- a) **Deductible clause**
“We” will pay only that part of the loss that exceeds the “deductible” shown on “your” Cover Page for this coverage. In the event of a covered loss where multiple “deductibles” apply under one loss, only the single highest “deductible” will be applied.
- b) **Special deductible**
With respect to loss or damage to insured property while located out in the open field caused by windstorm or hail; riot; vandalism or malicious acts; theft or attempted theft; ravaging by bears; the “deductible” shall be the greater of:
 - (i) \$2,500; or
 - (ii) the amount shown on “your” Cover Page.

Where the bee yard is protected with an electric fence, loss or damage to the hives caused by ravaging by bears shall be subject to the “deductible” shown on “your” Cover Page.

- c) **Co-Insurance clause**
The “amount of protection” shown on “your” Cover Page must be equal to at least 80% of the “actual cash value” of the property insured. Should “you” fail to maintain such insurance, “we” shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the “actual cash value” at the time of loss.

- d) **Waiver of co-insurance**
If the amount of loss or damage is less than 5% of the applicable “amount of protection” or \$2,500, whichever is less, the Co-Insurance clause does not apply.
- e) **Loss adjustment clause for adult bees and cocoons**
Where coverage is provided for adult bees and cocoons while in the open field, and loss or damage is caused directly by an insured peril while such bees or cocoons are in the open field, there is no loss where the number of cocoons recovered during the season is equal to or greater than the number of adult bees released at the beginning of the season.

Tack Equipment

1. Insured Property

“We” will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following items for which a blanket limit of insurance is shown on “your” Cover Page:

- a) **Tack equipment** owned by “you”, including bridles, halters, harnesses, saddles, grooming equipment and supplies, veterinarian supplies and other portable property usual to the use, care, or grooming of livestock.

2. Insured Perils and Exclusions

A. Insured Perils

I. All Risk – Cover Code Z3

Where the symbol Z3 appears in the Cover Code column opposite the item(s) described on “your” Cover Page, this policy, except as otherwise provided, insures against all risks of direct physical loss or damage.

B. Exclusions

I. Excluded Property

(Applicable to Cover Code Z3)

This policy does not insure loss or damage to:

- a) **Circuit equipment**
Property for show, race, gymkhana or similar purpose, unless circuit permission is granted and shown on “your” Cover Page.
- b) **Commercial use**
Property used, or intended for use, in whole or in part for “custom farming”, manufacturing or “business” pursuits, other than “farming” purposes, unless permission is granted and shown on “your” Cover Page.
- c) **Property otherwise insured**
Any property separately described and specifically insured in whole or in part by this or any other insurance policy.
- d) **Unoccupied farm**
Property kept at an “unoccupied farm” when the farmyard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted and shown on “your” Cover Page.

II. Excluded Loss or Damage

(Applicable to Cover Code Z3)

This policy does not insure against loss or damage:

- a) **Artificially generated electrical current**
Caused by artificially generated electrical currents, including arcing, that disturbs electrical devices, appliances or wiring. If loss or damage from fire or explosion results, “we” will pay for that resulting loss or damage.
- b) **Changes in atmosphere or temperature**
Caused by or arising from dampness or dryness of atmosphere, extremes or changes of temperature, heating or freezing.
- c) **Earthquake**
Caused in whole or in part by earthquake. If loss or damage from fire, explosion, smoke or leakage from fire protective equipment results, “we” will pay for that resulting loss or damage.

- d) **Rodents, insects, vermin and domesticated animals**
Caused by rodents, insects, vermin, bats, birds, moles, raccoons, skunks, zebra mussels, domesticated animals, or animals owned by "you" or in "your" care, custody or control.
- e) **Scratching, scraping, abrasion or chipping**
Caused by scratching, scraping, abrasion or chipping.
- f) **Wear and tear, mechanical breakdown, rust, corrosion and gradual deterioration**
Caused by wear and tear, mechanical breakdown, rust or corrosion, gradual deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself.

3. Special Conditions

- a) **Deductible clause**
"We" will pay only that part of the loss that exceeds the "deductible" shown on "your" Cover Page for this coverage. In the event of a covered loss where multiple "deductibles" apply under one loss, only the single highest "deductible" will be applied.
- b) **Co-Insurance clause**
The "amount of protection" shown on "your" Cover Page must be equal to at least 80% of the "replacement cost" of the property insured. Should "you" fail to maintain such insurance, "we" shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the "replacement cost" at the time of loss.
- c) **Waiver of co-insurance**
If the amount of loss or damage is less than 5% of the applicable "amount of protection" or \$2,500, whichever is less, the Co-Insurance clause does not apply.
- d) **Replacement Cost clause**
In the event of loss, destruction or damage to property insured by this policy, "we" agree to make settlement on the basis of "replacement cost" subject to the following provisions:
 - (i) This clause shall not apply to property which, at the time of loss, has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss.
 - (ii) This clause shall not apply to property which is not in current use by "you" at the time of loss and which was stored away with no specific future use intended.
 - (iii) This clause does not apply to antiques, rare objects, and other items that cannot be replaced.
 - (iv) "We" will keep any salvage or proceeds from salvage.
 - (v) Only once replacement has been made, "we" will pay the lesser of the amount actually and necessarily spent for replacement or the "amount of protection" shown on "your" Cover Page.

"You" may choose payment on an "actual cash value" basis initially. Any subsequent claim for settlement on a "replacement cost" basis must be made no later than 180 days after payment of an "actual cash value" settlement.

