

EQUIPMENT BREAKDOWN AGRICULTURAL BUSINESSES

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SUMMARY OF COVERAGES

INCLUDED IN THE POLICY LIMIT		
Item	Extensions of Coverage	Amounts of Insurance
1.	Hazardous substances	\$100,000 in respect to any one breakdown
2.	Ammonia contamination	\$100,000 in respect to any one breakdown
3.	Equipment Upgrade	10% – maximum \$10,000 to any one breakdown
4.	Loss of data	\$5,000 in respect to any one breakdown
5.	Errors or omissions in statements of values	\$50,000 in respect to any one breakdown
6.	Liberalization clause	\$25,000 in in respect to any one Policy Period
7.	Brands and Labels	\$50,000 in respect to any one breakdown
8.	Environmental "green" improvements	125% – maximum \$100,000 in respect to any one breakdown
9.	Public Relations	\$10,000 in respect of any one breakdown
10.	Contingent business interruption	\$25,000 in respect of any one breakdown
11.	Expediting expenses	Included
12.	By-Laws	Included
13.	Professional fees/Auditors' fees	\$100,000 in respect to any one breakdown
14.	New acquisitions	Included
15.	Service interruption	Included
16.	Interruption by civil authority	Included – maximum 30 consecutive days
17.	Spares mitigation	Included
18.	Veterinarian's fees	up to 20% of the market value of the livestock

N.B. See the wording of each Extension for full conditions of coverage.

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declaration Pages. The words "we", "us" and "our" refer to the company providing this insurance.

Words and phrases that appear in bold have special meaning. Refer to DEFINITIONS Section.

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

INSURING AGREEMENT

- If there is a **breakdown** of the **equipment** during the Policy Period, while said **equipment** is on the **premises** and in use or connected ready for use, when such **equipment** is owned by you, leased, rented and/or under your care, custody or control, we agree to pay for:
 - loss or damage to the **equipment** and to other **insured property** directly damaged by the **breakdown**;
 - business interruption which results solely from the **breakdown** to such **equipment**, subject to the amount of insurance specified for the Business Interruption Coverage provided by the Insurer, if specified in the Declaration Page(s) for Business Interruption/**Extra Expense** for the purpose of **Agricultural Property Forms**.

EXCLUSIONS

This Form does not apply to loss or damage arising directly or indirectly:

- from nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by a **breakdown**;
- from:
 - war, including undeclared or civil war;

- 2.2. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
- 2.3. insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these; or
- 2.4. civil commotion, sabotage, strike, vandalism or malicious acts;
3. by pollution, contamination or damage by a **hazardous substance**, however caused, except as provided under Extension of Coverage **1. HAZARDOUS SUBSTANCES**;
4. by a **breakdown** caused by or resulting from:
 - 4.1. earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;
 - 4.2. wind, including but not limited to cyclone, tornado or hurricane;
 - 4.3. fire, smoke, or combustion explosion; or
 - 4.4. water or other means used to extinguish a fire;
5. by:
 - 5.1. fire, smoke or combustion explosion that occurs at the same time as a **breakdown** or that ensues from a **breakdown**. However, with respect to any **equipment** which is a fully or totally enclosed electrical or electronic machine or apparatus, fire damage within the said machine or apparatus which occurs at the same time as a **breakdown** or that ensues from a **breakdown** is covered;
 - 5.2. water escaping resulting from a **breakdown** unless:
 - 5.2.1. coverage is not provided by another insurance in effect at the time of the loss; and
 - 5.2.2. water escapes from **equipment** that normally contains water or steam;
 - 5.3. flood. However, if a **breakdown** results from a flood, damage or expense caused by such **breakdown** is covered;
 - 5.4. lightning, hail, snow load and ice load, if coverage for the cause of loss is provided by any other insurance in effect at the time of the loss; or
 - 5.5. a peril otherwise covered elsewhere within this Policy or in any other policy issued by us;
6. from:

the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:

 - 6.1. the erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
 - 6.2. any error in creating, amending, entering, deleting or using **data**;
 - 6.3. the inability to receive, transmit or use **data**; or
 - 6.4. the impact of any virus or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility.

