

Farm Equipment Floater

1. Indemnity Agreement:

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

- (a) The value of the lost or damaged property as determined in Section 10. Basis of Settlement at the time of loss or damage;
 - (b) The interest of the "Insured" in the property;
 - (c) The limit 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:

Coverage applies only to that property insured for which a limit of insurance is shown on the "declarations page(s)". The Insurer will pay for direct physical loss or damage as a result of an insured peril to:

- (a) **SCHEDULED EQUIPMENT** – mobile machines, machinery, implements complete with attachments including tools and spare parts specifically described in the attached schedule; or
- (b) **BLANKET EQUIPMENT** – If a single limit of insurance is shown on the "declarations page(s)", all mobile machines, machinery, or implements, which are owned, rented or leased by the "Insured" and are usual and incidental to a "farming" operation, and for which the "Insured" is legally liable, 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. Excluded Property

This form does not insure against loss or damage to

- (a) automobiles, motorcycles, mobile homes, vehicles licensed for road use, watercraft and their motors, snowmobiles (unless shown on the declarations page), aircraft, including equipment and appurtenances of any of the foregoing, or similar conveyances;
- (b) machinery engaged in custom farming operations for others for a charge under any agreement or contract unless stated in the Declaration Page (s), and then only for custom farming operations performed within Canada;
- (c) household personal property or property usual to a dwelling;
- (d) to the described property if used in logging, forestry, brush cutting (unless conducted on farm land owned by the "Insured") or sawmill operations;
- (e) property seized or confiscated for breach of any law or by order of any civil authority, but this exclusion shall not apply to property seized or confiscated for the purpose of destruction at the time of fire for the prevention of the spread of such fire;
- (f) property illegally acquired, kept, stored or transported;
- (g) farm equipment engaged in custom farm work or commercial contracting work or travelling in connection with either, unless it is specified on the "declarations page(s)" that the item is used for such work, or the gross annual receipts received therefrom are less than \$5,000;
- (h) "data".

4. Insured Perils :

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

5. Excluded Perils:

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, mechanical or electrical breakdown, scraping, scratching, dampness or dryness of atmosphere, corrosion, rust, freezing or extremes of temperature, contamination;

- (b) caused by 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) caused by or resulting from 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;
- (e) (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.
- (f) as a result of coupling or uncoupling operations;
- (g) caused by explosion arising from within steam boilers or internal combustion engines;
- (h) 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;
- (i) caused directly or indirectly by "data problem". However, if loss or damage caused by "data problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire, "explosion", "smoke", "leakage from fire protective equipment", water damage caused by bursting of frozen pipes and tanks, this exclusion shall not apply to such resulting loss or damage.

6. Deductible:

The Insurer is liable for the amount by which the loss or damage caused by any of the insured perils:

- (a) exceeds the Deductible Amount stated on the "declarations page(s)"; or
- (b) for all internal damage losses to harvesting machinery caused by material or objects that are not intended to be ingested into the machine, for the greater of the following:
 - (i) \$2,500 deductible;
 - (ii) a deductible Amount equal to 10% of the amount of the loss; or
 - (iii) the deductible Amount specified on the "declarations page(s)".

7. Additional Acquisitions:

This Form insures equipment of a nature similar to that insured by this Form and newly acquired by the "Insured", subject to notice to this Insurer within 30 days from the date of acquisition and payment of pro-rata premium from such date. In no event shall the liability of the Insurer under this clause exceed the actual cash value of the property nor more than \$250,000 whichever is the lesser.

8. Co-Insurance Clause:

This clause applies separately to each item under this Form and only where the amount of loss or damage exceeds the lesser of 5% of the applicable amount of insurance or \$10,000.

The "Insured" shall maintain insurance concurrent with this Form on the insured property to the extent of at least the amount produced by multiplying the "value of the property" as defined in this Section 8. Co-Insurance Clause, by the coinsurance percentage specified on the "declarations page(s)". If the "Insured" fails to do so, the "Insured" shall be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

"Value of the Property": For the purpose of applying this Section 8. Co-Insurance Clause, the "value of the property" is determined by Section 10. Basis of Settlement.

