

Home Based Business Endorsement (Farm)

COVERAGE SUMMARY

Property

Business Property on Premises	\$25,000.
Business Property off Premises	\$5,000.
Accounts Receivable	\$10,000.
Valuable Papers	\$10,000.
Money	\$1,000
Credit, automatic teller cards	\$1,000
Inflation Protection	Not available
Single Limit Endorsement	Not available
Deductible	Same as Farmowners policy. One deductible applies if a single event evokes coverage on both policies
Extra Expense	\$5,000.
Business Interruption	\$10,000

Liability

Personal Injury	Included
Advertising Injury	\$10,000. Limit
Products and Completed Operations	Included, Canada only
Off premises	Included, Canada only

AGREEMENT

This form extends the insurance provided by your principal dwelling policy to cover the business conducted from your home and operated by you, or a member of your family residing in the same household.

This Endorsement is subject to all the terms and conditions of your principal dwelling, except as amended by this form.

You have this coverage only if stated on the policy declaration by General Endorsement.

The coverage under this Endorsement replaces, and is not in addition to, any coverage for business property and liability relating to the home based business already provided under this Policy.

Coverage under this Endorsement is subject to all other provisions, conditions, definitions, limitations and exclusions of Farmowners Coverage - C Personal Property and the Farm Liability Coverage of your insurance policy to which this Endorsement is attached.

BUSINESS PROPERTY

Business Property On and Away From Your Premises

Farmowners Section 1, Coverage C - Personal Property of the policy, to which this Endorsement is attached, is amended to include Business Property. We insure your business property while on and off your premises up to the limits stated in Coverage Summary above. We insure your business property up to a maximum of **\$5,000** while it is temporarily removed from your premises anywhere within Canada.

"Business Property" includes business related:

1. furniture and fixtures, contents and equipment, tools and office supplies;
2. stock and goods held for sale;
3. property of others for which you are liable;
4. books and papers;
5. computers (including lap tops) and licensed computer software;
6. cellular phones and fax machines unless permanently attached to an automobile.

Accounts Receivable

We insure Accounts Receivable of your insured business up to a maximum of \$10,000.

Accounts Receivable means:

1. all sums due to you from customers, that you are unable to collect as a direct result of loss or damage to records of accounts receivable caused by an insured peril;
2. interest charges on any loan to offset impaired collections pending repayment of those sums which the loss or damage prevents you from collecting;
3. collection expense in excess of normal collection costs made necessary because of the loss or damage;
4. other expenses reasonably incurred by you in re-establishing records of accounts receivable following the loss or damage.

"Records of Accounts Receivable" are any printed, written or recorded records detailing accounts receivable, including records that have been converted to a form usable in your data processing operations.

Valuable Papers

We insure the Valuable Papers of your insured business against loss or damage resulting from an insured peril, up to a maximum of \$10,000.

“Valuable Papers” mean any written, printed or otherwise inscribed documents or records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean money, bullion or securities.

Money

The Special Limit of Insurance that applies to “money” in the policy to which this Extension is attached also applies to money held in connection with the home based business.

Credit, Debit or Automated Teller Cards, Depositors Forgery and Counterfeit Paper Money

The coverage provided under your policy is extended to cover the same losses or obligations you incur arising out of the operation of your home-based business, but this does not increase the amount recoverable under those coverages.

Insured Perils

You are insured against the same perils that apply to "Coverage C - Personal Property" in your Farmowners residential policy.

Loss or Damage Not Insured

All exclusions under "Loss or Damage Not Insured" – All Section 1 Coverages of your Farmowners residential policy, apply to this Endorsement. In addition, the following exclusions apply to Business Property insured under this Endorsement:

- a) property owned, rented or sold to others under a conditional sales agreement or deferred payment plan, once it has left your custody;
- b) any loss resulting from dishonesty on the part of you, members of your household, or your employees;
- c) loss due to mysterious disappearance or shortage of property discovered when taking inventory;
- d) loss of business property carried in any vehicle unless vehicle is locked, or in the case of a pick-up, trailer or similar open vehicle, unless the
 - e) property is in a locked compartment;
- f) loss due to delay or loss of market;
- g) jewelry, watches, gems and fur;

Inflation Protection

The "Inflation Protection" section of your residential policy does not apply to property insured under the Home Based Business Endorsement.

Single Amount of Insurance

Business Property covered under this Endorsement is expressly excluded from the provisions of the "Single Amount of Insurance" of your residential policy, to which this Endorsement is attached.