However, we shall pay for loss that ensues solely from the **breakdown** of any other **equipment**;
7. in whole or in part, by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**; 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. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect;
8. to **farm equipment**;
9. to **equipment** while in a **farm building** in course of construction.

This Form does not insure:

10. specific to sub-paragraph 1.2. under the **INSURING AGREEMENT** section:
 - 10.1. to loss occurring any time during which business could not or would not have been carried out if the **breakdown** had not occurred;
 - 10.2. to loss resulting from your failure to use due diligence and dispatch to resume, as soon as possible, complete or partial operations of the business;
 - 10.3. to fines or damages for breach of contract or for late or non-completion of orders; or
 - 10.4. to any penalties of whatever nature;
11. loss from any indirect result of a **breakdown** except as provided under Section 1.2. of the **INSURING AGREEMENT** section;
12. **livestock**. However, this exclusion does not apply when the **livestock** is lost or damaged as a direct damage due to the **breakdown** of **equipment**.

EXTENSIONS OF COVERAGE

The following Extensions of Coverage are included in the amount of insurance stated in the Declaration Page(s):

1. HAZARDOUS SUBSTANCES

If a **hazardous substance** is involved in or released by a **breakdown** of **equipment**, we will pay, up to an amount of \$100,000 in respect of **any one breakdown**, for:

- 1.1. the increase in cost to repair, replace, clean up or dispose of affected **insured property**;
- 1.2. any increase in business interruption/**extra expense** loss because of the presence of **hazardous substances**.

We shall not be liable under this Coverage for loss or damage caused by ammonia contamination.

As used in this Coverage, "increase in cost" is that cost beyond that for which we would have been liable had no **hazardous substance** been present.

2. AMMONIA CONTAMINATION

If there is a **breakdown** to **equipment**, we will pay, up to an amount of \$100,000 in respect of **any one breakdown**, for loss with respect to damage by ammonia contacting or permeating property under refrigeration or in process requiring refrigeration, resulting from **any one breakdown**. This amount includes salvage expenses.

3. EQUIPMENT UPGRADE

This Form is extended to cover any increase in the cost of replacing an **equipment** damaged as a result of a **breakdown**, provided:

- 3.1. the **equipment** is replaced with a new **equipment** that is capable of performing the same functions and that may include technological improvements;
- 3.2. the amount of loss or damage to the **equipment** equals or exceeds its **actual cash value**.

This Extension shall not exceed 10% of the value of the damaged **equipment**, determined in accordance with the basis of settlement clause of this Policy, subject to a maximum recovery of \$10,000 in respect of **any one breakdown**.

4. LOSS OF DATA

Notwithstanding the Data problem exclusion provided under this Form or this Policy, if **data** is lost or damaged as a result of a **breakdown** of **equipment**, we will pay, up to the amount of \$5,000 in respect of **any one breakdown**, for:

- 4.1. the cost of gathering or reproducing the **data**;
- 4.2. the business interruption/**extra expense** resulting from the loss or damage to the **data**;

However, we shall not be liable for **data** which is lost or damaged as a result of programming errors of any kind.

5. ERRORS OR OMISSIONS IN STATEMENTS OF VALUES

In the event of any unintentional error or omission in the statements of values that you submit to us or in the description of the **insured property**, we shall indemnify you, subject to a maximum recovery of \$50,000 in respect of **any one breakdown**.

It is a condition of this Extension of Coverage that such error or omission be reported to us as soon as it is discovered.

6. LIBERALIZATION CLAUSE

For a period not exceeding 24 months from this Policy's first inception date, this Form is extended to include any extension of coverage afforded under the direct property damage section of the Equipment Breakdown/Boiler and Machinery policy immediately preceding this Form but not afforded by this Form or subject to a lesser limit under this Form, provided that:

- 6.1. such extension of coverage has not been declined by us;
- 6.2. such extension of coverage has not been refused by the Insured following conditions proposed by us;
- 6.3. our liability does not exceed the amount of insurance specified for such extension of coverage in the prior policy; and

This Extension is limited to a maximum recovery of \$25,000 in any one Policy Period. If during the Policy Period we introduce any broadening of this Form and for which no additional premium is charged, then such broadened insurance inures to the benefit of the Insured under this Form (effective from the date of formal introduction by us of such broadened insurance).