This clause is subject to all other conditions of this policy.

Semen and Semen Tanks

1. Insured Property

"We" will pay for direct physical loss or damage to insured property caused by or arising from an insured peril for the following items specifically described on "your" Cover Page and for which a limit of insurance is shown:

- a) **Semen** contained in tank(s) owned by "you" or held on "your" behalf at any breeding or artificial insemination station and used for "your" own livestock production.
- b) **Semen Tank(s)** owned by "you" while at "your" "premises" or while at any other location in Canada for the purpose of artificial insemination, including while in transit to or from "your" "premises" or artificial insemination station premises.

2. Insured Perils and Exclusions

A. Insured Perils

I. All Risk Coverage – Cover Code Z3

Where the symbol Z3 appears in the Cover Code column opposite the item(s) described on “your” Cover Page, this policy, except as otherwise provided, insures against all risks of direct physical loss or damage.

B. Exclusions

I. Excluded Property

(Applicable to Cover Code Z3)

This policy does not insure loss of or damage to:

- a) **Commercial use**
Property used, or intended for use, in whole or in part for “custom farming”, manufacturing or “business” pursuits, other than “farming” purposes.
- b) **Property otherwise insured**
Any property separately described and specifically insured in whole or in part by this or any other insurance policy.
- c) **Unoccupied farm**
Semen and semen tanks contained in any building or structure at an “unoccupied farm” when the farmyard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted and shown on “your” Cover Page.

II. Excluded Loss or Damage

(Applicable to Cover Code Z3)

This policy does not insure against loss or damage:

- a) **Artificially generated electrical current**
Caused by artificially generated electrical currents, including arcing, that disturbs electrical devices, appliances or wiring. If loss or damage from fire or explosion results, “we” will pay for that resulting loss or damage.
- b) **Changes in atmosphere or temperature**
Caused by or arising from dampness or dryness of atmosphere, extremes or changes of temperature, heating or freezing.
- c) **Failure to fertilize**
Caused by or arising from the failure of semen to fertilize.
- d) **Failure to maintain nitrogen charge**
Caused by or arising from any neglect or failure to maintain proper nitrogen charge. “We” will pay for loss or damage due to accidental loss of liquid nitrogen.
- e) **Rodents, insects, vermin and domesticated animals**
Caused by rodents, insects, vermin, bats, birds, moles, raccoons, skunks, zebra mussels, domesticated animals, or animals owned by “you” or in “your” care, custody or control.
- f) **Scratching, scraping, abrasion or chipping**
Caused by scratching, scraping, abrasion or chipping.
- g) **Wear and tear, mechanical breakdown, rust, corrosion or gradual deterioration**
Caused by wear and tear, mechanical breakdown, rust or corrosion, gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

3. Special Conditions

a) Deductible clause

“We” will pay only that part of the loss that exceeds the “deductible” shown on “your” Cover Page for this coverage. In the event of a covered loss where multiple “deductibles” apply under one loss, only the single highest “deductible” will be applied.

b) Co-Insurance clause

The “amount of protection” shown on “your” Cover Page must be equal to at least 80% of the “actual cash value” of the property insured. Should “you” fail to maintain such insurance, “we” shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the “actual cash value” at the time of loss.

Comprehensive Farmer's Liability

A. General Section

(Applicable to all Coverages in the Coverage Section)

Amount of Protection

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

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 the **Insured** shall be considered as arising out of one **occurrence**.

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

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

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

Definitions as used in this Liability section

In addition to other terms defined elsewhere in the Policy, as used herein and in any further amendment, the following terms and expressions have the following meanings:

Action means a civil proceeding in which compensatory damages because of **bodily injury** or **property damage** to which this insurance applies are alleged. **Action** includes an arbitration proceeding alleging such damages to which the **Insured** must submit or submit with the Insurers consent.

Aircraft shall also include hang gliders, ultra lights or other similar **aircraft** of any name, excluding model aircraft when kept or used for amusement purposes as part of a hobby.

Automobile means any self-propelled land vehicle, amphibious vehicle or air cushion vehicle, licensed trailer or semi-trailer, but does not include any **recreational vehicle**, crawler or farm type tractor, farm implement, or vehicle not subject to motor vehicle registration.

Bodily Injury means injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

Business Pursuits in this Part has the same meaning as "business" in Farm Property.

Communicable Disease in this Part has the same meaning as in Farm Property.

Coverage Territory means anywhere in the world with respect to damages because of **bodily injury** or **property damage**. With respect to damages because of **bodily injury** or **property damage** arising out of the **farming** operations only, suit for such damages against the **Insured** shall be brought within Canada or the United States of America (including its territories and possessions).

Custom Farming in this Part has the same meaning as in Farm Property.

Data in this Part has the same meaning as in Farm Property.

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

Farming means ownership, maintenance or use of premises for the production of crops or the raising or care of livestock, including all necessary operations. **Farming** also includes the operation of roadside stands and farm markets maintained principally for the incidental sale of the **Insured's** farm products, as limited by Exclusion (o). **Farming** shall also include crop-share or similar arrangements.

Fungi in this Part has the same meaning as in Farm Property.

Insured in this Part has the same meaning as "you" or "your" in Farm Property.

