

Intact Insurance Company

Farm Extension Package (Hobby Farms/Acreages)

Unless specifically endorsed on the declarations page(s), the limits stated below apply to the coverage, subject to a \$1,000 Deductible.

Summary of Coverages		
Item	Coverage	Amount of Insurance
1	Farm Outbuildings Contents	\$25,000 \$10,000
2	Grain, Fertilizer, Chemicals or Produce	\$10,000
3	Farm Equipment Farm Equipment Rental Reimbursement	\$10,000 \$5,000
4	Farm Livestock	\$5,000
5	Limited By-Laws Coverage	\$10,000
6	Extra Expense	\$5,000
7	Forest Fire Fighting Expense	\$25,000

SECTION I - COVERAGES

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN SECTION III – DEFINITIONS.

ITEM 1: FARM OUTBUILDINGS AND CONTENTS

1. INDEMNITY AGREEMENT

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

- the value of the lost or damaged property as determined in SECTION I – COVERAGES, ITEM 1. FARM OUTBUILDINGS AND CONTENTS Section 14. LOSS SETTLEMENT – BASIS OF VALUATION;
 - the interest of the "Insured" in the property;
 - the "Amount of Insurance" specified on the declarations page(s), in respect of the property lost or damaged.
- The inclusion of more than one person or interest shall not increase the Insurer's liability.

2. INSURED PROPERTY

This Form insures farm "buildings" and "contents" for the "amount of Insurance" as specified on the Summary of Coverages in this Form, and only while at the "premises".

3. DEDUCTIBLE

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 in this Form, or the declarations page(s), whichever is higher, in any one "occurrence", at any one "premises".

4. INSURED PERILS

This Form, except as herein provided, insures against All Risks of direct physical loss of or damage to the insured insured.

5. EXCLUDED PROPERTY

This Form does not insure loss of or damage to:

- (a) sewers, drains or "water mains" located beyond the outside bearing walls or foundations of the insured property , outside communication towers, antennas (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) property at locations which to the knowledge of the "Insured", are "vacant", unoccupied or shut down for more 30 consecutive days; However, farm buildings which are in a seasonal state of vacancy due to normal practices of "farming" operations are not considered "vacant", shut-down or unoccupied;
- (c) any buildings or mobile homes intended for use in whole or in part for habitation purposes;
- (d) any property separately described and specifically insured in whole or in part by this or any other insurance policy;
- (e) windmills, wind chargers and their towers, independently erected and their appurtenances;
- (f) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in SECTION III – DEFINITIONS, Item (m)(B) ensues and then only for such ensuing loss or damage;
- (g) growing plants, trees, shrubs or flowers, all while in the open except as provided in the SECTION I – COVERAGES, ITEM 1. FARM OUTBUILDINGS AND CONTENTS, Section 7. EXTENSIONS OF COVERAGE Item (e);
- (h) animals, fish or birds;
- (i) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (j) automobiles, motorcycles, watercraft, snowmobiles, amphibious or air cushion vehicles, farm machinery, aircraft, spacecraft, trailers, 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, unlicensed automobiles or unlicensed trailers used in the "business" of the "Insured" when on the "premises" of the "Insured";
- (k) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones;
- (l) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (m) property on loan or on rental or sold by the "Insured" under conditional sale, installment payment or other deferred payment plan, from the time of leaving the "Insured's" custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the "Insured";
- (n) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (o) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
- (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);
caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
- (p) standing crops, field crops, swathed grain and swathed seed crops;
- (q) liquefied petroleum gas, gasoline, benzene, naphtha and fuel tanks, except up to \$5,000, against loss by fire only;

- (r) property which has been delivered to any elevator company or railway company for storage or transportation purposes;

6. EXCLUDED PERILS

This Form does not insure against loss or damage caused directly or indirectly:

- (a) in whole or in part by earthquake. 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, except for loss or damage caused by resultant fire, explosion, smoke or leakage from “fire protective equipment”, all as described in Section III - DEFINITIONS, Item (m). This exclusion does not apply to property in transit.
- (b) in whole or in part by flood, including “surface water”, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. 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, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from “fire protective equipment”, all as described in Section III - DEFINITIONS, Item (m). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a water main;
- (c) (i) by 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 and directly caused by a peril not otherwise excluded in this Form;
- (ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the “premises”, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, pollution, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by “Named Perils”, rupture of pipes or breakage of apparatus not excluded under Section I – COVERAGES, ITEM 1. FARM OUTBUILDINGS AND CONTENTS, Exclusion (o) of Section 5. EXCLUDED PROPERTY, theft or attempted theft or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded in Section I – COVERAGES, ITEM 1. FARM OUTBUILDINGS AND CONTENTS, Exclusion (o) of Section 5. EXCLUDED PROPERTY;
- (f) by smoke from agricultural smudging or industrial operations;
- (g) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this Form;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. 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.
- (j) 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, nuclear explosion or contamination by radioactive material;
- (k) by any dishonest or criminal 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), but this exclusion does not apply to physical damage, caused directly by employees of the “Insured”, which results from a peril otherwise insured and not otherwise excluded under this Form;
- (l) by:
 - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from “fire protective equipment”, all as described in Section III – DEFINITIONS, Item (m);
 - (ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the “Insured”, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
 - (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;