7. BRANDS AND LABELS

In the event of loss or damage arising out of a **breakdown** to **insured property** bearing a brand name or trademark, we shall indemnify you, subject to a maximum of \$50,000 in respect to **any one breakdown**, for the cost of removal of such brands, trademarks or other identifying characteristics (provided that such removal will not physically damage the **insured property**) prior to the sale, as salvage, of such **insured property** damaged by a **breakdown**; in accordance with the value established by us during loss adjustment. The salvage value of such damaged **insured property** is determined after removal (in the customary manner) of all such brands or trademarks or other identifying characteristics.

8. ENVIRONMENTAL "GREEN" IMPROVEMENTS

If the **equipment** requires replacement due to a **breakdown** we will pay you additional costs to replace your **equipment** with one that is better for the environment, and more efficient than the **equipment** being replaced. We will not pay more than 125% to a maximum amount of \$100,000 in respect of **any one breakdown** of what the cost would have been to replace with like kind, capacity, size, quality and function.

This Extension does not apply to any **equipment** valued at **actual cash value**, obsolete **equipment** and/or uninsured **equipment**.

Furthermore, we will pay up to a maximum of \$25,000, such amount being a part of the above stated limit and not in addition to:

- 8.1. the additional reasonable and necessary fees incurred by you for an accredited professional certified by a **green authority** to participate in the repair or replacement of physical damaged **equipment** as **green**;
- 8.2. the additional reasonable and necessary cost incurred by you for certification or recertification of the replaced or repaired **equipment** as **green**; and
- 8.3. the additional reasonable and necessary cost incurred by you for **green** in removal, disposal or recycling of damaged **equipment**.

This coverage does not apply to any:

- 8.4. stock, raw material, finished goods, production **equipment**, merchandise, electronic data processing **equipment** not used in the functional support of the **equipment**, process water, molds and dies, property in the open, property of others for which you are legally liable;
- 8.5. loss covered under any other section of the Form; or
- 8.6. cost incurred due to any law or ordinance with which you were legally obligated to comply prior to the time of the **equipment breakdown**.

9. PUBLIC RELATIONS

We will pay, up to an amount of \$10,000 in respect of **any one breakdown**, for loss under business interruption/**extra expense** as described under sub-paragraph 1.2. of the **INSURING AGREEMENT** section and defined under the **DEFINITIONS** Section for reasonable costs for public relations services rendered by professionals to draft, create or broadcast communications, when the need for such communications arises directly from business interruption/**extra expense**. These communications must be directed to:

- 9.1. the media;
- 9.2. the public; or
- 9.3. your customers, clients or members.

Such costs must be incurred during the Policy Period and end:

- 9.4. thirty (30) consecutive days after the date the **insured property** is repaired or replaced; or
- 9.5. the necessary period of time to proceed with due diligence and dispatch to rebuild, repair or replace such **insured property** as has been damaged by the **breakdown**; whichever occurs first.

10. CONTINGENT BUSINESS INTERRUPTION

We will pay, up to an amount of \$25,000 in respect of **any one breakdown**, for loss under business interruption/**extra expense** as described under sub-paragraph 1.2. of the **INSURING AGREEMENT** section and defined under the **DEFINITIONS** Section from a **breakdown**, to **equipment** not owned, operated or controlled by you provided that said **equipment**:

- 10.1. is of a type described in the definition of **insured equipment**; and
- 10.2. is located at the premises of any company, with whom you are bound by contract as a customer or supplier, that is located within Canada and the continental United States of America:
 - 10.2.1. a Customer Location, owned by such customer to which your products are shipped, which wholly or partially prevents the acceptance of your products and result in a necessary business interruption/**extra expense**;
 - 10.2.2. a Supplier Location, owned by such supplier from which materials are shipped to you, which wholly or partially prevents the delivery of material(s) to you and results in a necessary business interruption/**extra expense**.

This coverage does not apply to any:

- 10.3. explosion of **insured equipment** other than any:
 - 10.3.1. steam boiler, steam piping, steam turbine, gas turbine, steam engine; or
 - 10.3.2. machine when such loss or damage is caused by centrifugal force or mechanical **breakdown**.