Insured Contract means a written agreement involving:

- a) A lease of **farm premises**.
- b) A sidetrack agreement.
- c) An easement or licence agreement in connection with vehicle or pedestrian private railroad crossing at grade.
- d) Any other easement agreement.
- e) An indemnification of a municipality as required by ordinance, except in connection with work for a municipality; or
- f) That part of any other contract or agreement pertaining to your **farming** business under which you assume the tort liability of another to pay compensatory damages because of **bodily injury** or **property damage** to a third person or organization, if the contract or agreement is made prior to the **bodily injury** or **property damage**. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. An **insured contract** shall not include any obligation for volunteer fire fighting expenses, fire fighting expenses, road maintenance or service including snow removal.

Jet Propulsion Personal Watercraft means any motorized sea vehicle, jet ski, or other motorized water device, designed as a self-propelled unit used on water. They can be designed to carry the operator only or to carry the operator and one or more passengers. Where we use the term personal watercraft unit it means a **jet propulsion personal watercraft** as defined herein.

Occurrence means an accident, to which this coverage applies occurring within the policy period, including continuous or repeated exposure to conditions which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **Insured**.

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

- a) Individual or family cemetery plots or burial vaults.
- b) Premises in which the **Insured** is temporarily residing, if not owned by the **Insured**.
- c) Any other residential premises shown in the Liability section on your Cover Page, where an additional premium has been paid; but premises insured shall not include any business property, meaning any property on which a business is conducted.

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

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

Property Damage means:

- a) Physical injury to tangible property, including all resulting loss of use of that property; or
- b) Loss of use of tangible property that is not physically injured.

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

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

Spores in this Part has the same meaning as in Farm Property.

Terrorism in this Part has the same meaning as in Farm Property.

Watercraft means any **watercraft**:

- a) equipped with an outboard motor rated by the manufacturer in excess of 25 horsepower (50 horsepower where Prestige coverage exists) or a combination of outboard motors rated by the manufacturer, in the aggregate, in excess of 25 horsepower (50 horsepower where Prestige coverage exists) and used with a single **watercraft**; or
- b) equipped with an inboard motor rated by the manufacturer in excess of 25 horsepower (50 horsepower where Prestige coverage exists); specifically excluding any **jet propulsion personal watercraft**.

Exclusions Applicable to All Insuring Agreements

This insurance does not apply to:

1. Pollution Liability

- a) **Bodily injury** or **property damage** arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants:
 - i) into or upon land, the atmosphere or any water of any description no matter where located or how contained; or
 - ii) into any watercourse, drainage or sewage system;

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

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

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

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

2. Nuclear Energy Liability

- a) Liability imposed by or arising under any nuclear liability act, law or statute, or any law amendatory thereof.
- b) **Bodily injury** or **property damage** with respect to which an **Insured** under this policy is also insured under a contract of nuclear energy liability insurance (whether the **Insured** is unnamed in such contract and whether or not it is legally

enforceable by the **Insured**) issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an **Insured** under any such policy but for its termination upon exhaustion of its limit of liability.

3. War Risks

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

4. Terrorism

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

5. Transmissible Spongiform Encephalopathies

- a) **Bodily injury** or **property damage** arising out of, resulting from, caused or contributed to by:
 - i) Transmissible Spongiform Encephalopathies (hereafter referred to as TSE); or
 - 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:

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

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

6. Fungi and Fungal Derivatives Liability

- a) **Bodily injury** or **property damage** or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any **fungi** or **spores** however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of **fungi** or **spores**; or
- b) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with (a) above; or
- c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (a) or b) above.

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

7. Data

- a) the erasure, destruction, corruption, misappropriation, misinterpretation of **data**; or erroneously creating, amending, entering, deleting or using **data**; including any loss of use arising from any of these actions or events; or

- b) the distribution or display of **data**, by means of an internet website, the internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of **data**.

8. **Asbestos Liability**

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

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

General Conditions

1. **Inspection, Audit, Suspension and Reinstatement:** The **Insured** shall permit the Insurer to inspect the insured premises and to examine and audit the **Insured's** books and records at any time during the policy period and within one year after termination of this insurance, as far as they relate to the premium calculation or subject matter of this insurance. The Insurer shall have the right to suspend any part of this insurance until any defect or dangerous condition found is remedied to the satisfaction of the Insurer. Notice of such suspension and the reason therefore and of the reinstatement of the insurance shall be in writing. For the period of such suspension, the Insurer shall allow a *pro rata* return premium.
2. **Notice of Occurrence:** The **Insured** shall promptly give the Insurer written notice with all available particulars of any **occurrences** involving loss, damage or injury and of any claim made on account of an **occurrence**, and shall verify the facts by Affidavit or Declaration if required by the Insurer and shall forward immediately to the Insurer every writ, letter, document or advice received by him from or on behalf of the claimant.
3. **Co-operation of the Insured and the Insurer in Claim Settlement:** The **Insured**, except at his own cost, shall not voluntarily assume any liability or settle any claim other than for such immediate medical and surgical relief to others as shall be imperative at the time of the accident. The **Insured** shall not interfere in any negotiations for settlement or any legal proceedings but, whenever requested by the Insurer, shall aid in securing information and evidence and in the attendance of any witnesses and shall co-operate with the Insurer except in a pecuniary manner in the defense of any **action** or proceedings or in the prosecution of any appeal.
4. **When Action May Be Brought:** The **Insured** may not bring **action** to recover the amount of any claim under this policy unless the requirements of the conditions of this policy are complied with and until the amount of the loss has been ascertained by judgment against the **Insured** after trial of the issue or with the written consent of the Insurer.