9. Territorial Limits:

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

10. 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) Valued

All items shown as "valued" and insured under the "declarations page(s)" shall be valued at and insured for the amount set opposite each item on the "declarations page(s)". In the event of a total loss, the sum payable will be the amount stated in the schedule of values shown on the "declarations page(s)" or Replacement Cost whichever is the lesser amount.

In the event of a partial loss, the repair or replacement (whichever is the lesser) will be carried out without deduction for depreciation.

The insurer agrees to the basis of settlement on a Valued basis subject to the following conditions:

- (a) the scheduled items is 10 years old or newer at the time coverage is provided or renewal date.
- (b) this form does not provide coverage for:
 - (i) tires and batteries
 - (ii) betterments resulting from the repair or replacement of parts having prior unrepaired damage
- (c) the limit of insurance is a minimum of 90% of the Replacement Value.

All other items shall be subject to the application of the Co-Insurance clause and actual cash value.

(C) Limited Waiver Of Depreciation

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

- (a) the "Insured" is the original purchaser of the equipment exclusive of the selling dealer;
- (b) the loss or damage occurs within 60 months of the date on which the equipment was first delivered to the "Insured";
- (c) for the 60 months, the "Insured" agrees to maintain insurance on the equipment to 100% of the purchase price;
- (d) depreciation will not be waived with respect to:
 - (i) tires and batteries;
 - (ii) betterment resulting from the repair or replacement of parts having prior unrepaired damage;
- (e) 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 not scheduled, grain dryers, pivots, wheel moves, irrigation equipment and its attachments, tools, ATV's, snowmobiles, stock and other utility trailers, leased equipment or any equipment used for any custom "farming" operations.

11. Other Insurance

The Insurer shall not be liable for loss if, at the time of the loss, there is any other insurance which would attached if this insurance had not been effected, except that this insurance shall apply only as excess and in on event as contributing insurance, and then only after all other insurance has been exhausted.

12. Extension of Coverage

The following extension of coverage shall not increase the amount of insurance under this Form and is subject to all conditions of this Form.

Equipment Rental Expense

If there is loss or damage as a result of a peril insured to Item(s) scheduled on the "declarations page(s)", 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 \$5,000, or the limit of insurance stated on the "declarations page(s)" for this extension, whichever is greater, in respect to each item of farm equipment insured under this Form; each item to be deemed separately insured.
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 property insured 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.
4. The Insurer's liability under this section shall terminate, regardless of the policy period:
 - (i) on the date of completion of repairs or replacement of the lost or damaged property; or
 - (ii) upon such earlier date as the Insurer makes or tenders settlement for such loss or damage.

13. Reinstatement

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

14. 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.

15. Definitions:

- (a) **"Business"** means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation.
- (b) **"Data"** means representations of information or concepts in any form.
- (c) **"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";
- (d) **"Declarations Page"** means the declarations page applicable to this Form including any supplementary page(s) or schedule(s) of coverages attached to them, applicable to this policy;
- (e) **"Explosion"** means:

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 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 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.

- (f) **“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.
- (g) **“Insured”**, when an individual, means the person(s) named as Insured on the Declarations Page and, while living in the same household:
- (i) his or her spouse;
 - (ii) the relatives of either; and
 - (iii) any person under 21 in their care.
- Spouse means a person
- 1. who is married to or has entered into a civil union with another person and is living with that person; or
 - 2. 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 three (3) years; or
 - 3. 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.
- (h) **“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 page(s)” or for adjoining “premises” and loss or damage caused by the fall or breakage or freezing of such equipment.
- (i) **“Occurrence”** means a loss to insured property caused by one or more of the insured perils.
- (j) **“Smoke”** means smoke due to a sudden, unusual or faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- (k) **“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.