10.4. catalyst within any **insured equipment**, the catalyst shall not be considered to be part of the **insured equipment** and we will not pay for loss or damage caused by, arising from or resulting from loss or damage to such catalyst.

11. EXPEDITING EXPENSES

If there is a **breakdown** of **equipment**, we will pay the reasonable extra cost to:

- 11.1. Make temporary repairs;
- 11.2. Expedite permanent repairs; or
- 11.3. Expedite permanent replacement;

of the **equipment** or other **insured property** which is directly damaged by the **breakdown**.

12. BY-LAWS

If prior to the time of a **breakdown** there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of **insured property**, we will pay for:

- 12.1. the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling;
- 12.2. any increase of loss due to business interruption/**extra expense** resulting from the enactment or application of any by-law, ordinance, law, regulation, rule or ruling, if covered by the Policy.

This Extension of coverage does not insure against:

- 12.3. the enforcement of any by-law, regulation, ordinance or law which would apply in the absence of a loss; or
- 12.4. the enforcement of any by-law, regulation, ordinance or law that the Insured was required to comply with prior to the loss but failed to do so.

13. PROFESSIONAL FEES/AUDITORS FEES

In the event that a **breakdown** occurs, we will pay, up to \$100,000 in respect to **any one breakdown**, for the reasonable and necessary fees payable to auditors, accountants, architects, legal counsel, engineers or other professionals, excluding your employees, to help produce and certify information required by us to establish the amount payable under this Form.

14. NEW ACQUISITIONS

Coverage is extended to include new premises you may acquire, or those you occupy as a tenant, provided:

- 14.1. you notify us of your new acquisition in writing;
- 14.2. the **equipment** situated inside these premises is a type covered in the definition of **equipment**;
- 14.3. you agree to pay the resulting additional premium;
- 14.4. the newly acquired or rented location is in Canada.

This Extension of Coverage shall apply at the time of the acquisition or location and extends for a period of 90 days, or to the date of endorsement of this Form adding such location, or until the expiry date of this Policy, whichever occurs first.

15. SERVICE INTERRUPTION

If there is a **breakdown** of **equipment** not owned or operated by you, we will pay for:

- 15.1. loss of perishable **insured property** due to spoilage;
- 15.2. loss due to **business interruption**;

But only if:

- 15.3. Consequential damage and/or business interruption Coverage(s) of this insurance is (are) specified in the Declaration Page(s);
- 15.4. The **equipment** is also:
 - 15.4.1. of a kind described under the definition of **equipment**;
 - 15.4.2. situated on or within a 2500 metres radius of the **premises**;
 - 15.4.3. the property of a public utility or of the building owner of the **premises**;
 - 15.4.4. used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the **premises**.

16. INTERRUPTION BY CIVIL AUTHORITY

Under the Coverage provided by sub-paragraph 1.2. under the **INSURING AGREEMENT** section, we shall pay, for up to thirty (30) consecutive days, for losses resulting from civil authority barring access to your **premises** and which compromises the **normal** course of your activities. This interdiction must be a direct consequence of a **breakdown** to **equipment**, which would have been covered if the said **breakdown** had happened to your **equipment**, but instead affected other **equipment** of a neighboring location, but only if the **equipment** is also of a kind described under the definition of **equipment**.

This Extension does not apply if coverage for loss arising out of interruption by civil authority is specifically insured under a separate form of commercial property or business interruption/**extra-expense insurance**, whether attached to this Policy or not.

17. SPARES MITIGATION

If a **breakdown** occurs to a spare **equipment** that is connected and in use for the sole purpose of reducing loss under this Form, such **breakdown** shall be considered as part of the loss being so reduced and no additional deductible shall apply.

Spare **equipment**, as used herein shall mean an **equipment** acquired by you prior to **breakdown** and held specifically to spare existing operating **equipment**.

18. VETERINARIAN'S FEES

This Form is extended to cover necessary veterinarian's fees incurred by you following injury sustained by an animal as a direct result of a **breakdown**, up to 20% of the market value of the **livestock**.

