

## Farm Advantage Form

Summary of Coverages			
Section	Coverage No.	Coverage	Limit
A.	1.	Accident Insurance	\$5,000
B.	1.	Borrowed Property	\$25,000
	2.	Brands and Labels	\$25,000
	3.	Corrals	\$5,000
	4.	Cost of Preparing Proof of Loss	\$1,000
	5.	Exhibition Floater	\$5,000
	6.	Farm Tanks and Fuels	\$5,000
	7.	Farm Tools and Parts	\$2,500
	8.	Farm Water System	\$2,500
	9.	Field Crops, Hay, Straw, Fodder and Silage <ul style="list-style-type: none"> <li>• Fire only to standing or swathed grain: \$15,000</li> <li>• Fire only to hay, straw fodder and silage: \$5,000</li> <li>• Impact by land vehicle to standing or swathed grain, hay, straw, fodder and silage; \$1,000</li> </ul>	
	10.	Fire Department Service Charges	\$10,000
	11.	Limited By Laws	\$10,000
	12.	Professional Fees	\$3,000
	13.	Seeding Stock Supply	\$10,000

### A. ACCIDENT INSURANCE

#### 1. Accident Insurance – Death:

Subject to the limitations below, if death of an insured results directly and independently of all other causes from bodily injury caused solely by external, violent and accidental means, and such death occurs within 365 days after such injury we will pay \$5,000 to the Insured's estate .

The most we will pay as the result of one occurrence is \$5,000.

#### Limitations

A. No benefit shall be payable unless the death of the Insured is a direct result of:

- Fire on the premises; or
- Farming operations on the premises.

B. No benefit shall be payable if the death of the insured results from or was in any manner or degree associated with or occasioned by:

- suicide or self-inflicted injury ;
- war, declared or undeclared, insurrection or participation in a riot; or full or part-time military service;
- travel or flight in or descent from any kind of aircraft;
- viral infections; bacterial infections (except pyogenic bacterial infections which occur with and through an accidental bodily injury); any form of disease or illness or physical or mental infirmity; medical or surgical treatment;
- the attempt or commission of a crime by the insured;
- any poison, drug, gas or fumes, voluntarily or otherwise, taken, administered, absorbed or inhaled; or
- a motor vehicle, if at the time and place of an occurrence, the involved motor vehicle:
  - (1) is registered for use on public roads or property

- (2) is not registered for use on public roads or property, but such registration is required by law, or regulation issued by a government agency, for it to be used at the place of occurrence.

The following Statutory Conditions apply to the foregoing Accident Insurance coverage:

### **Statutory Conditions**

1. **THE CONTRACT** - The application, this policy, any document attached to this policy, any document attached to this policy when issued, and any amendment to the contract agreed on in writing after the policy is issued, constitute the entire contract and no agent has authority to change the contract or waive any of its provisions.
2. **MATERIAL FACTS** - No statement made by the insured or person insured at the time of application for the contract shall be used in defence of a claim under or to avoid this contract unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.
3. **NOTICE AND PROOF OF CLAIM:**
  - (1) The Insured or a person insured, or a beneficiary entitled to make a claim, or the agent of any of them, must
    - (a) give written notice of claim to the Insurer
      - (i) by delivery of the notice, or by sending it by registered mail to the head office or chief agency of the Insurer in the province, or
      - (ii) by delivery of the notice, to an authorized agent of the Insurer in the province, not later than 30 days after the date a claim arises under the contract on account of an accident,
    - (b) within 90 days from the date a claim arises under the contract on account of an accident, furnish to the Insurer such proof as is reasonably possible in the circumstances of:
      - (i) The happening of the accident,
      - (ii) The loss caused by the accident,
      - (iii) The right of the claimant to receive payment,
      - (iv) The claimant's age, and
      - (v) If relevant, the beneficiary's age, and
    - (c) if so required by the insurer, furnish a satisfactory certificate as to the cause or nature of the accident, for which claim is made under the contract,
  - (2) Failure to give notice of claim or furnish proof of claim within the time required by this condition does not invalidate the claim if
    - (a) the notice or proof is given or furnished as soon as reasonably possible, and in no event later than one (1) year after the date of the accident and it is shown that it was not reasonably possible to give the notice or furnish the proof in the time required by this condition, or
    - (b) in the case of death of the person insured, if a declaration of presumption of death is necessary, the notice or proof is given or furnished no later than one (1) year after the date a court makes the declaration.
4. **INSURER TO FURNISH FORMS FOR PROOF OF CLAIM** – The insurer must furnish forms for proof of claim within 15 days after receiving notice of claim, but where the claimant has not received the forms within that time he may submit his proof of claim in the form of a written statement of the cause or nature of the accident giving rise to the claim and of the extent of the loss.
5. **RIGHTS OF EXAMINATION** – As a condition precedent to recovery of insurance money under this contract in the case of death of the person insured, the insurer may require an autopsy subject to any law of the applicable jurisdiction relating to autopsies.
6. **WHEN MONEY PAYABLE** – All money payable under this contract shall be paid by the insurer within 60 days after it has received proof of claim.
7. **In Manitoba:**  
**Waiver**  
The insurer shall be deemed not to have waived any condition of this contract, either in whole or in part, unless the waiver is clearly expressed in writing signed by the insurer

