



Farmowner's Insurance Policy Booklet



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FARM INSURANCE POLICY

A GUIDE TO YOUR FARM POLICY

Your Farm Insurance Policy consists of the Coverage Summary Page(s) and this booklet. Coverages applicable to **your** farm buildings and other farm property are described in this booklet. If **we** provide coverage for **your** farm dwelling and/or personal property, the **Homeowner, Mobile Home, Tenant and Condominium Unit Owners Policy Booklet** applies.

This booklet consists of 3 sections:

SECTION 1 – Farm Property Coverage

SECTION 2 – Farm Liability Coverage

SECTION 3 – Conditions

All buildings or structures located on the **farm premises** must be covered under the Farm Property section of **your** Farm Insurance Policy. Any property associated with the farm business operation, either completely or partially, must be covered under Farm Property. Property related to any business or occupation other than **farming** is not covered, unless permission is granted on **your** Coverage Summary Page.

This policy contains various exclusions and limitations which eliminate or restrict coverage. Please read it carefully.

Words and phrases shown in **bold italic** print have special meaning, either as defined in this booklet under Definitions, or as otherwise specifically defined within the applicable section.

Only the person(s) or the company named on the Coverage Summary Page may make a claim against this policy and take legal action against **us**.

Claims presented for loss or damage by any person(s) or company covered under this policy shall be considered to be made by all named or unnamed **insured** person(s) jointly. Action(s) of any person either individually or jointly shall be considered action(s) by all for the purpose of investigation and settlement of losses.

This policy is a legal contract that has been designed for **you**, based on the occupancy, use, services, utilities, and other circumstances pertinent to **your** property, which **you** disclosed to **your** broker at the time **you** completed **your** application. When there is a change to any of these circumstances, be sure to notify **your** broker accordingly.

Your coverage starts at 12:01 A.M. standard time on the Effective Date and ends at 12:01 A.M. standard time on the Expiry Date.

In the event of loss or damage to your property, notify your broker or us immediately.

Insurance cannot be a source of profit.

It is designed to indemnify you against actual losses or expenses incurred by you or for which you are liable, arising from sudden and accidental events.



FARM INSURANCE POLICY

Your complete Farm Insurance Policy consists of this booklet and **your** Homeowner's Policy Booklet (if **we** insure **your** dwelling and/or personal property) together with the Coverage Summary Page(s). Coverages applicable to **your** dwelling and/or personal property are described in **your** Homeowner's Policy Booklet. Coverages applicable to **your** farm buildings and other farm property are described in this booklet.

This Farm Insurance Policy Booklet consists of 3 sections.

Section 1 – Farm Property Coverage – describes the insurance on **your** farm buildings, machinery and other farm property.

Section 2 – Farm Liability Coverage – describes the insurance for **your** legal responsibility for injury to other people or damage to their property, arising from **your farming** operations and **your** personal activities. Where a Homeowner, Mobile Home, Tenant and Condominium policy booklet is issued as part of this farm policy, the liability coverage of that booklet is replaced by the Farm Liability Coverage of this booklet.

Section 3 – General Conditions and Statutory Conditions

INSURING AGREEMENT – (Applicable to all coverages in the Farm Property Coverage Section)

Germania Mutual Insurance Co. (hereinafter called the Insurer) agrees with the Named Insured (herein after called the **Insured**) to provide the insurance described in this policy in return for payment of the premium and subject to the exclusions, limitations, terms and conditions set out. The Coverage Summary Page summarizes the coverages and amounts of insurance the Insurer has agreed to provide and the period for which they are provided. Failure to comply with any term or condition may result in the denial of a claim under this policy.

All General Conditions and Statutory Conditions of this policy apply to all coverages.

DEFINITIONS

Actual cash value means the cost to replace or repair **your** property less any depreciation and in determining depreciation, **we** will consider the age, the condition immediately before the damage, the use of the property and its obsolescence, the resale value, and the normal life expectancy.