SPECIAL CONDITIONS

1. AMOUNTS OF INSURANCE

Our total liability for any loss or damage to **equipment** from **any one breakdown**, subject to the **INSURING AGREEMENT** section, shall not exceed the amounts of insurance stated in the Declaration Page(s).

2. BASIS OF SETTLEMENT

2.1. Property damage

Under paragraph 1. of the **INSURING AGREEMENT** section, we agree to pay for **insured property** which is damaged as follows:

- 2.1.1. with regards to **media**, the cost of blank material;

- 2.1.2. with regards to exposed film, records, manuscripts and drawings, the cost of blank material plus the cost of transcription;
- 2.1.3. with regards to any heat exchanger that forms part of forced air heating **equipment** that is five (5) years old or more from the date of purchase new, its **actual cash value**;
- 2.1.4. with regards to direct damage to **farm products**:
 - 2.1.4.1. unsold **farm products**: the **actual cash value** at the time and place of loss or damage, but not exceeding what it would cost to repair or replace with material of like kind and quality;
 - 2.1.4.2. sold **farm products**: the selling price after allowance for discounts;
 - 2.1.4.3. if the **Insured** grows feed or forage for the **Insured's** use in their **livestock** or dairy operation, the basis of valuation shall include the cost of transportation to the **Insured's premises** including the hiring of a common carrier;
- 2.1.5. with regards to all other **insured property**, the lesser of the cost at the time of the **breakdown**:
 - 2.1.5.1. to repair; or
 - 2.1.5.2. to replace with similar property of like kind, capacity, size, quality and function.

We shall not be liable:

- 2.1.6. for the cost of repairing or replacing any part or parts of a piece of **equipment** which is greater than the cost of repairing or replacing the entire piece of **equipment**;
- 2.1.7. for more than the cost to replace the property with other property of like kind, capacity, size, quality and function;
- 2.1.8. for loss or damage to any **insured property** which is useless or obsolete to you;
- 2.1.9. for consequential damages of any kind, except as provided under paragraph 15. **SERVICE INTERRUPTION** of the **EXTENSIONS OF COVERAGE** section.

2.2. Business Interruption/Extra Expense

Under sub-paragraph 1.2. of the **INSURING AGREEMENT** section, we will pay until the earlier of:

- 2.2.1. the date the revenue and operations of the business return to **normal**; or
- 2.2.2. twelve (12) months from the date of the **breakdown**.

3. INDEMNITY PERIOD

The **indemnity period**, with respect to business interruption/**extra expense**, is not limited by the fact that the policy period has expired, should a loss extend beyond this date.

4. DEDUCTIBLE

For any loss or damage caused by **any one breakdown**, you shall bear that part of the loss corresponding to the applicable deductible specified in the Declaration Page(s).

If more than one deductible is specified and is applicable to covered loss under this Policy from **any one breakdown**, only one deductible shall be applied and that shall be the highest of the applicable deductibles as specified in the Declaration Page(s).

5. INSPECTION AND SUSPENSION

We reserve our right, at all reasonable times during the Policy Period, to inspect any **equipment** and the **premises** where said **equipment** is located. If it is discovered by any one of our representatives that any **equipment** is subject to or is exposed to a dangerous condition this representative may immediately suspend the coverage for loss and damages resulting from the **breakdown** of such **equipment** (including any protection applying to the interest of any mortgagee specified in the policy).

Notice of suspension shall be given either at the mailing address specified in the Declaration Page(s), or at the **premises** where the **equipment** is situated. We agree to furnish a copy of the suspension notice to the mortgagee. Once coverage has been suspended, it can only be reinstated by an endorsement issued to form part of this Policy. You shall be allowed a pro rata refund of premium for that **equipment** for the period that coverage is suspended.

6. REFILLABLE TANKS

We consider as connected ready for use any unfired pressure vessel used for storage of gas or liquid which is periodically filled, moved, emptied and refilled in the course of its normal service.

7. HEAT TRANSFER MEDIUM

When a vessel uses a heat transfer medium other than water, this medium or its vapour are considered as replacing the words "water" or "steam".