Nothing contained in this policy shall give any person(s) including the **Insured**, or organization(s) any right to join the Insurer as a co-defendant or third party in any **action** against the **Insured** to determine the **Insured's** liability.
5. **Limitations of Actions:** Every **action** or proceeding under this policy brought against the Insurer shall be commenced within two years after the cause of **action** arose.
6. **Waiver:** No term or condition of this policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is stated in writing and signed by a duly authorized representative of the Insurer.
7. **Cancellation:** This Liability section is subject to Condition 5 (Termination of Contract) of the Statutory Conditions of this booklet.
8. **Subrogation:** The Insurer shall be subrogated in case of any payment under this policy to the extent of such payment, to all rights of recovery therefore vested by law in the **Insured** and/or in any other person claiming hereunder, against persons, corporations, associations or estates, and the **Insured** shall execute all papers required and shall co-operate with the Insurer to secure its rights.

9. **Other Insurance:** If the **Insured** has any other insurance applicable to a claim covered by this policy, the Insurer shall not be obligated under this policy to pay a larger proportion of any claim than the applicable amount of protection bears to the total corresponding limits of the whole amount of valid and collectible insurance.
10. **Policy Period:** This policy applies only to **bodily injury** and **property damage** which occurs during the policy period.
11. **Canadian Currency:** All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.
12. **Separation of Insured, Cross Liability:** Except with respect to the limits of liability and any rights or duties specifically assigned to the first Named Insured, this insurance applies:
 - a) As if each Named Insured were the only Named Insured; and
 - b) Separately to each **Insured** against whom a claim is made or **action** is brought.

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

Property Damage Deductible

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

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

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

- a) the Insurer's rights and duties to defend any **action** seeking those compensatory damages; and
- b) the **Insured's** duties in the event of an **occurrence**, claim or **action** apply irrespective of the application of the deductible amount.

The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or **action** and, upon notification of the **action** taken, the **Insured** shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

B. Coverage Section

Comprehensive Farmer's Liability – Cover Code L

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

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

Insuring Agreement 1 – Bodily Injury and Property Damage Liability

1. Insuring Agreement

- a) The Insurer will pay those sums that the **Insured** becomes legally obligated to pay as compensatory damages because of **bodily injury** or **property damage** to which this insurance applies. The Insurer will pay those sums that the **Insured** becomes legally obligated to pay for liability of others assumed by the **Insured** under any **insured contract** relating to the **premises insured** as compensatory damages because of **bodily injury** or **property damage** to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Agreement 6 – Defense Settlement – Supplementary Payments**. This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period. The **bodily injury** or **property damage** must be caused by an **occurrence** which takes place in the **coverage territory**. The Insurer will have the right and duty to defend any **action** seeking those compensatory damages but:
 - i) the amount the Insurer will pay for compensatory damages is limited as shown under Amount of Protection;
 - ii) the Insurer may investigate and settle any claim or **action** at their discretion; and
 - iii) the Insurer's right and duty to defend ends when the applicable limit of insurance has been used up in the payment of judgments or settlements under Agreements 1, 2 or 3 or medical expenses under Agreement 4.
- b) Compensatory damages because of **bodily injury** include compensatory damages claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.
- c) **Property damage** that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the **occurrence** that caused it.

2. Exclusions

The insurance under Agreement 1 does not apply to:

- a)
 - 1) **Bodily injury** or **property damage** expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.
 - 2) **Bodily injury** or **property damage** caused by any illegal or criminal act by:
 - i) any person insured by this policy; or
 - ii) any other person at the direction of any person insured by this policy.
- b) **Bodily injury** or **property damage** for which the **Insured** is obligated to pay compensatory damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages:

- 1) assumed in a contract or agreement that is an **insured contract** provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement; or
 - 2) that the **Insured** would have in the absence of the contract or agreement.
- c) Any obligation of the **Insured** under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- d) **Bodily injury** to an employee of the **Insured** arising out of and in the course of employment by the **Insured**.
- 1) This exclusion (d) applies:
 - i) to any obligation to share compensatory damages with or repay someone else who must pay compensatory damages because of the injury.
 - 2) This exclusion (d) does not apply:
 - i) where the **Insured** may be liable as an employer or in any other capacity; and
 - ii) to liability assumed by the **Insured** under an **insured contract**; or
 - iii) to employees on whose behalf contributions are made by or required to be made by the **Insured** under the provisions of any workers compensation law.
- e) 1) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any **Insured** of:
- i) any **automobile** or part thereof, but this exclusion does not apply to **bodily injury** or **property damage** occurring on the **premises insured** if the **automobile** is not subject to motor vehicle registration because it is used exclusively on the **premises insured** or kept in storage on the **premises insured**;
 - ii) any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
 - iii) any vehicle which, if it were to be insured, would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, but this exclusion does not apply to the ownership, use, or operation of machinery, apparatus, or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment.
- 2) **Bodily injury** or **property damage** with respect to which any motor vehicle liability policy is in effect or would be in effect but for its termination upon exhaustion of its limit of liability or is required by law to be in effect.