Business Pursuits: means any trade, profession or occupation, enterprise or activity (not directly relating to the **farming** operation) which is undertaken for the purpose of financial gain or other compensation.

Custom farming means the use of **your** farm machinery or equipment for others for compensation or the performance of any farm-related work for compensation, but only if the amount of compensation exceeds \$20,000 gross receipts in total during the policy term. **Custom farming** shall include seed cleaning, seeding, summerfallowing, swathing, combining, rock picking and harvesting. Occasional farm work **you** do for others in return for their work for **you**, or crop-share or similar arrangements will not be considered **custom farming**.

Data means representations of information or concepts, in any form.

Data problem means:

- (a) erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
- (b) error in creating, amending, entering, deleting or using **data**; or
- (c) inability to receive, transmit or use **data**; or
- (d) damage to electronic **data** processing equipment or other related component system, process or device.

Farming means the ownership, maintenance or use of **premises** or machinery for the production of crops or the raising or care of livestock, including all necessary related operations. **Farming** also includes the operation of roadside stands and farm markets maintained principally for the sale of **your** own farm products.

Farm premises or **your premises** means the location(s) shown on the Coverage Summary Page including all farm land owned by, or rented or leased to the **Insured** within the province of Saskatchewan, or within 40 kilometers of the provincial border, but only within the territorial limits of Canada.

Fungi means, 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, vapor or gas produced by, emitted from or arising out of any **fungi** or **spores** or resultant mycotoxins, allergens, or pathogens.

Insured means:

- (a) the person(s) named as **Insured** on the Coverage Summary Page and, while living in the same household, the following unnamed person(s):
 - his or her **spouse**;
 - the relatives of either, or
 - any person under the age of 21 in their care.

It shall also include any unmarried student who is temporarily living away from home for the purpose of attending a school, college or university. They must be dependent on the named **Insured** or his or her **spouse** for support and maintenance and must intend to return to the principal residence upon completion of the school year in order for coverage on this policy to extend to him/her.

- (b) the Corporation named on **your** Coverage Summary Page and any executive officer or director while acting within the scope of his or her duties related to the **farming** operation.

Insured peril means a cause of loss or damage insured under the type of coverage shown on **your** Coverage Summary Page for that specific property.

Occupied farm means the dwelling at the farm yard site is occupied as a principal residence.

Occurrence means a loss to insured property caused by one or more of the **insured perils**.

Replacement cost means the cost, at the time of loss, destruction or damage, of repairing or replacing (whichever is the least) with like kind and quality, without deduction for depreciation.

Special risk building: means:

- (a) a poultry barn housing 500 or more birds;
- (b) a hog barn housing 100 or more hogs;
- (c) a dairy barn housing 20 or more milk cows;
- (d) seed cleaning buildings;
- (e) P.M.U. barns;
- (f) buildings housing exotic livestock, game or fowl;
- (g) beekeeping buildings and related property;
- (h) silos, elevators, elevator annexes, terminals and warehouses.

Spore(s) means, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any **fungi**.

Spouse means either of two persons who are:

- married to each other or who have together entered into a marriage that is voidable or void; or
- living together in a conjugal relationship outside marriage and have so lived together continuously for a period of three years or, if they are the natural or adoptive parents of a child, for a period of one year; or

- considered **spouses** under the Family Law Act, or its' equivalent, in the jurisdiction in which the policy was issued.

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 governments(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Unoccupied farm means the dwelling at the **farm** yard site is not occupied as a principal residence, or there is no dwelling at the yard site.

Vacant means no longer used for any purpose. Buildings are considered **vacant** when contents, associated with the customary use of the building, have been removed. Unsecured, abandoned buildings are **vacant** even where some contents may remain in the building.

We, Us or Our means the Germania Mutual Insurance Company of Saskatchewan.

You or Your has the same meaning as **Insured** above.