- (c) other vessels and apparatus and pipes, connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - (d) moving or rotating machinery or parts thereof;
 - (e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - (f) gas turbines;
 - (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded;
 - (m) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;
 - (n) any and all damage to metal roofs and/or siding, caused by windstorm and/or hail, unless the damage results in the puncture of the roof or siding.
- Nor Does This Form Insure:
- (o) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
 - (p) mysterious disappearance or shortage of "equipment" or "stock" disclosed on taking inventory;
 - (q) loss or damage sustained to "equipment" or "stock" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "equipment" or "stock", unless fire or explosion as described in Section III – DEFINITIONS, Item (m) ensues and then only for such ensuing loss or damage;
 - (r) 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". 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 Form; or
 - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this Form;
 - (s) 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".

7. EXTENSIONS OF COVERAGE

The following extensions apply to the property insured under Section I – COVERAGES, ITEM 1. FARM OUTBUILDINGS AND CONTENTS and are covered against the insured perils applicable to such coverages. Unless otherwise stated, these extensions shall not increase the "amount(s) of Insurance" under this Form .

- (a) **Removal:** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss 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 herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.
- (b) **Debris Removal:**
 - (i) The Insurer will indemnify the "Insured" for expenses incurred in the removal from the "Insured's" "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.
 - (ii) 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 Declaration(s) Page.

Extensions of Coverage 7.(b)(i) and 7.(b)(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";

- (c) **Personal Property of Officers and Employees:** At the option of the “Insured”, “equipment” also includes personal property of officers and employees of the “Insured”. The insurance on such property:
- (i) shall not attach if it is insured by the owner unless the “Insured” is obliged to insure it or is liable for its loss or damage;
 - (ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;
 - (iii) shall apply only to loss or damage occurring at a location specifically described on the declarations page(s) or included in a Newly Acquired Location insured under Section I –COVERAGES, ITEM 1. FARM OUTBUILDINGS AND CONTENTS, Section 7. EXTENSIONS OF COVERAGE.
- (d) **“Building” Damage by Theft:** This Form is extended to insure damage (except by fire) to that part of a “building” occupied by the “Insured” directly resulting from theft or any attempted theft and from vandalism or malicious acts committed on the same occasion, provided the “Insured” is not the owner of such “building” and is liable for such damage and the “building” is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of \$2,500 in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.
- (e) **Growing Plants, Trees, Shrubs or Flowers in the Open:** This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by “Named Perils” (with the exception of windstorm or hail as described in Section III – DEFINITIONS, Item (m)(G) or from theft or attempted theft). This extension of coverage shall be limited to a maximum recovery, including debris removal expense of
- (i) \$500 for each growing plant, tree, shrub or flower; and
 - (ii) \$10,000 per “occurrence”.
- (f) **Newly Acquired Location:** This Form is extended to insure loss or damage to:
- (i) \$250,000. for farm “buildings”; and
 - (ii) \$10,000 for farm building “contents”,
- acquired by the “Insured” during the policy term. This amount of insurance attaches at the time of such acquisition and extends for 30 days or until endorsed on this policy, whichever first occurs. The “Insured” agrees to keep an accurate record of acquisition date, description and value of each item so covered and to pay pro rata additional premium thereon.
- This extension of coverage does not reduce the “Amount of Insurance” specified on the Summary of Coverages.
- (g) **Temporary Locations:** This Form is extended to insure loss or damage up to \$10,000 on “Equipment” and “Stock” other than at a specified location except while in transit, but there shall be no liability under this item at any location owned, rented or controlled in whole or in part by the “Insured”.
- (h) **Property In Transit:** This Form is extended to insure loss or damage to up to \$10,000 in respect of any one loss for “contents” including owned and non-owned, while in transit against losses covered by this policy.
- (i) **Electronic Data Processing Systems**

Property Covered and Limit of Liability

This Form is extended to insure the actual loss sustained by the “Insured” through direct physical loss of or damage to electronic data processing equipment including component parts thereof owned, or leased by or under the control of the “Insured” and electronic data processing media including all forms of converted data used in the “Insured’s” electronic data processing operations including such property of others for which the “Insured” may be legally liable are covered for the following limits:

- (a) Equipment - \$5,000
- (b) Media - \$5,000

This extension also covers loss or damage caused directly or indirectly:

- (a) mechanical failure, faulty construction or error in design;
- (b) short circuit, blow-out or other electrical disturbance, other than lightning within electrical apparatus; or
- (c) “computer media” failure or breakdown or malfunction of “computer equipment” including component parts when said “computer media” is being run through the equipment, for a total limit of \$2,500. Deductible with respect to this coverage is \$1,000.

Definitions:

- (a) "computer media" means material on which "data" is recorded;
- (b) "computer equipment" means electronic equipment used for data storage and word processing.