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

- f) 1) **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any **Insured** of any **recreational vehicle** except:
- i) **recreational vehicles** shown on your Cover Page, where an additional premium has been paid;
 - ii) **recreational vehicles** operated but not owned by the **Insured**;

iii) motorized golf carts owned by the **Insured** or while being operated by others with the **Insured's** permission; but in no event shall the Insurer incur any liability while the **recreational vehicle** is:

- i) being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.
- ii) being used in any **business pursuits**.
- iii) not being operated in accordance with the *All Terrain Vehicles Act*.

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

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

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

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

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

1. **watercraft** shown on your Cover Page, where an additional premium has been paid; or
2. **watercraft** acquired by the **Insured** during the period this policy is in force, which is declared to the Insurer within 30 days of such acquisition, and endorsed hereon. The amount of protection shown on your Cover Page for this extension of cover, is the maximum amount we will pay for claims arising from the newly acquired unit.
3. **watercraft** operated but not owned by the **Insured**; but in no event shall the Insurer incur any liability while the **watercraft** is:
 - i) rented to others; or
 - ii) used for carrying passengers for compensation; or
 - iii) used in any pre-arranged or organized race or speed test; or
 - iv) not being operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.

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

1. **jet propulsion personal watercraft** shown on your Cover Page, where an additional premium has been paid; or
2. **jet propulsion personal watercraft** operated but not owned by the **Insured**;

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

- i) rented to others; or
- ii) used for carrying passengers for compensation; or
- iii) used in any pre-arranged or organized race or speed test; or
- iv) not being operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.

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

- i) **Bodily injury or property damage** arising out of the use or operation of any **automobile, recreational vehicle, watercraft, jet propulsion personal watercraft** or motorized snow vehicle in any prearranged or organized race, rally, derby, speed test, or practice on the **premises insured**, unless permission is granted on your Cover Page.
- j)
 - 1) **Bodily injury or property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any **Insured** of:
 - i) any **aircraft**; or
 - ii) any air cushion vehicle.
 - 2) **Bodily injury or property damage** arising out of the ownership, existence, use, operation by or on behalf of any **Insured** of any premises for the purpose of an airport or **aircraft** landing area and all operations necessary or incidental thereto.
 - 3) **Bodily injury or property damage** arising out of any substance released or discharged from any **aircraft**.
- k) **Bodily injury or property damage** arising out of **business pursuits** except:
 - 1) **Farming**; or
 - 2) **Custom farming**, specifically excluding any custom application or spraying of chemicals and/or fertilizers; and then only:
 - i) within the resident province; and
 - ii) where remuneration received for such **custom farming** does not exceed \$35,000 gross receipts in total during the policy term; or
 - 3) If shown on your Cover Page, the performance of any **custom farming** under any agreement or contract, where an additional premium has been paid and the symbol **M** appears in the **Cover Code** column on your Cover Page; or
 - 4) If shown on your Cover Page, the performance of **business pursuits**, where an additional premium has been paid; or
 - 5) Your work for someone else as a clerical worker, sales person, bill or money collector, messenger, lifeguard or teacher, provided the claim does not involve physical disciplinary **action** to a student or injury to a fellow employee.
- l) **Bodily injury or property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any **Insured** of:
 - 1) Any draft or saddle animal or attached conveyance:
 - i) for charge or remuneration; or
 - ii) while entrusted to others; or
 - iii) for the carrying of passengers for financial gain or other compensation; or

- 2) Any livestock used or intended for use in a race or rodeo, away from the **premises insured**, while on the grounds of any racetrack or any premises for race or rodeo; or
- 3) Any premises for the purpose of boarding facilities, riding stables, riding arena or academy; or
- 4) Any premises for the purpose of any rodeo, any draft or saddle animal race, or any gymkhana or similar equestrian event or activity;

unless coverage is shown on your Cover Page.

- m) Damage to or destruction of or loss of use of:
 - 1) Property owned or previously owned by the **Insured**; or
 - 2) Any personal property or any fixtures as a result of any work performed thereon, by the **Insured** or any one on his behalf; or
 - 3) Property occupied or used by the **Insured**, rented to, or previously rented to, or in the care, custody, or control of the **Insured** or as to which the **Insured** is for any purpose exercising physical control, but Part (3) of this exclusion does not apply to **property damage** included within **Agreement 2 – Tenants Legal Liability** or **Agreement 3 – Residence Legal Liability**.
- n)
 - 1) **Property damage** to products manufactured, sold, handled, or distributed by any **Insured** or work performed by or for any **Insured**, arising out of such products or work or any part thereof.
 - 2) Any loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - i) a delay in or lack of performance by or on behalf of the **Insured** of any contract or agreement; or
 - ii) the failure of the **Insured's** products or work performed by or on behalf of the **Insured** to meet the level of performance, quality, fitness, or durability warranted or represented by the **Insured**.
- o) **Bodily injury** or **property damage** arising out of consumption, handling, or use of goods or products manufactured, sold, handled, or distributed by the **Insured** if such consumption, handling, or use occurs away from the premises of the **Insured** after the **Insured** has relinquished possession of the goods or products. This exclusion shall not apply to farm products, other than:
 - 1) manufactured products including fertilizers, weed sprays, and other chemicals, and blended or processed seeds or feeds;
 - 2) fish, dairy or poultry products, processed or frozen meat, honey, fruit or vegetables where the sale of such products exceeds 10% of total farm product sales.
- p) Liability arising out of the rendering of professional services or the omission thereof.
- q) Liability arising out of the transmission of any communicable disease by any **Insured**.
- r) Liability arising out of any sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by the policy, or claims arising from the intentional or negligent failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.
- s) Liability arising out of any premises other than the **premises insured** herein.
- t) **Bodily injury** or **property damage** caused directly or indirectly by an animal you own or for which you are responsible and which, has been declared under any law, by-law or municipal ordinance to be a dangerous animal.