Where the laws of Québec govern this Policy, the general conditions contained under form 240.0e, General Conditions, supersede the following special conditions in case of duplication:

8. OTHER INSURANCE

Notwithstanding the Other Insurance clause stipulated under the General Conditions form or the Statutory and General Conditions Form, in the event where another insurance would apply following a **breakdown**, coverage under this Policy shall only apply as excess insurance over any other insurance provided.

9. SUBROGATION

In the event of any payment under this Form, we are subrogated to all of your rights of recovery against any person or organization. You shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. Following a **breakdown**, you must not do anything to prejudice such rights.

10. OTHER DUTIES AND RESPONSIBILITIES

In case of any loss or damage out of which a claim may arise under this Form, you must take all reasonable and necessary steps to salvage the **insured property** or to protect the **insured property** from further damage. You must not incur any costs or expense (other than at your own cost or expense) without our explicit approval beforehand or as explicitly allowed by the policy. You must offer us all assistance and cooperation during the investigation and adjusting of any claim.

11. ACTION AGAINST INSURER

No action lies against us unless, as a condition precedent to any such action, you have fully complied with all terms of this Policy. No action lies against us unless such action is begun within 14 months from the date of a **breakdown**.

12. ASSIGNMENT – BANKRUPTCY

The assignment by you of an interest in the **insured property** under this Form does not bind us until its consent is endorsed onto the policy. If you die, are adjudged bankrupt or insolvent or if you assign your interest in the insurance to a co-insured during the Policy Period, this Form (unless cancelled for non-payment) covers your legal representative, your trustee in bankruptcy or any remaining insured in the same manner it does for you, provided that written notice is given to us within 60 days after the date of your death or adjudication.

13. CANCELLATION

This Form may be cancelled by you by mailing us a written notice stating the date such cancellation is effective. This Form may be cancelled by us by mailing you at your address specified in the Declaration Page(s), written notice stating when not less than 60 days thereafter such cancellation is effective. Such mailing of notice is sufficient proof of notice. The effective date and hour of cancellation stated in the notice becomes the end of the Policy Period. Delivery of such written notice either by you or by us is equivalent to mailing. If you cancel, the earned premium is computed in accordance with the standard short rate cancellation table. If the Insurer cancels, the earned premium is computed pro rata.

Computation of any premium refund due to cancellation is subject to any premium amount specified for this Form as a minimum retained premium.

14. CHANGES

By accepting this Form, you agree that this Form embodies all agreements existing between yourself and us or any of our agents relating to this insurance. Notice to any agent or knowledge possessed by any agent or by any other person is not a waiver or change in any part of this Form. Such notice does not estop us from asserting any rights under this Form. The terms of this Form are in no way waived or changed except by endorsement issued to form a part of this Form. The additional or return premium for any such endorsement shall be computed in accordance with our rating standards and practices that are applicable to such change.

15. MORTGAGE INTEREST

If any loss payee is noted in the Declaration Page(s) or in the Locations and Loss Payees Schedule as Mortgagee with respect to any Location described in the Declaration Page(s), loss (if any) under the Direct Damage Insuring Agreement, on your property at the said Location, shall be adjusted with and payable to you and the said Mortgagee, as their interests may appear. We reserve our right to cancel the policy as provided in the Cancellation Condition of the policy. In such case we agree to mail to said Mortgagee, at the address specified with the name of said Mortgagee, a copy of the written cancellation notice mailed or delivered to you. Such cancellation, as respects the interest of the said Mortgagee, is effective at the time specified in said notice to you, but in no event earlier than 60 days after the day of mailing of said copy of notice to said Mortgagee. We reserve our right to suspend insurance (which includes any insurance applying to the interest of said Mortgagee) on **equipment** at the said Location in accordance with the Inspection and Suspension Condition of the policy, and the Insurer agrees to furnish said Mortgagee, at the address specified with the name of said Mortgagee, with a copy of the suspension notice.

16. ADDITIONAL INSURED

Any name mentioned as an additional Insured in the Declaration Page(s), or in any Schedules or Endorsements attached to the Form, is considered an Insured as their interest may appear, but only with respect to loss from a **breakdown** at the location for which the additional Insured is shown. Nothing contained in this Condition clause, nor the inclusion under this Form of more than one Insured (or of additional Insureds), shall operate to increase our Limit of Insurance.