Coverage

This insurance applies while the property covered is under the control of the "Insured" and for which the "Insured" is liable while at the "premises" specified in the Declaration(s) Page and while in transit or temporary locations anywhere in Canada or the Continental United States of America (excluding Alaska).

Additional Exclusion

The Insurer shall not be liable for loss, damage or expense caused directly or indirectly by:

- (a) loss or destruction of accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents except as they may be converted to data processing media form and then only in that Form;
- (b) loss of income or any other consequential or remote loss;
- (c) programming errors or faulty machine instruction.

(j) Fire Department Charges

The Insurer will reimburse the "Insured" for fire department service charges for a total limit of \$5,000 for any one "occurrence" when:

- (a) The "Insured" has assumed such charges by Municipal contract or agreement prior to the loss;
- (b) The Fire department is called to save or protect the insured property from an insured peril; and
- (c) The insured property is on the "premises" described in the declarations page(s);
- (d) The "Insured" becomes legally obligated to pay to protect property from imminent hostile fire.

Hostile fire means a fire that becomes uncontrollable or breaks out from where it was intended to be.

This coverage is not subject to a deductible.

The limit stated above does not reduce the amount of insurance.

8. PROPERTY PROTECTION SYSTEMS

The "Insured" shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the "Insured", in any:

- (a) sprinkler or other fire extinguishing system; or
- (b) fire detection system; or
- (c) intrusion detection system;

and shall also notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

9. BREACH OF CONDITION

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the "Insured" from recovery under this Form, the breach shall not disentitle the "Insured" from recovery if the "Insured" establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the "premises" over which the "Insured" has no control.

10. PERMISSION

Permission is granted:

- (a) for other insurance concurrent with this Form;
- (b) to make additions, alterations or repairs;
- (c) 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".

11. 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 insured property 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.

12. PROPERTY OF OTHERS

At the option of the Insurer, any loss may be paid to the "Insured" or adjusted with and paid to the customer or the owner of the property.

13. LOCKED VEHICLE WARRANTY

This clause does not apply to property that is under the control of a common carrier.

Warranted by the "Insured" that any vehicle in which the insured property carried is equipped with a fully enclosed metal body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment the doors and windows of which shall have been securely locked.

14. LOSS SETTLEMENT – BASIS OF VALUATION

The value of the insured property shall be determined as follows:

A. Replacement Cost Coverage

With respect to "building(s)", "equipment", "contents of every description", and/or "property of every description" at the "premises", the value of the insured property shall be determined as follows:

- (1)
 - (a) repairs or replacement shall be effected by the "Insured" with due diligence and dispatch;
 - (b) settlement on a replacement cost basis shall be made only when replacement has been effected by the "Insured" and in no event shall it exceed the amount actually and necessarily expended for such replacement;
 - (c) failing compliance by the "Insured" with any of the foregoing provisions, settlement shall be made as if this extension had not been in effect;
 - (d) any other insurance effected by or on behalf of the "Insured" in respect of the insured perils by this policy on the property to which this extension applies shall be on the basis of replacement cost as defined in this Form;
 - (e) this coverage applies separately to each item to which it is applicable;
 - (f) if replacement is necessary, it must be on the same site or within 61 metres (200 feet) of the existing "premises";.
- (2) In this clause,
 - (a) "replacement cost" means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of the like kind and quality and for like occupancy without deduction for depreciation;
 - (b) "replacement" includes repair, construction or re-construction with new property of like kind and quality.
- (3) In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that lost or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purpose of this coverage.
- (4) If repair, replacement or reinstatement with material of like kind and quality is restricted or prohibited by any bylaw, ordinance or law, any increased cost of repair, replacement or reinstatement due thereto shall not be covered.
- (5) Exclusions:
This section does not apply to:
 - (a) "stock";
 - (b) patterns, dies, moulds;
 - (c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (d) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);
 - (e) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

- B. (1) on unsold "stock"- the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (2) on sold "stock" - the selling price after allowance for discounts;
- (3) on property of others in the custody or control of the "Insured" for the purpose of performing work upon it: the amount for which the "Insured" is liable, but not exceeding the actual cash value at the time and place of loss or damage, plus allowance for labour and materials expended to such time;
- (4) tenant's improvements:
- (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the actual cash value of the tenant's improvements at the time and place of loss or damage;
 - (ii) if not repaired or replaced with due diligence and dispatch, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease;
- (5) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):
- (i) the cost of blank materials for reproducing the records; and
 - (ii) the costs of labour to transcribe or copy the records when there is a duplicate.
- (6) all other insured property under this form and for which no more specific conditions have been set out: the actual cash value at the time and place of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.

Actual Cash Value: Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.

ITEM 2: GRAIN, FERTILIZER, CHEMICALS OR PRODUCTS

1. INSURED PROPERTY

This Form insures the following property for the "Amount of Insurance" as stated in the Summary of Coverages page:

- (i) whole threshed grain and seeds;
- (ii) fertilizers, herbicides, pesticides or chemicals usual to a "farming" operation;
- (iii) hay, straw, fodder or silage;
- (iv) feed, including ground feed, manufactured and compounded stock foods;
- (v) other farm products, materials and supplies usual to a "farming" operation, including agricultural products grown in the soil, milk, honey;

provided the insured property is stored in buildings, barns, storage tanks or enclosures on land owned, leased or operated by the "Insured".