LIMITATION OF ACTIONS – An action or proceeding against the insurer for the recovery of a claim under this contract shall not be commenced more than one year after the date the insurance money became payable or would have become payable if it had been a valid claim.

**B. PROPERTY**

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION 9.**

**1. INDEMNITY AGREEMENT**

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

- (a) the value of the lost or damaged property as determined in Clause 8. LOSS SETTLEMENT – BASIS OF VALUATION;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the Summary of Coverages in this Form in respect of the lost or damaged property.

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

**2. COVERAGES**

**1. Borrowed Property**

This coverage insures against direct physical loss or damage to farm personal property owned in whole by others, while in the Insured's care, custody and control, caused by an Insured peril, for the limit of insurance stated in the Summary of Coverages in this Form. If there is other insurance covering the same loss or damage the Insurer shall pay only for the amount of covered loss or damage in excess of the amount due for that other insurance.

The deductible for this coverage is \$1,000.

**2. Brands and Labels**

In case of loss or damage to property bearing a brand or trademark, or the sale of which in any way carries or implies the guarantee of the responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal and or re-identifying such brands or trademarks or other identifying characteristics. The cost of such removal shall be born by the Insurer up to the Limit of Insurance specified in the Summary of Coverages provided for this item in this Form.

**3. Corrals**

The Insurer will pay up to the Limit of Insurance indicated in the Summary of Coverages in this Form, in any one occurrence for direct physical loss of or damage to corrals and/or fences (excluding pasture fences) caused by fire and lightning, and/or impact by aircraft, spacecraft or land vehicle.

The deductible for this coverage is \$1,000.

**4. Cost of Preparing Proof of Loss**

We will pay up to the limit of insurance shown in the Summary of Coverages in this Form for reasonable professional expenses incurred by you in preparing the proof of your loss or any other exhibits required by this policy. No deductible applies to this coverage.

**5. Exhibition Floater**

The Insurer will pay up to the limit of insurance shown in the Summary of Coverages in this Form for direct physical loss of or damage to farm property while at any fair ground, exhibition or exposition for the purpose of exhibition sale, caused by an insured peril.

The deductible for this coverage is \$1,000.

**6. Farm Tanks and Fuel**

The Insurer will pay up to the limit of insurance shown in the Summary of Coverages in this Form in any one occurrence for direct physical loss or damage to fuel tanks, fuel tank stands, and liquefied petroleum or manufactured gas stored on the "premises", caused by the following insured perils; fire or

lightning, explosion, smoke, falling object, impact by aircraft or land vehicle, vandalism, riot, water damage, windstorm, hail or theft.

The deductible for this coverage is \$1,000.

