

Contractor's Equipment (Actual Cash Value)

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN SECTION 15.

1. INDEMNITY AGREEMENT

In the event that any of the property insured be lost, destroyed or damaged by an insured peril, the Insurer will indemnify the Insured to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declaration Page(s)" in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interest shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declaration Page(s)".

2. INSURED PROPERTY

This Form insures Contractor's Equipment, as described in the Declarations for this form:

- (a) owned by the insured;-
- (b) owned by others used in the Insured's operations and for which the Insured is legally liable.

3. LIMIT OF LIABILITY

- (a) This Insurer shall not be liable for more than the amount(s) shown on the "Declaration Page(s)" in any one disaster either in case of partial or total loss or salvage or other charges or expenses or all combined;
- (b) In addition to that insured under item 3.(a) above, this Form also insures \$5,000 of hand and power tools owned by, rented to, leased to, or lent to the Insured, subject to a maximum of \$1,000 per any one item.

4. INSURED PERILS

This Form insures against all risks of direct physical loss of or damage to the property insured from any external cause except as provided in this form.

5. DEDUCTIBLE

- (a) The Insurer is liable for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of the deductible specified on the "Declaration Page(s)" in any one occurrence;
- (b) The deductible applicable to damage caused by theft of any one item insured under this form shall be waived provided that:
 - i. The item is equipped with a functioning GPS or combined GPS-cellular or other wireless tracking and recovery device; and
 - ii. The recovery of the stolen item was as a result of the successful use of the GPS tracking device.

6. COINSURANCE

The Insurer shall not be liable for a greater proportion of any loss or damage than the amount of insurance of each and every item of property insured under this policy at time and place of loss bears to the percentage stated on the "Declaration Page(s)" of the actual cash value of the property at the time any loss or damage occurs, and in no event for an amount in excess of the limit of liability specified in this Form.

7. EXCLUDED PROPERTY

This form does not insure:

- (a) Property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- (b) Licensed motor vehicles and licensed trailers and semi-trailers, aircraft, watercraft or similar conveyances;
- (c) Personal belongings or personal effects;
- (d) Property while located underground (except while in transit through vehicular or railroad tunnels), in caissons or underwater;
- (e) Property which has become a permanent part of any structure;
- (f) Property while waterborne from the commencement of loading until the completion of discharge. This exclusion does not apply:
 - i. while such property is on a ferry, or transfer barge, all in connection with land transportation;
 - ii. while such property is used on a watercraft that is, at all times while the insured property is in use, stationary and securely moored at a site that is dockside or immediately adjacent to the shore.
- (g) Tires or tubes unless the loss or damage is caused by fire or theft or is coincident with other loss or damage insured by this Form but in no event for more than the actual cash value of the tires or tubes at the time of loss or damage;
- (h) Property while airborne. This exclusion does not apply to the first \$25,000 of insured property while part of a helicopter sling load;
- (i) Property leased, rented or loaned to others unless otherwise endorsed on this policy.

8A. EXCLUDED PERILS

This form does not insure:

- (a) Loss or damage caused by or resulting from the weight of any load including the load block, if any, and all rigging exceeding any or all of:
 - i. the maximum allowable load;
 - ii. the lifting capacity;
 - iii. the rated load;
 - iv. 85% of the minimum tipping load;
 any or all of which may be set out in the manufacturer's specifications, capacity tables, or rating sheets for the particular unit involved;
- (b) Loss, damage or expense caused by or resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, the employees or agents of the Insured or any person or persons to whom the property may be entrusted (bailees for hire excepted) or any mysterious disappearance or loss or shortage disclosed upon taking inventory;
- (c) Loss or damage caused by wear and tear, deterioration, latent defect or any quality in property that causes it to damage or destroy itself, or by mechanical breakdown or derangement;
- (d) Loss or damage caused by corrosion, rust, dampness of atmosphere, freezing or extremes of temperature, unless direct result of other direct loss or damage insured under this Form;
- (e) Loss or damage caused by electrical currents other than lightning unless fire or explosion ensues and then only for such destruction or damage as results from such fire or explosion;
- (f) Loss or damage caused by or resulting from subsidence or breaking through ice, or by sinking in muskeg, swamp, sand or other soft ground;
- (g) Loss or damage caused by a criminal or wilful act or omission of the Insured;
- (h) Loss or damage caused by or resulting from delay, loss of market or loss of use;
- (i) Loss or damage (unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion) sustained while the property insured is actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of the property insured;
- (j) Loss or damage caused by explosion originating within steam boilers of the property insured;
- (k) Loss, destruction or damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war rebellion, revolution, insurrection or military power;

- (l) i. by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- ii. by contamination by radioactive material.

8B. POLLUTION EXCLUSION

This Form does not insure against:

- (a) loss or damage 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", but this exclusion does not apply:
 - i. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Form;
 - ii. to loss or damage caused directly by a peril not otherwise excluded under this Form;
- (b) cost or expense for 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".

9. ACQUISITION CLAUSE

This form covers additional items of Contractor's Equipment acquired by the Insured as owner, subject to notice to this Insurer within 60 days from the date of acquisition and payment of pro rata premium hereunder from such date, but this Clause shall not operate to increase this Insurer's limit of liability in respect to any one disaster as provided in Clause 3.(a) of this form.

10. DEBRIS REMOVAL EXTENSION

The Insurer will indemnify the Insured for expenses incurred in the removal from the "project site" of debris of the property Insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Form.

This extension of coverage 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 expense shall not be considered in the determination of actual cash value for the purpose of applying the coinsurance clause.

The above extension of coverage shall not increase the amounts of insurance applying under this Form and are subject to all conditions of this Form.

11. OTHER INSURANCE

This Insurer is not liable:

- (a) For more than the portion of any loss or damage covered by this Form which the applicable limit of this Form bears to the total amount of insurance covering against peril of fire irrespective of whether or not such other insurance gives insurance in respect to the perils covered by this Form whether by endorsement thereto or otherwise;
- (b) Where such other insurance does not insure against loss or damage by fire for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if this insurance had not been effected.

12. RENTAL REIMBURSEMENT

This Form insures the expenses incurred by the Insured for the rental of equipment, either with or without an operator, to replace equipment insured by this Form which has been withdrawn from normal use as a result of loss or damage insured under this Form.

The Insurer's liability for rental reimbursement is limited to expenses actually incurred commencing 72 consecutive hours (in addition to Sundays and statutory holidays) after the date that loss or damage to the insured equipment occurred, and shall continue, regardless of the expiration of the policy period, to the date which would be required to repair the equipment so damaged. In no event, however, shall the Insurer's liability under this extension exceed the aggregate limit of liability of \$10,000 subject to a maximum limit of \$1,000 per day, during any one policy period for one or more items of equipment.

The rental reimbursement coverage provided by this extension only applies to equipment which is similar in type, capacity and purpose to that for which it is a replacement and does not apply if the Insured owns, controls or has available for use, surplus or reserve equipment which can be used for continuing or resuming the Insured's operations.

This extension does not apply if there is more specific coverage for Equipment Rental Reimbursement on this policy.

13. TERRITORIAL LIMITS

This Form insures only within the limits of Canada and the Continental United States of America.

14. REINSTATEMENT

Loss under any item of this Form shall not reduce the applicable amount of insurance.

15. DEFINITIONS

Wherever used in this Form:

- (a) "Declaration Page(s)" means the Declaration Page(s) applicable to this Form.
- (b) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (c) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilisation, neutralisation or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (d) "Project site" means the site where the Insured is working under contract.