- (vi) Harvested grain, hay, straw, fodder, silage or other produce in swaths or piles while in the field(s), for loss, destruction or damage directly caused by fire, but not to exceed a limit of \$10,000 per "occurrence". However, this limit shall not increase the "Amount of Insurance" specified on the declarations page(s).

2. INSURED PERILS

This Form insures against direct loss or damage caused by:

- (a) fire, lightning, explosion and smoke, but not smoke from agricultural smudging or industrial operations;
- (a) cyclone, tornado or windstorm, but only if the insured property is within a fully enclosed building, except for stacked bales of hay or straw;
- (b) collapse of buildings, bridges or culverts;
- (c) riot, vandalism or malicious acts, but only if the insured property is within a fully enclosed building and does not cover property being transported;
- (d) stranding or sinking or burning or collision of vessels on which the insured property is being transported, including General Average and Salvage charges incurred while water borne on land conveyances on board any regular ferry while operated on inland or coastal waters only;
- (e) collision, upset, derailment, stranding or sinking or overturn of a vehicle or attached trailer or any

conveyance on which the insured property is being transported;

- (f) impact by aircraft or land vehicle;
- (g) (i) theft from within a fully enclosed building; or
- (ii) while the property is being transported; or
- (iii) theft of stacked hay or straw bales.

3. DEDUCTIBLE

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 declarations page(s) in any one "occurrence".

4. EXCLUSIONS

This Form does not insure loss or damage caused directly or indirectly by:

- (a) to property in any storage warehouse or handling facility, in any grain or seed drying machine, elevator or grain cleaning plant;
- (b) occasioned by the neglect of the "Insured" to use all reasonable means to save and preserve the property at and after any disaster insured against or when the property is endangered by fire in neighbouring premises, or when the "Insured" has notice of any impending disaster;
- (c) caused by or resulting from in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. 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;
- (d) (i). by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Section III – DEFINITIONS, Item (m) "NAMED PERILS";
- (ii). by contamination by radioactive material;
- (e) caused by or resulting from strikes, lockouts, labour disturbances, riots, civil commotion or the acts of any person or persons taking part in any such occurrence or disorder;
- (f) caused by mysterious or unexplainable disappearance or shortage;
- (g) caused by the infidelity of the "Insured's" employees or persons to whom the insured property is entrusted;
- (vii) To unharvested grain, hay, straw, fodder, silage except for loss, destruction or damage directly caused by fire up to a limit of \$1,000 per "occurrence".

5. BASIS OF SETTLEMENT

The basis of values to be declared and the basis of settlement of any loss shall be the final closing market price of the nearest elevator.

6. EXTENSION OF COVERAGE:

Peak Season Endorsement (applicable to Fertilizer and Chemicals only)

The "Amount of Insurance" shown in the Summary of Coverages insured under this Form shall be automatically increased by 25% to provide for seasonal variations for fertilizer and chemicals only. However, this insurance shall not apply unless the "Amount of Insurance" shown in the Summary of Coverage for this coverage is 100% or more of the "Insured's" average monthly values for the 12 months immediately preceding the latest effective date (inception or renewal), or in the event the "Insured" has been in business for less than 12 months, such shorter period of time.

ITEM 3: FARM EQUIPMENT

1. INDEMNITY AGREEMENT:

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

- (a) the value of the lost or damaged property, as determined in Section 8. BASIS OF SETTLEMENT in this ITEM 3. FARM EQUIPMENT, at the time of loss or damage;
- (b) the interest of the "Insured" in the property;
- (c) the "Amount of Insurance" specified in the Summary of Coverages in respect of the property lost or damaged.

The inclusion of more than one person or interest shall not increase the Insurer's liability.

2. INSURED PROPERTY:

This form applies to the following property, for the "Amount of Insurance" as specified on the Summary of Coverages in this Form.

Machines, machinery, or implements which are owned, rented or leased by the "Insured" and are usual and incidental to a "farming" operation, within the following classes:

- (i) Combines and other harvesting equipment and machinery;
- (ii) Tractors and other self-propelled farm equipment and machinery;
- (iii) Pull-type, power takeoff and motor-driven farm equipment and machinery not included in the above classes;

3. INSURED PERILS:

This Form insures against all risks of direct physical loss or damage from any external cause except as hereinafter provided.