**7. Farm Tools and Spare Parts**

The Insurer pay up to the limit of insurance shown in the Summary of Coverages in this Form in any one occurrence for direct physical loss of or damage to farm tools and spare parts by an insured peril, to "tools" and spare parts used in the "farming" operations. while on the insured "premises".

The deductible for this coverage is \$1,000.

**8. Farm Water System Coverage**

The Insurer will pay up to the limit of insurance shown in the Summary of Coverages in this Form for direct physical loss or damage to a water pump, pressure system and pump house used in whole or in part for "farming" purposes, caused by an insured peril. .

**9. Field Crops**

The Insurer will pay up to \$15,000 in any one occurrence for direct physical loss by fire to standing or swathed grain and seed crops and up to \$5,000 in any one occurrence for direct physical loss by fire to hay, straw, fodder and silage.

The Insurer will pay up to \$1,000 for impact by land vehicle to standing or swathed grain, hay, straw, fodder and silage. If there is other insurance covering the same loss or damage we will pay only for the amount of covered loss or damage in excess of the amount due for that other insurance.

The deductible for this coverage is \$1,000.

**10. Farm Fire Department Service Charges**

The Insurer will pay up to the limit of insurance shown in the Summary of Coverages in this Form reimburse the "Insured" for fire department service charges for a total limit of \$10,000 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 a peril insured against;
- and
- c) the insured property is on the "premises" .
- 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.

**11. Limited By-Laws**

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 that are insured under this policy, for insured loss or damage.

This includes:

- (i) loss resulting from the demolition of any undamaged portion of the building or structure; or
- (ii) the cost of demolishing and clearing the site of any undamaged portion of the building or structure; or
- (iii) 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 the limit of insurance shown in the Summary of Coverages applicable to this Form;
- (b) more than the minimum amount required to comply with any law;
- (c) the additional cost, unless the insured 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 "premises".

This coverage does not insure against:

- 1. the enforcement of any bylaw, regulation, ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;

2. direct or indirect loss, damage, cost or expense, arising out of "clean up" resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants";
3. direct or indirect loss, damage, 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"; or
4. the enforcement of any bylaw, regulation, ordinance or law which would apply in the absence of this loss.

## **12. Professional Fees**

The Insurer will pay up to the limit of insurance shown in the Summary of Coverages in this Form in any one occurrence to cover the Insured's cost to research, replace or restore the lost information on farm operations records damaged by an insured peril.

## **13. Seeding Stock Supply**

The Insurer will pay up to pay up to the limit of insurance shown in the Summary of Coverages in this Form in any one occurrence for direct physical loss or damage to harvested certified seed, chemicals and fertilizer, caused by the following insured perils: fire or lightning, explosion, smoke, falling object, impact by aircraft or land vehicle, riot, water damage , windstorm or hail.

The deductible for this coverage is \$1,000.

## **3. DEDUCTIBLE**

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified in the "declarations page(s)" in any one occurrence.

## **4. INSURED PERILS**

This Form, except as otherwise provided, insures against all risks of direct physical loss of or damage to the insured property.

## **5. EXCLUSIONS**

### **A. 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 their attached equipment, street clocks, exterior signs, exterior glass or vitrolite and its lettering or ornamentation, 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 than 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 habitational 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 Clause 9. DEFINITIONS, Item (k)(ii) 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 B. Coverage 9 (Field Crops, Hay, Straw, Fodder and Silage), in this Form;
- (h) money, "cash cards" bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) or tokens, or evidence of debt or title;
- (i) property insured under the terms of any Marine Insurance;
- (j) property from the time of leaving the Insured's custody if it is:

- (i) loaned or rented or leased to others; or
  - (ii) sold by the Insured under conditional sale or instalment payment or other deferred payment plan.
- This exclusion (j) 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;
- (k) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
  - (l)
    - (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 its connected piping and equipment, 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 from the furnace to the atmosphere;
  - (m) standing crops, field crops, swathed grain and swathed seed crops;
  - (n) liquefied petroleum gas, gasoline, benzene, naphtha and fuel tanks, other than as provided in Section B, Coverage 6 (Farm Tanks and Fuels) of this Form;
  - (o) property which has been delivered to any elevator company or railway company for storage or transportation purposes.
  - (p) loss or damage sustained to "equipment" or "stock" while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of "equipment" or "stock", unless fire or explosion as described in Clause 9. DEFINITIONS, Item (k)(ii) ensues and then only for such ensuing loss or damage.