Extension of Cover

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

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

Optional Extensions

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

(Applicable if indicated and a separate amount of protection shown on your Cover Page)

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

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

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

- a) the operator is under the age of 16 years, unless, **Underage Operator Endorsement** is shown on your Cover Page. In no event shall coverage apply where the operator is under the age of 12 years, regardless of any permission for underage operators.
- b) the operator is under the age of 16 years and the engine capacity exceeds 250 c.c. or 25 h.p., regardless of any permission for underage operators or passenger hazard.
- c) the operator is under the age of 16 years and allows passengers, regardless of any permission for underage operators or passenger hazard.

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

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

Exclusions

(Applicable to All-Terrain Vehicle Liability)

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

- a) caused by an operator under the influence of intoxicating liquor or drugs.
- b) while the unit(s) is being operated in any pre-arranged or organized race, speed or demolition contest or in any stunting activity or in practice for any such contest or activity.
- c) resulting from any illicit or prohibited trade or transportation.
- d) resulting from carrying passengers for a fee.
- e) while the machine(s) is leased or rented to others.

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

Jet Propulsion Personal Watercraft Liability

(Applicable if indicated and a separate amount of protection shown on your Cover Page)

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

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

Exclusions

(Applicable to Jet Propulsion Personal Watercraft Liability)

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

- a) caused by an operator under 16 years of age.
- b) caused by an operator under the influence of intoxicating liquor or drugs.
- c) while the unit(s) is being operated in any pre-arranged or organized race, speed or demolition contest or in any stunting activity or in practice for any such contest or activity.
- d) resulting from any illicit or prohibited trade or transportation.
- e) resulting from carrying passengers for a fee.
- f) while the unit(s) is leased or rented to others.
- g) resulting from the operation of the unit(s) in any area where such use and operation is restricted or prohibited.
- h) when a personal **watercraft** unit is not being operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.

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

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

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

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

Insuring Agreement 2 – Tenants Legal Liability

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

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

- d) water escape.
- e) impact by land vehicle.

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

- i) the amount the Insurer will pay for compensatory damages is limited as described under Amount of Protection.
- ii) the Insurer may investigate and settle any claim or **action** as may be deemed expedient by the Insurer.
- iii) the Insurer's right and duty to defend ends when the applicable limit of insurance has been used up in the payment of judgments or settlements under Agreement 1, 2 and 6.

Exclusions

The insurance under Agreement 2 does not apply to:

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

Insuring Agreement 3 – Residence Legal Liability

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

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

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

- i) the amount the Insurer will pay for compensatory damages is limited as described under Amount of Protection.
- ii) the Insurer may investigate and settle any claim or **action** as may be deemed expedient by the Insurer.
- iii) the Insurer's right and duty to defend ends when the applicable limit of insurance has been used up in the payment of judgments or settlements under Agreement 1, 3 and 6.

Exclusions

The insurance under Agreement 3 does not apply to:

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

Insuring Agreement 4 – Medical Payments

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

Exclusions

The Insurance under Agreement 4 does not apply to:

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

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

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

Payment hereunder shall not constitute admission of liability.

Insuring Agreement 5 – Voluntary Property Damage

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

1. the maintenance or use of the **premises insured**; or
2. the personal acts of the **Insured**.

Exclusions

The insurance under Agreement 5 does not apply to:

1. Any **business pursuits** of the **Insured**.
2.
 - a) the ownership, use or operation of any **automobile**, trailer or semi-trailer, **aircraft** or **watercraft**; or
 - b) property owned by or rented to the **Insured**, any resident of the Named Insured's household or any tenant of the **Insured**; or
 - c) any act(s) caused intentionally by an **Insured** over the age of 12 years; or
 - d) the ownership of any animal by the **Insured**, excluding farm livestock.

3. Loss of use, disappearance or abstraction of property.
4. Liability otherwise excluded under Insuring Agreement 1.

Amount of Protection

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

1. the **Actual Cash Value** of the property at the time of loss; or
2. what it would then cost to repair or replace the property with other of like kind and quality; or
3. the amount of \$5,000.

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

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

Proof and Payment of Claim, Proof and Payment of Loss

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

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

Insuring Agreement 6 – Defense Settlement – Supplementary Payments

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

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

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

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

Non-Owned Automobile Liability

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

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

Insuring Agreement

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

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

- a) for any liability which arises from the use or operation of any **automobile** while personally driven by the **Insured** if the **Insured** is an individual; or
- b) for any liability imposed upon any person insured by this policy:
 - 1) by any workers compensation law; or
 - 2) by any law for **bodily injury** to or the death of the **Insured** or any partner, officer or employee of the **Insured** while engaged in the business of the **Insured**; or
- c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or
- d) for loss or damage to property carried in or upon an **automobile** personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody, or control of any such person; or
- e) for any amount in excess of the Amount of Protection shown on your Cover Page and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of the *Insurance Act* (Automobile Insurance Part) relating to the nuclear energy hazard; or
- f) for **bodily injury** or death for which protection is provided under Part VIII of the *Automobile Accident Insurance Act*.