4. EXCLUSIONS:

This Form does not insure loss or damage:

- (a) caused by wear and tear, gradual deterioration, insects, vermin, rodents, latent or mechanical defect, inherent vice, scraping, scratching, dampness or dryness of atmosphere, corrosion, rust, freezing or extremes of temperature, contamination;
- (b) caused by mechanical or electrical breakdown or failure, repairing, adjusting, servicing or maintenance operations unless fire or explosion ensues and then only for the loss or damage by such ensuing fire or explosion;
- (c) caused by or resulting from wrongful conversion, secretion, infidelity or any other dishonest act or omission of the "Insured's" employees or other persons to whom the insured property is loaned, rented or entrusted (carriers for hire excepted);
- (d) to tires, tracks or tubes unless the loss or damage is caused by fire, windstorm, theft or vandalism or is coincident with other loss or damage insured by this policy;
- (e) 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;
- (f)
 - (i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law 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.
- (g) to the described property if used in logging, forestry, brushcutting (unless conducted on farm land owned by the "Insured") or sawmill operations;
- (h) as a result of coupling or uncoupling operations;
- (i) caused by explosion arising from within steam boilers or internal combustion engines;
- (j) caused by internal damage to combines, balers, forage harvesters or other harvesting equipment caused by clogging, compacting, plugging or piling up of straw, hay or other material intended to be ingested into the machine;
- (k) to farm equipment engaged in custom farm work or commercial contracting work or travelling in connection with either, or the gross annual receipts received therefrom are less than \$5,000.

5. DEDUCTIBLE:

The Insurer is liable for the amount by which the loss or damage caused by any of the insured perils exceeds the Deductible Amount stated on the declarations page(s); or \$1,000 whichever is higher.

6. ADDITIONAL ACQUISITIONS:

Equipment of a nature similar to that insured by this Form and newly acquired by the "Insured" as owner during the policy period, shall be covered automatically by this Form for 30 days from date of acquisition. At the end of the 30 day period, this Form shall cease to cover such additional items unless the "Insured" has reported them to the Insurer and paid the premium thereon from date of acquisition at pro rata of the policy rate.

In no event shall the liability of the Insurer under this clause exceed the actual cash value of the property nor more than \$50,000 whichever is the lesser.

7. TERRITORIAL LIMITS:

This insurance covers within the limits of Canada and the Continental United States (excluding Alaska).

8. BASIS OF SETTLEMENT

(A) Actual Cash Value

The Insurer shall not be liable for more than the actual cash value of the property at the time any loss or damage occurs.

The loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality. The Insurer may repair any damage to the property or replace any lost or damaged property with other of like quality and value, if the Insurer so elects.

(B) Limited Waiver of Depreciation

The Insurer agrees to waive depreciation on any farm equipment, scheduled on file with the Insurer, in the event of a total loss to the equipment provided that:

- (i) the "Insured" is the original purchaser of the equipment exclusive of the selling dealer;
- (ii) the loss or damage occurs within 60 months of the date on which the equipment was first delivered to the "Insured";
- (iii) for the 60 months, the "Insured" agrees to maintain insurance on the equipment to 100% of the purchase price;
- (iv) depreciation will not be waived with respect to:
 - (1) tires and batteries;
 - (2) betterment resulting from the repair or replacement of parts having prior unrepaired damage;
 - (3) in the event of a total loss to the equipment, the Insurer will pay the lesser of the actual purchase price at the original date of purchase or the manufacturer's suggested list price including all applicable taxes, if any.

This waiver does not apply to any equipment used for any custom "farming" operations.

9. Condition Warranty:

It is warranted by the "Insured" that the property insured hereunder is in sound condition at the time of attachment of this insurance.

10. Extension of Coverage:

Farm Equipment Rental Reimbursement

If there is loss or damage as a result of an insured peril to Farm Equipment described in the Schedule on file with the Insurer, the Insurer shall be liable for such rental expense as may be necessarily incurred in the rental of substitute equivalent equipment in order to continue the normal conduct of the "Insured's" "business" subject to the following provisions:

1. The Insurer's liability for such expense shall not exceed the amount incurred during the period commencing with the date of loss and ending when such equipment has been, or in the exercise of due diligence and dispatch should have been, repaired or replaced by the "Insured" whichever first occurs.
2. The Insurer's liability under this extension of coverage shall not exceed the "Amount of Insurance" stated on the Summary of Coverages in this Form.
3. It is a condition of this extension of coverage that:
 - (i) as soon as practicable after any loss, the "Insured" shall resume operation of the insured property and, insofar as possible, reduce or dispense with such additional expenses as are being incurred.
 - (ii) the "Insured" will substitute other equipment at his or her disposal if any such equipment is idle.

ITEM 4: FARM LIVESTOCK

1. INSURED PROPERTY:

This Form insures livestock owned by the "Insured" for the "Amount of Insurance" specified on the Summary of Coverages in this Form.