## **B. 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 directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 9. DEFINITIONS, Item (k). 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 Clause 9. DEFINITIONS, Item (k). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a water main;
- (c) by water damage which includes loss or damage:
  - (i) arising from water from the accumulation of rain, ice or snow on the roof, which enters the "building" through doors, roofs; 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;
  - (ii) caused by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows, or other basement openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently caused by a peril not otherwise excluded;
  - (iii) caused by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless 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)
  - (i) by dampness or dryness of atmosphere;
  - (ii) by changes in or extremes of temperature, heating or freezing;
  - (iii) by total or partial interruption to the supply of electricity, water, gas or steam;
 This exclusion (e) does not apply to:
  - (1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph (l) of EXCLUDED PROPERTY 5.A.;
  - (2) damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph (l) of EXCLUDED PROPERTY 5.A.;
  - (3) loss of or damage to “building” or “equipment” caused directly by “Named Perils”, theft or attempted theft;
  - (4) loss or damage caused directly by an accident to a transporting conveyance;
- (f)
  - (i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
  - (ii) by contamination;
  - (iii) by marring, scratching or crushing.
 This exclusion (f) does not apply to loss or damage caused directly by:
  - (1) “Named Perils”;
  - (2) rupture of pipes or breakage of apparatus not excluded in paragraph (l) of EXCLUDED PROPERTY 5.A.;
  - (3) theft or attempted theft;
  - (4) an accident to a transporting conveyance;
- (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) in whole or in part 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)
  - (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, nuclear explosion, except for ensuing loss or damage which results directly by fire, lightning or explosion of natural, coal or manufactured gas, all as described in Clause 9. DEFINITIONS Item (k);
  - (ii) by contamination by radioactive material;
- (k)
  - (i) any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
  - (ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
  - (iii) by any dishonest or criminal act committed by anyone, except as stated in EXCLUDED PERIL 5.B. (k)(ii) when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.  
This exclusion 5.B.(k)(iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.
- (l) by:
  - (i) snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 9. DEFINITIONS, Item (k);
  - (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,
    - (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 their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
  - (c) other vessels and apparatus and their connected pipes, 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 its parts;
  - (e) any vessels and apparatus and their connected pipes while undergoing pressure tests but this exclusion does not apply to other insured property that has been damaged by such explosion;
  - (f) gas turbines;
- This exclusion (l) does not apply to loss or damage caused by resultant fire;
- (m) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded;
  - (n) proximately or remotely, arising in consequence of or contributed to by the enforcement of any bylaw, 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.

#### **C. OTHER EXCLUDED LOSSES:**

This form does not insure:

- (a)
  - (i) wear and tear;
  - (ii) rust or corrosion;
  - (iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

This exclusion (a) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- (b) the cost of making good:
  - (i) faulty or improper material;
  - (ii) faulty or improper workmanship;
  - (iii) faulty or improper design.

This exclusion (b) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- (c) mysterious disappearance or shortage of "equipment" or "stock" disclosed on taking inventory.

#### **D. DATA EXCLUSION**

- (a) This Form does not insure "data".
- (b) This Form does not insured loss or damage caused directly or indirectly by "data problem". This exclusion (b) does not apply to loss or damage caused directly by a resultant "Named Perils" (excluding Riot, Vandalism and Malicious Acts), all as described in Clause 9. DEFINITIONS, Item (k).

