

## **Equipment Dealer's Form**

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### **1. Indemnity Agreement**

In the event that any of the property insured, as described in the Declarations, be lost, destroyed or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- a. the actual cash value of the property at the time of loss, destruction or damage or as modified by clause 9 herein;
- b. the interest of the Insured in the property;
- c. the amount(s) of insurance stated in the Declarations in respect of the property lost, destroyed 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 interests shall be limited in the aggregate to the said specified amount(s) of insurance.

If any of the insured property is necessarily removed from the location(s) specified in the Declarations to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven (7) days only, or for the unexpired term of the policy if less than seven (7) days, insure the property removed and any property remaining in the location(s) specified in the Declarations in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

#### **Debris Removal Extension**

- i. Debris Removal: The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" 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.

The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.

- ii. Removal of Windstorm Debris: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon a location specified on the "Declarations Page".

Extensions of coverage (i) and (ii) do not apply to costs or expenses:

- a. to "clean up" "pollutants" from land or water; or
- b. 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 co-insurance clause.

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

### **2. Property Insured**

This form insures mobile agricultural and construction equipment consisting principally of binders, reapers, harvesters, ploughs, harrows and tedders and bulldozers, road scrapers, tractors, pneumatic tools and compressors including accessories and spare parts therefor (attached or detached); the property of the Insured or the property of others in the custody or control of the Insured for sale, display, demonstration, storage, service, repairs or for the purpose of performing work thereon.

### **3. Amounts of Insurance**

The maximum liability of the Insurer in any one loss shall not exceed 100% of the amount(s) of insurance stated in the Declarations for:

- a. i. Property at a location(s) stated in the Declarations for which an amount of insurance is shown; or  
ii. The casualty limit stated in the Declarations in respect to loss or damage in any one accident or occurrence.
- b. Property in transit;
- c. The limit of loss outside the premises' location(s);
- d. Unnamed locations.

#### 4. Perils Insured

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

#### 5. Exclusions

##### A. General Exclusions —This form does not insure:

- a. Loss, destruction or damage to electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- b. Automobiles, watercraft, amphibious or air cushion vehicles, aircraft, trailers, nor motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, nor to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the premises of the Insured as described in the Declarations;
- c. Money, bullion, securities, stamps, tickets and tokens, evidence of debt or title;
- d. Property while in course of manufacture;
- e. Furniture, fixtures, improvements and betterments of buildings, tools and machinery of the Insured, unless otherwise endorsed on this policy;
- f. Property sold by or under encumbrance to the Insured, or property leased or rented by the Insured to others after it leaves the custody of the Insured or an employee of the Insured (but this exclusion does not apply to property in the custody of a common carrier for the purposes of delivery at the risk of the Insured);
- g. Property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- h. Wear and tear, mechanical breakdown, inherent vice, latent defect or gradual deterioration;
- i. Loss or damage caused by corrosion, rust, dampness or atmosphere, extremes of temperature, rodent, insects and vermin;
- j. Mysterious disappearances or loss or shortage disclosed on taking inventory;
- k. Loss or damage caused directly or indirectly by misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted);
- l. Loss or damage caused by flood (meaning inundation from the sea or the overflowing or breakage of boundaries of lakes, ponds, reservoirs, rivers, harbours, streams and similar bodies of water, whether wind-driven or not);
- m. Loss or damage sustained while the property insured is actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of the property insured, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- n. Loss or damage to tires or tubes unless caused by fire, lightning, windstorm, tornado, cyclone or theft or coincident with other loss or damage covered by this form;
- o. Loss or damage caused directly or indirectly:
  - 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.
- p. Loss, destruction or damage caused by civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

##### B. 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”.

#### 6. Permissions

Permission is granted:

- a. to make additions, alterations or repairs;

- b. to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business.

## **Special Conditions**

### **7. Co-Insurance Clause**

The Insurer is liable for no greater proportion of any loss or damage to the insured property than the amount insured bears to 90% of the actual cash value of all property insured by this form at the time of such loss or damage. If the form provides coverage at two or more locations, this condition also applies to each location separately.

### **8. Deductible**

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured under this form exceeds the deductible as stated in the Declarations in any one occurrence.

### **9. Valuation**

On sold property the Insurer is not liable for more than the net selling price of the Insured after all allowances and discounts.

On property of others in the custody or control of the Insured for the purpose of performing work thereon the Insurer is not liable for more than the amount for which the Insured is liable but in any event limited to the actual cash value of the property at the time and place of loss. Actual cash value includes the cost of labour and materials expended to the time of loss.

On other property the liability of the Insurer is as expressed in the Indemnity Agreement Clause of this form.

### **10. Property of Others**

Any claim at the option of the Insurer may be paid to the Insured or adjusted with and paid to the customer or the owner of the property.

### **11. Damage to Building by Theft**

The Insurer will pay for damage to that part of the building occupied by the Insured directly resulting from theft or attempted theft provided the Insured is owner of the premises or is liable for the damage but excluding damage by fire or damage to glass. The combined liability of the Insurer does not exceed the appropriate amounts of insurance stated in the Declarations.

### **12. Territorial Limits**

This form covers only within the territorial limits of Canada and the continental United States of America.

### **13. Other Insurance**

This form does not cover any property in respect to which there is any other insurance in the name of the Insured which would attach if this form had not been effective.

### **14. Premium Adjustment Clause**

(This clause applies only if this form is on a reporting basis and an adjustment rate is shown in the Declarations.) If, within six months after the expiry of this policy, the Insured shall file with the Insurer a Premium Adjustment Application Form showing the actual cash value of the property insured on the last day of each month at each location as commented upon by the Insured's auditors, the actual premium for the said period shall then be calculated at the rate applying to each location for the average amount of the total values declared. If the premium paid by the Insured exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 50% of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

### **15. Verification of Values**

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this policy, or within a year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this form.

### **16. Reinstatement**

Any loss hereunder shall not reduce the amount of insurance applicable to this form.

### **17. Definitions**

Wherever used in this form:

- a. "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.
- b. "clean up" means the removal, containment, treatment, decontamination, detoxification, stabilisation, neutralisation or remediation of "pollutants", including testing which is integral to the aforementioned processes.