2. INSURED PERILS:

This Form insures livestock against death or destruction resulting from or made necessary by:

- (a) fire, smoke, lightning or explosion or artificial electricity;

- (b) windstorm, cyclone, tornado, hail, blizzard;
- (a) riot, civil commotion, vandalism or malicious acts;
- (b) impact by aircraft and objects falling therefrom;
- (e) drowning, breaking or falling through ice or stranding in mud;
- (f) collapse of any building, bridge or culvert, any falling structure, tree or part thereof;
- (g) accidental shooting except by the "Insured" or employees of the "Insured";
- (h) collision, upset, derailment, stranding or sinking or overturn of a vehicle or attached trailer or any conveyance on which the insured property is being transported; this peril also applies to non-owned livestock.
- (i) stranding or sinking or burning or collision of vessels on which the insured property is being transported, including General Average and Salvage charges incurred while waterborne on land conveyances on board any regular ferry while operated on inland or coastal waters only;
- (j) attacks by dogs (except those owned by the "Insured") or wild animals;
- (k) entrapment, meaning the accidental and involuntary ensnaring or restraint of an animal.
This peril does not include loss or damage:
 - (i) due to animal birth;
 - (ii) while in transit, or being loaded or unloaded;
 - (iii) while being handled or forcibly restrained;
 - (iv) due to splitting; or
 - (v) suffocation of animal in their own fluids including when caused by the animal's inherent inability to regain an upright position.
- (l) impact by vehicles except those owned or operated by the "Insured" or employees of the "Insured";
- (m) theft, but excluding escape or mysterious disappearance.

3. EXCLUSIONS

This policy does not insure:

- (a) loss or damage occurring while at any stockyard or on the grounds of any racetrack;
- (b) loss or damage occurring outside the territorial limits of Canada or the Continental United States (excluding Alaska);
- (c) loss or damage caused by dishonesty of employees or any persons to whom the insured property is entrusted (carriers for hire excepted);
- (d) indirect or consequential loss or damage to livestock by heat, cold, suffocation, loss of weight, stampede or other causes occurring as a consequence of damage caused by an insured peril to property other than the livestock insured except as provided by the peril of entrapment described in Section 2. INSURED PERILS in this ITEM 4. FARM LIVESTOCK;
- (e) caused by delay or loss of market;
- (f) caused by death resulting or contributed to by any disease, whether consequent upon an insured peril or not;
- (g) caused by the seizure or confiscation by order of any Government or public authority or risks of contraband or illegal transportation or trade;
- (h) caused by neglect of the "Insured" to use all reasonable means to save and preserve the livestock at and after any disaster insured against;
- (i) while in any aircraft;
- (j) where the carcass(es) have been disposed of by the "Insured" prior to receiving permission of the Insurer to do so.

4. CO-INSURANCE:

The "Insured" shall maintain insurance on the livestock to at least 80% of the market value of such livestock owned by the "Insured". If the "Insured" fails to maintain such insurance, they shall only be entitled to recover that portion of a loss that the amount insured at the time of loss bears to 80% of the market value of such livestock.

5. EXTENSIONS OF COVERAGE

(a) Veterinary Supplies

This Form is extended to insured medicines and/or supplies of a veterinarian or veterinarian service, for an insured peril, but only for the amount of \$2,500.

(b) Tack

This Form is extended to insure loss or damage by an insured peril, to "tack" in the amount of \$1,000. "Tack" means stable gear, including saddles, bridles, harness, bits, blankets and grooming tools, but not including grooming products and/or veterinary medicines.

ITEM 5: LIMITED BY-LAWS COVERAGE

The Insurer will pay the additional cost of demolition, construction or repairs which is required to comply with any law regulating demolition, construction or repairs of the buildings for insured loss or damage, up to \$10,000.

This includes:

- (a) loss resulting from the demolition of any undamaged portion of the building or structure;
- (b) or the cost of demolishing and clearing the site of any undamaged portion of the building or structure;
- (c) or any increase in the cost of repairing, replacing or constructing the buildings or structures on the same site and for the same use or occupancy.

The Insurer will not pay:

- (a) more than \$10,000.
- (b) more than the minimum amount required to comply with any law;
- (c) the additional cost, unless the "Insured's" property is actually repaired, rebuilt or replaced on the same site, even if the by-law, regulation, ordinance or law prohibits rebuilding on the same site.

This coverage applies separately to each building at the location to which this endorsement applies.

ITEM 6: EARNINGS NO CO-INSURANCE

1. INDEMNITY AGREEMENT

This Form insures, up to the "Amount of Insurance" stated on the Summary of Coverages page, against loss directly resulting from necessary interruption of "business" caused by destruction or damage by the perils insured against, to "building(s)", or "contents" on the "premises" described on the declarations page(s).

2. MEASURE OF RECOVERY

- (a) This insurance is limited to the "Insured's" interest in loss of "earnings" sustained, less operating expenses which do not necessarily continue, commencing with the date of damage or destruction but not limited by the expiration of this insurance, as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the damaged or destroyed property.

The Insurer shall not be liable in any 30 consecutive calendar days for more than 25% of the amount stated.

- (b) In determining the loss under this Form, due consideration shall be given to:
 - (i) the "earnings" of the "business" before the date of damage or destruction and to the probable "earnings" thereafter, had no loss occurred;
 - (ii) the continuation of operating expenses, including payroll expenses to the extent necessary to resume operations with the same quality of service which existed immediately preceding the loss;
 - (iii) the reduction of loss which could be made possible by the "Insured" resuming complete or partial operation of the described property, or by making use of other property.