#### **E. 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". 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;



- (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. BREACH OF CONDITION**

If the Insured does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the Insured proves that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if the Insured fails to comply with a condition in part of the "premises" over which the Insured has no control.

## **7. REINSTATEMENT**

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

## **8. LOSS SETTLEMENT – BASIS OF VALUATION**

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

### **Replacement Cost Coverage**

- A. 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 adjacent site.
  - (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. (a) 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;
- (b) on sold "stock" - the selling price after allowance for discounts;
- (c) 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;
- (d) 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;
- (e) 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.
- (f) 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.

## 9. DEFINITIONS

Wherever used in this Form:

- (a) "Building(s)" means:
  - the building(s) described on the "declarations page(s)" and includes:
    - (i) fixed structures pertaining to the building(s) and located on the "premises";
    - (ii) additions and extensions communicating and in contact with the "building(s)";
    - (iii) permanent fittings and fixtures attached to and forming part of the "building(s)";
    - (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
    - (v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
- (b) "Business" means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation.
- (c) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes;
- (d) "Contents of every description" means "equipment" and "stock" as defined in this Form.
- (e) "Data" means representations of information or concepts, in any form.
- (f) "Data problem" means:
  - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
  - (ii) error in creating, amending, entering, deleting or using "data"; or
  - (iii) inability to receive, transmit or use "data".
- (g) "Declarations page(s)" means the Declarations Page including any supplementary page or schedules of coverages attached to them, applicable to this policy.
- (h) "Equipment" means:

- (i) 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 defined in this Form;
- (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- (iii) 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.
- (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 your 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:
  - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - (ii) any "water mains" or appurtenances located outside of the described "premises" and forming a part of the public water distribution system;
  - (iii) any pond or reservoir in which the water is impounded by a dam.
- (k) "Named Perils" means:
  - (i) FIRE OR LIGHTNING
  - (ii) EXPLOSION: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability under this Form for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured.
    - (1) 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 their parts 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 from them;
    - d. smelt dissolving tanks;
    - (2) other vessels and apparatus, and pipes connected, 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;
    - (3) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
    - (4) any vessels and apparatus and pipes connected, while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
    - (5) 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.- (iii) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE: The terms "aircraft" and "spacecraft" include articles dropped from them.  
 There shall in no event be any liability for cumulative damage or for loss or damage:
  - (1) caused by land vehicles belonging to or under the control of the Insured or any of his employees;

- (2) to aircraft, spacecraft or land vehicles causing the loss;
  - (3) caused by any aircraft or spacecraft when being taxed or moved inside or outside of "buildings".
- (iv) RIOT, VANDALISM OR MALICIOUS ACTS: The term "riot" includes open assemblies of strikers inside or outside the "premises", who have quit work and of locked-out employees. There shall in no event be any liability for loss or damage:
  - (1) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
  - (2) 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 Section 9. DEFINITIONS Item (k)(ii);
  - (3) due to theft or attempted theft.
- (v) 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 for any cumulative damage.
- (vi) LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT: The term "Leakage From Fire protective Equipment" means
  - (1) the leakage or discharge of water or other substance from;
  - (2) the collapse of;
  - (3) the rupture due to freezing of:
 "fire protective equipment" for the "premises" or adjoining premises.
- (vii) WINDSTORM OR HAIL: There shall in no event be any liability for loss or damage:
  - (1) to the interior of the "building" or to "contents of every description" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
  - (2) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, iceload, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip.
- (l) "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.
- (m) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such location.
- (n) "Property of every description" means "building(s)", "equipment" and "stock" as defined in this Form.
- (o) "Stock" means:
  - (i) merchandise of every description usual to the Insured's "business";
  - (ii) packing, wrapping and advertising materials; and
  - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.
- (p) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
- (q) "Tools" means any device, apparatus, or instrument which is independent of any other apparatus and upon its own, is used for machinery, equipment, or building repair, construction or maintenance, related to the "farming" operations only.
- (r) "Water main" means a pipe forming a part of a water distribution system, which conveys consumable water but not wastewater.