Additional Agreements of Insurer

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

- 1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- 2) to defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil **action** which may at any time be brought against such person on account of such loss or damage to persons or property; and
- 3) to pay all costs taxed against any person insured by this policy in any civil **action** defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and
- 4) in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- 5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the Amount of Protection shown on your Cover Page; and

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

Limits of Liability

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

Agreements of Insured

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

- a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which **action** is brought against the **Insured** arising out of the use or operation of an **automobile** with respect to which insurance is provided hereunder;
- b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to **automobile** insurance and which the Insurer would not otherwise be liable to pay under this policy.

General Provisions and Definitions

1. Additional Insureds

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

- a) in the business of the **Insured** any **automobile** not owned in whole or in part by or registered in the name of:
 - i) the **Insured**; or
 - ii) such additional insured person; or
 - iii) any person or persons residing in the same dwelling premises as the **Insured** or such additional insured person; or
- b) any **automobile** hired or leased in the name of the **Insured** except an **automobile** owned in whole or in part or registered in the name of such additional insured person.

2. Territory

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

3. Two or More Automobiles

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

Automobile Statutory Conditions

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

1. Material Change in Risk

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

- 2) Without restricting the generality of the foregoing, the words **change in the risk material to the contract** include:
 - a) any change in the insurable interest of the **Insured** named in this contract in the **automobile** by sale, assignment or otherwise, except through change of title by succession, death or proceedings under *The Bankruptcy Act (Canada)*; and in respect of insurance against loss of or damage to the **automobile**.
 - b) any mortgage, lien or encumbrance affecting the **automobile** after the application for this contract.
 - c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

2. Prohibited Use by Insured

- 1) The **Insured** shall not drive or operate the **automobile**:
 - a) while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the **automobile**; or
 - b) unless he is for the time being either authorized by law or qualified to drive or operate the **automobile**; or
 - c) while he is under the age of 16 years or under such other age as is prescribed by the law of the Province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an **automobile** may be issued to him; or
 - d) for any illicit or prohibited trade or transportation; or
 - e) in any race or speed test.

Prohibited Use by Others

- 2) The **Insured** shall not permit, suffer, allow, or connive at the use of the **automobile**:
 - a) by any person under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the **automobile**; or
 - b) by any person:
 - i) unless that person is for the time being either authorized by law or qualified to drive or operate the **automobile**; or
 - ii) while that person is under the age of 16 years or under such other age as is prescribed by the law of the Province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an **automobile** may be issued to him; or
 - c) for any illicit or prohibited trade or transportation; or
 - d) in any race or speed test.

3. Requirements Where Loss or Damage to Persons or Property

- 1) The **Insured** shall:
 - a) promptly give to the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;
 - b) verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the **automobile** and that the person operating or responsible for the operation of the **automobile** at the time of the accident is a person insured under this contract; and
 - c) forward immediately to the Insurer every letter, document, advice or writ received by him from or on behalf of the claimant.
- 2) The **Insured** shall not:
 - a) voluntarily assume any liability or settle any claim except at his own cost; or

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

4. Requirements Where Loss or Damage to Automobiles

- 1) Where loss of or damage to the **automobile** occurs, the **Insured** shall, if the loss or damage is covered by this contract:
 - a) promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;
 - b) at the expense of the Insurer, and as far as reasonably possible, protect the **automobile** from further loss or damage; and
 - c) deliver to the Insurer within 90 days after the date of the loss or damage a statutory declaration stating, to the best of his knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the **Insured** and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the **automobile** and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the **Insured**.
- 2) Any further loss or damage accruing to the **automobile** directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.
- 3) No repairs, other than those that are immediately necessary for the protection of the **automobile** from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed:
 - a) without the written consent of the Insurer; or
 - b) until the Insurer has had a reasonable time to make the examination for which provision is made in Statutory Condition 5.
- 4) Examination of **Insured**. The **Insured** shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the Insurer or its representative all documents in his possession or control that relate to the matters in question, and he shall permit extracts and copies thereof to be made.
- 5) Insurer Liable for Cash Value of Automobile. The Insurer shall not be liable for more than the **Actual Cash Value** of the **automobile** at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that **Actual Cash Value** with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair or replace the **automobile**, or any part thereof, with material of like kind and quality, but, if any part of the **automobile** is obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.
- 6) Repair or Replacement. Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost, with other of like kind and quality if, within seven days after the receipt of the proof of loss, it gives written notice of its intentions to do so.
- 7) No Abandonment; Salvage. There shall be no abandonment of the **automobile** to the Insurer without the Insurer's consent. If the Insurer exercises the option to replace the **automobile** or pays the **Actual Cash Value** of the **automobile**, the salvage, if any, shall vest in the Insurer.

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

5. Inspection of Automobile

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

6. Time and Manner of Payment of Insurance Money

- 1) The Insurer shall pay the insurance money for which it is liable under this contract within 60 days after the proof of loss has been received by it or, where an appraisal is made under subcondition (8) of Statutory Condition 4, within 15 days after the award is rendered by the appraisers.
- 2) **When Action is Brought.** The **Insured** shall not bring an **action** to recover the amount of a claim under this contract unless the requirements of Statutory Conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as therein provided or by a judgment against the **Insured** after trial of the issue or by agreement between the parties with the written consent of the Insurer.
- 3) **Limitation of Actions.** Every **action** or proceeding against the Insurer under this contract in respect of loss or damage to the **automobile** shall be commenced within two years next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within two years next after the cause of **action** arose and not afterwards.