3. EXPENSES TO REDUCE LOSS

This Form also insures such expenses as are necessarily incurred for the purpose of reducing loss under this Form (except expense incurred to extinguish a fire), but in no event shall the aggregate of such expenses exceed the amount by which the loss under this Form is thereby reduced.

4. EXCLUSIONS

This Form does not insure:

- (a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- (b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing or replacing the property damaged or destroyed or the resumption or continuation of "business" or free access to or control of the "premises" or due to the action of sympathetic strikers elsewhere;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;

- (d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the "Insured's" "earnings" after the period following any loss during which indemnity is payable.

5. MEDIA LIMITATION

With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the insured perils, the length of time for which the Insurer shall be liable hereunder shall not exceed:

- (a) 30 consecutive calendar days, or
 - (b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed,
- whichever is the greater length of time.

6. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding two (2) weeks, while access to the described "premises" is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by an insured peril.

ITEM 7: EXTRA EXPENSE

1. INDEMNITY AGREEMENT

This Form insures, up to the "Amount of Insurance" specified in the Summary of Coverages page, the necessary "extra expense" incurred by the "Insured" in order to continue as nearly as practicable the "normal" conduct of the "Insured's" "business" following damage to or destruction by the insured perils to the building(s), or "contents" on "premises" specified in the declarations page(s), for not exceeding such length of time, herein referred to as the "period of restoration", commencing with the date of the loss and not limited by the expiration date of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the "building(s)" or "contents" as may be destroyed or damaged.

2. AMOUNT OF INSURANCE

The "Amount of Insurance" payable at the time of the loss shall in no event exceed 100% of the "Amount of Insurance" specified on the Summary of Coverages in this Form, for the first month. In the event that the "extra expense" incurred by the "Insured" during the first month does not exhaust the "Amount of Insurance" hereby provided, then such unexhausted insurance shall apply for the remainder of the period of restoration.

3. RESUMPTION OF OPERATIONS

As soon as practicable after any loss, the "Insured" shall resume complete or partial "business" operations of the property described and, in so far as practicable, reduce or dispense with such extra expenses as are being incurred.

4. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding two (2) weeks, while access to the "premises" described in the declarations page(s) is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by an insured peril.

5. SPECIAL EXCLUSIONS

The Insurer shall not be liable for:

- (a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- (b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of "business" or free access to or control of the "premises" or due to the action of sympathetic strikers elsewhere;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- (d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order;
- (e) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing.

ITEM 8: FOREST FIRE FIGHTING EXPENSES

Attached to and forming part of LF02, Farm Liability Form, if insured under this policy.

The Insurer will pay those third party expenses that the "Insured" becomes legally obligated to pay under the Alberta Forest and Prairie Protection Act, 1980 (including subsequent amendments) or equivalent legislation of any province or territory of Canada, but only as respects to others for controlling and/or extinguishing fires.

The expense must be incurred as a result of an "occurrence". The "occurrence" must take place in the "coverage territory" during the policy period.

The insurance provided by this endorsement does not apply to:

- (a) the expense of controlling and extinguishing fires if it is found that in the circumstances giving rise to such expense, there has been any contravention by the "Insured" of the terms and conditions as set out in any relative act, statute, or regulation in respect of the lighting, controlling or extinguishing of fires;
- (b) any expense incurred directly by the "Insured" in controlling and extinguishing fires;
- (c) fines and penalties imposed upon the "Insured";
- (d) those expenses incurred by contractors or subcontractors already engaged by the "Insured", in connection with the contract out of which the loss occurs;
- (e) liability assumed by the "Insured" under any contract or agreement, except liability that would have existed in the absence of such contract or agreement;
- (f) any action brought against any of the Insureds by any other Insured under this policy with respect to the recovery of those expenses which the Insured may become legally obligated to pay because of controlling and extinguishing forest fires.

In the event of a hostile fire not compromising the "Insured's" premises, the Insurer will pay those third party expenses that the "Insured" becomes legally obligated to pay arising out of controlling and extinguishing fires.

The Limit of Liability with respect to this extension shall be as stated in the Summary of Coverages in this Form, which shall be part of and not in addition to the limits of liability as stated in the Declaration Page(s) applicable to the Farm Liability Form LF02 or in any amending forms, and shall not be cumulative with any limits stated elsewhere in the policy.

In the event of a claim under this extension the "Insured" shall pay the deductible stated on the Declaration Page(s) and the Insurer shall be liable for any amount in excess thereof, not to exceed the Limit of Liability stated on the Declaration Page(s) as applicable to this extension.

SECTION II – AUTOMATIC REINSTATEMENT

Applicable to Section I – COVERAGES, ITEMS 1 to 6.

Loss under any item of this Form shall not reduce the applicable "Amount of Insurance".