17. CANADIAN CURRENCY CLAUSE

All sums, limits, deductibles and other amounts shown in this Form, stipulated in the Declaration Page(s) or in connection with this Policy are in Canadian currency.

18. DISPUTED LOSSES

If a covered loss exists and there is disagreement between the Property Insurer and us as to which Insurer is liable or as to the proportion of the loss to be paid by each Insurer, then upon written request by you we shall settle the loss in accordance with the Insurance Bureau of Canada's Property/Boiler Agreement Respecting Disputed Losses, providing the Property Insurer is signatory to that Agreement or has agreed in writing to be bound by its contents.

DEFINITIONS

Whenever used in this Form:

1. **Actual cash value** means the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. We consider such items as the age, condition and normal life expectancy of the damaged property in determining depreciation.
2. **Agricultural Property Forms** means:
 - 2.1. Agricultural Property Coverage – Farm Buildings and/or Building Equipment Forms;
 - 2.2. Agricultural Property Coverage – Farm Equipment Form;
 - 2.3. Agricultural Property Coverage – Farm Products Forms;
 - 2.4. Agricultural Property Coverage – Livestock Forms.
3. **Any one breakdown**

If either the **breakdown of equipment** causes the **breakdown** of other **equipment** or a series of **breakdowns** occur at the same time as a result of the same cause, they will all be considered as **any one breakdown**.
4. **Automobile** means any land motor vehicle, trailer or semi-trailer, with any attached machinery or equipment, including any private passenger vehicle, truck, moped, lightweight motorcycle, motorcycle, snowmobile, toy vehicle, recreational vehicle or all-terrain vehicle (ATV).
5. **Breakdown** means a sudden and accidental failure of **equipment** resulting in physical damage which requires the repair or replacement of the **equipment** or a part of the **equipment**.

Breakdown does not mean:

 - 5.1. depletion, deterioration, corrosion or erosion of material;
 - 5.2. wear and tear;
 - 5.3. the functioning of any safety device or protective device.
6. **Data** means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software, interpretation and coded instructions for the processing and manipulation of data and the electromechanical data processing, and also includes data arising from electronically controlled **equipment**.
7. **Cord** means wood volume of 128 cubic feet (3.625 cubic metres).
8. **Equipment** means any **equipment** owned, leased, operated or for which you have, care, custody or control as described below:
 - 8.1. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping connected thereto or any other piping and its accessory **equipment**, any heat exchanger that forms part of forced air heating **equipment**, but not including any:
 - 8.1.1. boiler setting, any refractory or insulating material,
 - 8.1.2. part of a boiler or fired pressure vessel that does not contain steam or water; or
 - 8.1.3. any drainage piping, any sprinkler piping and its accessory **equipment**;
 - 8.1.4. **equipment** (including piping) which is not in a conduit beneath the surface of the ground and that requires the removal, excavation or demolition of materials in order to inspect, remove, repair or replace such **equipment** or such piping; However, this exclusion doesn't apply to **geothermal heating systems**.
 - 8.2. any mechanical or electrical **equipment** used for the generation, transmission or utilization of mechanical or electrical power, but not including:
 - 8.2.1. any **automobile**, power shovel, excavator dragline or other mobile **equipment**, floating vessel, locomotive or aircraft, but not excluding any electrical **equipment** and/or pressure vessel used with such machine or apparatus;
 - 8.2.2. any lifting or safety cables, anchorages, car buffers or counterweight buffers which forms part of an elevator system;
 - 8.3. any electronic **equipment** or fibre optic cable, used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning, but **equipment** shall not include:
 - 8.3.1. any anode tube, x-ray tube, video amplifier tube or klystron tube; nor
 - 8.3.2. any laser cartridge.

9. Extra Expense means:

- 9.1. the additional cost to conduct your business during the **period of restoration** over and above the cost that normally would have been incurred to conduct the business during the same period had no **breakdown** occurred;
- 9.2. the additional cost may include the expense of obtaining and using other property or facilities of other concerns or other necessary emergency expenses.
- 9.3. **Extra expense** does not include:
 - 9.3.1. loss of income;
 - 9.3.2. **extra expense** in excess of that necessary to continue as nearly as practicable the **normal** conduct of your business, nor;
 - 9.3.3. for the cost of repairing or replacing any property that has been damaged or destroyed by a **breakdown**, except such loss incurred for the purpose of reducing the total amount of **extra expense**. In this case, this **extra expense** must not exceed the amount by which the total **extra expense** otherwise payable is reduced.