7. Who May Give Notice and Proofs of Claim

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

8. Termination

- 1) This contract may be terminated:
 - a) by the Insurer giving the **Insured** 15 days notice of termination by registered mail or 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 the amount, in which case the refund shall be made as soon as practicable.
- 3) Where this contract is terminated by the **Insured**, the Insurer shall refund as soon as practicable the excess of premium actually paid by the **Insured** over the *short rate* premium for the expired time, but in no event shall the *short rate* premium for the expired time be deemed to be less than any minimum retained premium specified.

- 4) The refund may be made by money, postal or express company money order or cheque payable at par.
- 5) The 15 days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

9. Notice

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

Voluntary Compensation – Cover Code O

(Applicable if indicated on your Cover Page)

Insuring Agreement

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

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

Exclusions

This insurance does not apply to:

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

Schedule of Benefits

1. In each case, the Insurer will pay the necessary medical, pharmaceutical and hospital charges and substantiated ambulance charges, not to exceed in all, in any event, the sum of \$500 during the period of 26 weeks following the date of the accident, subject to the right of the Insurer to select or approve of the doctor, surgeon, druggist or hospital retained. There shall be no reimbursement to the injured person for any payment which would, except for the failure of the employee to contribute, be payable under a provincial medical or hospital expense payment plan.
2. In the event of death resulting from such injury within a period of six months from the date of the accident, the Insurer will pay the actual funeral expense, to a maximum of \$750.
3. The Insurer will also pay any charges for the supplying or normal renewing of prosthetic or orthopedic appliances as may be necessary for the period of 52 weeks from the date of the accident.
4. The Insurer will also pay, except where the incapacity lasts less than seven days, an amount equal to two-thirds of such employee's weekly wage at the time of the accident, subject to the Weekly Indemnity Limit shown on your Cover Page, under any one of the following paragraphs:
 - a. If the injury results in any of the incapacities hereinafter listed in the Schedule of Incapacities, the Insurer will pay the said

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

- b. If the injury results in total incapacity:
 - i) where any such total incapacity lasts seven days or more but less than six weeks, the Insurer will pay the said amount for the period commencing on the eighth day after such accident, to the date of termination of the incapacity; or
 - ii) where such total incapacity lasts six weeks or more, the Insurer will pay the said amount for the period commencing from the date of the accident to the termination of the incapacity or for 26 weeks; whichever is the lesser period; or
 - iii) where such total incapacity is deemed permanent by medical evidence satisfactory to the Insurer, the Insurer will pay the said amount for the period commencing from the date of the accident to the termination of the incapacity or for 126 weeks; whichever is the lesser period.
- c. Death Benefits:
 - i) If the injury results in death within a period of six months from the date of the accident, the Insurer will pay to the deceased employee's dependents who, while resident in Canada, were wholly dependent upon him, the said amount for a period of 100 weeks, in addition to any payments made under paragraph b) hereof; or
 - ii) If no payment is made under (1), the amount of \$1,500 will be paid to the employee's Estate.

Schedule of Incapacities

Loss or Total Loss of Use of	No. of Weeks
Arm at shoulder	100
Arm between shoulder and elbow	100
Arm below elbow, or hand at wrist	80
Thumb	25
Index finger.	20
Middle finger, ring or little finger	15
First phalange of toe or finger, except of thumb and index finger.	50% of the period granted for whole finger or toe.
First phalange of thumb or index finger	75% of the period granted for whole finger.
More than one phalange of toe, finger or of thumb	100% of the period granted for whole toe, finger or thumb.
Multiple finger injuries.	Period equal to the sum of periods payable for each finger but not to exceed 75 weeks.
Multiple toe injuries.	Period equal to the sum of periods payable for each toe but not to exceed 30 weeks.
Leg at hip	100
Leg between hip and knee	95
Leg at knee.	90
Foot at ankle.	75

Great toe	15
Any other toe	10
One eye	50
Both ears (hearing).	100
One ear or hearing of one ear	25

Conditions

1. Premium Adjustment

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

Statutory Conditions

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

1. Misrepresentation

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

2. Property of Others

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

3. Change of Interest

The Insurer shall be liable for loss or damage occurring after an authorized assignment pursuant to *The Bankruptcy and Insolvency Act* (Canada) or change of title by succession, by operation of law, or by death.

4. Material Change

Any change material to the risk and within the control and knowledge of the **Insured** shall avoid the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the **Insured** in writing that, if he desires the contract to continue in force, he must, within 15 days of the receipt of the notice, pay to the Insurer an additional premium; and in default of such payment the contract shall no longer be in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. Termination of Contract

(1) This contract may be terminated:

- (a) by the Insurer giving to the **Insured** 15 days notice of termination by registered mail, or 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 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 termination as to amount, in which case the refund shall be made as soon as practicable.

(3) Where this contract is terminated by the **Insured**, the Insurer shall refund as soon as practicable the excess of premium actually paid by the **Insured** over the *short rate* premium for the expired time, but in no event shall the *short rate* premium for the expired time be deemed to be less than any minimum retained premium specified.

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

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

6. Requirements After Loss

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

7. Fraud

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

8. Who May Give Notice and Proof

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

9. Salvage

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

10. Entry, Control, Abandonment

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

11. Appraisal

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

12. When Loss Payable

The loss shall be payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within 30 days after receipt of the proofs of loss.
- (2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. Action

Repealed

15. Notice

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

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Regina, Sask.
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