SECTION III - DEFINITIONS

- (a) "**Amount of Insurance**" means the maximum amount the Insurer will pay for any one "occurrence" or incident no matter how many people covered by this policy are involved. Different amounts apply to different coverages and these amounts are shown on the Summary of Coverages in this Form;
- (b) "**Building(s)**" means:
the "building(s)" described on the declarations page(s) and includes:
 - (1) fixed structures pertaining to the "building(s)" and located on the "premises";
 - (2) additions and extensions communicating and in contact with the "building(s)";
 - (3) permanent fittings and fixtures attached to and forming part of the "building(s)";
 - (4) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - (5) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the "Insured" is the owner of the "building".
- (c) "**Business**" means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation.
- (d) "**Business Property**" means property pertaining to a "business", trade, profession or occupation, but does not

include property used for "farming".

- (e) **"Contents"** means "Equipment" and "Stock".
- (f) **"Earnings"** means the net profit plus payroll expense, taxes, interest, rents and all other operating expenses earned by the "business".
- (g) **"Equipment"** means:
 - (1) generally all contents usual to the "Insured's" "business" including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;
 - (2) similar property belonging to others which the "Insured" is under obligation to keep insured or for which he is legally liable;
 - (3) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the "Insured" to a "building" occupied by the "Insured" and which are not otherwise insured, provided the "Insured" is not the owner of such "building". If the "Insured" purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the "Insured".
- (h) **"Extra Expense"** means the excess (if any) of the total cost during the period of restoration for the purpose of continuing the "Insured's" "business" over and above the total cost that would normally have been incurred to conduct the "business" during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses.
 In no event, however, shall the Insurer be liable under this Form for loss of income nor for "extra expense" in excess of that necessary to continue as nearly as practicable the "normal" conduct of the "Insured's" "business", nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the insured perils, except cost in excess of the "normal" cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "extra expense"; liability for such excess cost, however, shall not exceed the amount by which the total "extra expense" otherwise payable under this Form is reduced.
 The Insurer shall also be liable for "extra expense" incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the "Insured's" "business"; any salvage value of such property remaining after resumption of "normal" operations shall be taken into consideration in the adjustment of any loss hereunder.
- (i) **"Farming"** means the ownership, maintenance or use of "premises" and machinery for the production of crops or the care or raising of livestock, including all necessary operations. Farming also includes the operation of roadside stands and farm markets maintained principally for the sale of the "Insured's" own farm products.
- (j) **"Fire Protective Equipment"** includes tanks, "water mains", hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (1) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (2) any "water mains" or appurtenances located outside of the described "premises" and forming a part of the public water distribution system;
 - (3) any pond or reservoir in which the water is impounded by a dam.
- (k) "Insured", if in the name of an individual, means the person(s) named as Insured on the declarations page and, while living in the same household:
 - (1) his or her spouse;
 - (2) the relatives of either; and
 - (3) any person under 21 in their care.

Spouse means a person

 - (a) who is married to or has entered into a civil union with another person and is living with that person; or
 - (b) who has been living with another person of the opposite or the same sex and has been publicly represented as that person's spouse for at least two (2) years; or
 - (c) in the following cases, for at least one (1) year if:
 - a child has been born or is to be born of their union; or
 - they have adopted a child together; or
 - one of them has adopted a child of the other.

In addition, a student who is enrolled in and attends a school, college or university and who is dependent on the Named Insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principal residence stated on the Declarations Page.
- (l) **"Month"** means 30 consecutive days.

(m) **"Named Perils"** means:

(A) **FIRE OR LIGHTNING**

- (B) **EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the "Insured":
- (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (c) 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 therefrom;
 - (d) smelt dissolving tanks;
 - (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
 - (v) gas turbines;
- The following are not explosions within the intent or meaning of this section:
- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure or freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- (C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.
- There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:
- (i) caused by land vehicles belonging to or under the control of the "Insured" or any of his employees;
 - (ii) to aircraft, spacecraft or land vehicles causing the loss;
 - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".
- (D) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees. There shall in no event be any liability hereunder for loss or damage:
- (i) due to cessation of work or by interruption to process or "business" operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Item 9(m);
 - (iii) due to theft or attempt thereat.
- (E) **SMOKE:** The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- (F) **LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term Leakage From Fire Protective Equipment means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the Declaration(s) Page or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
- (G) **WINDSTORM OR HAIL:** There shall in no event be any liability hereunder for loss or damage:
- (i) to the interior of the insured "building" or its contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip.
- (n) **"Normal"** means the condition that would have existed had no loss occurred.
- (o) **"Occurrence"** means a loss to insured property caused by one or more of the insured perils.
- (p) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the declarations page(s) and in or on vehicles within 100 metres (328 feet) of such location.
- (q) **"Stock"** means:
- (1) merchandise of every description usual to the "Insured's" "business";
 - (2) packing, wrapping and advertising materials; and

- (3) similar property belonging to others which the "Insured" is under obligation to keep insured or for which he is legally liable.
- (r) "**Vacant**" refers to the circumstance where, regardless of the presence of furnishings:
 - (1) all occupants have moved out with no intention of returning and no new occupant has taken up residence; or,
 - (2) in the case of a newly constructed "building", no occupant has yet moved in.
- (s) "**Water main**" means a pipe forming a part of a water distribution system, which conveys consumable water but not wastewater.