Any salvage value of substitute or temporary **equipment** or property remaining after resumption of **normal** operations is taken into consideration in the adjustment of any loss.

10. Farm equipment means:

- 10.1. **Tools**;
- 10.2. Machinery and implements that are not fixed to any building or the ground, whether self-propelled or not, including their GPS system, accessories and spare parts; That are usual and incidental to a farming operation.

11. Farm products means:

- 11.1. **Farm products** of the soil when picked, gathered or harvested;
- 11.2. Milk and eggs;
- 11.3. Honey and maple syrup (including their pure derived products);
- 11.4. **Farm products** washed with water, **farm products** refrigerated for conservation;
- 11.5. **Farm products** grown in greenhouses or grown in vertical farming buildings, only if shown in the Declaration Page(s);
- 11.6. Semen, non-implanted embryos and semen tanks kept in use at your **premises**, only if shown in the Declaration Page(s);
- 11.7. **Processed farm products** of the **Insured** for resale, only if shown in the Declaration Page(s);
- 11.8. Packing, wrapping and advertising materials for **farm products**;
- 11.9. Products used for or produced in the farm operations, including feed for **livestock**, seeds, chemicals, fertilizers, herbicides, pesticides, fuel, motor oil, lubricant, cleaning products, non-installed wire for fences, drains and pickets, firewood intended for sale (maximum 100 **cords**) or for the use of the farm, but does not include standing lumber.

12. Fungi includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any **fungi** or **spores** or resultant mycotoxins, allergens, or pathogens.

13. Geothermal heating systems means underground piping as a means of heat transfer.

14. Green means products, materials, methods and processes certified by a **green authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

15. Green Authority means an authority on building products, materials, methods or processes certified and accepted by industry associations or government as supporting environmental sustainability and/or energy conservation. These entities include but are not limited to: leadership in energy and Design (LEED), Green Building Initiative (Green Globes), Energy Star, Building Owners and Managers Association (BOMA) BEST, any applicable Canadian Standards Association guideline (CSA), ISO Standards or any other environmental sustainability or energy conservation rating or certification system recognized by us.

16. Hazardous Substance means:

- 16.1. any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- 16.2. any **fungi**, **spores** or toxins created or produced by or emanating from such **fungi** or **spores** whether or not allergenic, pathogenic or toxigenic.

17. Insured property means:

- 17.1. Your property;
- 17.2. Property of others in your care, custody or control and for which you are legally liable.

18. Indemnity period means the period beginning with the occurrence of the **breakdown** and ending no later than twelve (12) months thereafter, during which the results of the business shall be affected in consequence of the **breakdown**.

19. Livestock means animals, birds, fish or insects.

20. Media means tangible material or virtual support on which **data** is recorded.

21. Normal means the condition that would have existed had no **breakdown** occurred.

22. Period of restoration means the period following a **breakdown** used by you to resume **normal** farm operation at the **premises**, with all reasonable means that you have to accelerate the resumption of business.

This period of restoration:

- 22.1. begins at the time of the commencement of liability, and
- 22.2. ends on the date when the damaged property at the described **premises** is repaired or replaced.

23. Premises means:

- 23.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:
 - 23.1.1. areas under adjoining sidewalks and driveways;
 - 23.1.2. in or on **automobiles** within 100 metres (328 feet) of such property lines described in 23.1.;
 - 23.1.3. in the open within 305 metres (1000 feet) of such property lines described in 23.1.

24. Processed farm products means products that are:

- 24.1. no longer in their natural state; or
- 24.2. cooked, canned, bottled, cut, peeled, dried or frozen.

25. Spores includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any **fungi**.

26. Terrorism means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

27. Tools means any device, apparatus or instrument, lightweight and transportable by the strength of a single individual, used for machinery, equipment or building repair, construction or maintenance.