Basis of Claim Settlement

When coverage applies, we will pay claims for insured loss or damage to all business-related property except stock on a replacement cost basis. Losses on stock will be paid on an actual cash value basis. The terms "replacement cost" and "actual cash value" have the same meaning as in the residential policy to which this Endorsement is attached.

Deductible

The deductible amount that applies to this Endorsement is the same deductible that is shown on the coverage summary page for the Farmowners Coverage Section C. We pay only the amount by which the insured loss or damage exceeds the deductible amount in any one occurrence. If your claim involves Business Property as well as non-business personal property, arising from one occurrence, only one deductible will apply. If the deductible amounts are not the same, then the higher deductible will apply to the total loss.

Extra Expense

We will pay for Extra Expense you incur to continue, as nearly as practicable, the normal conduct of your home based business following damage to or destruction of the property, by an insured peril under your policy. Under this coverage, we will pay the lesser of **\$5,000** or the actual expenses incurred.

This coverage is not subject to a deductible.

Agreement

- a) We will pay for the Extra Expenses incurred during a period of twelve months from the date of the loss or until you are able to resume
- b) normal operations, however, the damage or destruction must occur during the term of the Policy.
- c) As soon as practicable after any loss, you must resume the normal conduct of your home based business and reduce or dispense with such Extra Expenses as are being incurred.
- d) If a civil authority prohibits use of, or access to, your residence premises as a direct result of damage to neighboring premises caused by loss or damage, we insure, we will pay the resulting business interruption loss for a period not exceeding 2 weeks.

Exclusions

All exclusions under "Loss or Damage Not Insured" – All Section 1 Coverages of your Farmowners residential policy, apply to this Endorsement. In addition, you are not insured for claims arising out of the following:

- a) any loss of income;
- b) loss due to fines or damages due to breach of contract for late or non-completion of orders, or for any penalties;
- c) loss due to suspension, lapse or cancellation of any lease or license, contract or order;
- d) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disk, drum, cell or other magnetic recording or storage media for electronic data processing;
- e) increase of loss due to delays in resumption of business caused by strikers or other persons.

Basis of Payment

We will pay for all expenses, during the period of restoration, which exceed your normal operating expenses had the insured loss or damage not occurred. The amount of insurance payable is reduced by any Extra Expense coverage under any other insurance policy. Any salvage value of property remaining after resumption of normal business operations will be taken into consideration in the adjustment of any loss.

Business Interruption

We will pay for the reduction in business income from your business operation caused by loss or damage to or destruction of the property insured by the Extension by an insured peril up to a maximum of \$10,000. We will pay for losses incurred during a twelve month period from the date of the loss, or until business income returns to the level it was immediately prior to the loss. This period is not limited by the expiration of the policy.

If a civil authority prohibits use of, or access to, your residence premises as a direct result of damage to neighboring premises caused by loss or damage we insure, we will pay the resulting business interruption loss for a period not exceeding 4 weeks.

We will determine the amount of loss based on:

- a. the net income of your business operation we insure prior to the loss or damage resulting in lost income;
- b. the probable income of your business operation had no loss or damage occurred;
- c. your operating expenses, including payroll expenses, necessary to resume normal business operation;
- d. other relevant sources of information, including financial records and accounting procedures, bills, invoices and other vouchers, and deeds, lines or contracts.

This coverage is not subject to a deductible.

Exclusions

All exclusions under Section I, "Loss or Damage Not Insured" and all limitations listed in your residential policy apply to this coverage. In addition, we will not pay:

- a. for 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. for any increase of loss due to interference at the described premises by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption or continuation of business;
- c. for 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. or loss due to the suspension, lapse or cancellation of any lease or licence, contract or order, which may affect the insured's business income after the period following any loss during which indemnity is payable;
- e. for any other consequential loss or remote loss;

LIABILITY COVERAGE

Coverage

Your Farm Liability is extended to include:

- a) All sums, which you become legally liable to pay as compensatory damages because of personal injury or property damage arising out of the operation of the home based business insured under this policy, up to the limit shown on the Coverage Summary. Coverage applies to claims arising from any accident or occurrence that takes place during the policy period.

Limits of Liability

The amount of insurance shown in the Coverage Summary page is the maximum amount we will pay under one or more sections of the Liability for all compensatory damages in respect of an occurrence, and is the maximum aggregate we will pay for any occurrence in anyone policy period.

Advertising Injury

You are also insured for up to **\$10,000** in anyone policy term, for advertising injury caused by an offense committed in the course of advertising the goods, products or services arising out of the business operation we insure.

Territory

This insurance applies only to occurrences taking place in continental Canada including its territories.