BASIS OF CLAIM PAYMENT

Unless otherwise stated in this policy, the Insurer will pay for insured loss or damage arising out of one **occurrence** up to the least of:

- (a) **your** financial interest in the property;
- (b) the **actual cash value** of the property at the time of loss;
- (c) the amount it would cost to repair or replace the property with materials of similar quality;
or
- (d) the applicable limit(s) of insurance shown on the Coverage Summary Page.

This applies even if more than one person or organization has an insurable interest in the property insured.

If **you** qualify for a tax credit, the loss payment will be reduced by that amount.

DEDUCTIBLE: In any one **occurrence**, the Insurer is responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the Coverage Summary Page. There may be different deductibles or Special Deductibles depending on the type of property and the type of insured loss. If one **occurrence** could lead to the application of more than one deductible, only the largest single deductible will apply.

OBsolescence: The Insurer will not pay for increased costs that result when the **Insured** cannot repair or replace his property because material or parts are unavailable, obsolete or outmoded. **We** will pay only for the cost that would have been required if material or parts were available. **We** will pay on the basis of the last known cost of material or parts.

DEFERRED LOSS SETTLEMENT CLAUSE

In consideration of the premium charged for this insurance and subject to the terms, conditions and limitations of the policy including endorsements thereon, it is agreed between the Insurer and the **Insured** that, in the event of loss or damage to the building by an **insured peril**, settlement of the loss will be as follows:

1. The Insurer will not pay more than 50% of the amount **we** would otherwise have paid if this clause had not been in effect.
2. If the **Insured** repairs or replaces the damaged or destroyed building within nine months of the date of the loss or damage, and, if replacement is necessary, the **Insured** replaces the building on the same site or within 65 meters (200 feet) with a building designed for the same purpose for which the destroyed building was originally intended, **we** will, upon receipt of satisfactory evidence of **your** expenditures for such repair or replacement, pay the remaining amount of the loss in accordance with the terms and conditions of this policy.
3. If the **Insured** does not repair or replace the damaged or destroyed building within the provisions of paragraph 2. above, the reduced payment that the **Insured** receives under the provisions

of paragraph 1. shall constitute full and final settlement under this policy with respect to such loss. The Insurer will then refund one-half the premium that the **Insured** paid for the insurance on the building, if the **Insured** requests **us** to do so.

4. If the **Insured** has other insurance on the building, the Insurer will pay its ratable proportion of the loss subject to the terms and conditions of this clause.

The Insurer does not pay for any loss, expense or increased cost of repair or replacement due to the operation of any law or ordinance regulating zoning, demolition, repair or construction of buildings and their related services.

EXTENSIONS OF COVERAGE

The following **Extensions of Cover** shall not increase the amounts of protection applying under this policy to the property damaged or destroyed, unless otherwise specifically stated:

Debris Removal: The limit of insurance includes the expense incurred in the removal of debris of insured property which has been damaged or destroyed by an **insured peril**.

We will also indemnify **you** for expenses incurred to remove the property of others, excluding trees, shrubs and plants, which has been blown by windstorm onto **your farm premises**, when it is coincidental with other loss or damage insured by this policy.

Debris Removal expense will not be considered in the determination of **actual cash value** or **replacement cost** for the purpose of applying the Co-Insurance Clause.

Removal of Property: If **you** must remove insured property from **your** premises to protect it from loss or damage or further loss or damage thereto, it is insured by this policy for 7 days or until **your** policy term ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of the loss.

Fire Fighting Coverage: If **we** provide coverage to **your** farm dwelling, **we** will reimburse **you** up to \$3,000 or such other amount as may be specified on the Coverage Summary Page, if **you** are legally obligated to pay fire fighting charges incurred when a fire department is called to save or protect **your** insured property or property of others adjacent to **your premises**, from loss or damage or from further loss or damage. This coverage is not subject to a deductible.

DENT CLAUSE

The following is applicable if the Coverage Summary Page shows that a building is subject to the **Dent Clause**.

We do not pay for loss or damage to metal roofing or siding of buildings or structures caused by or resulting from hail, whether driven by wind or not, unless such cover is punctured by hail.

SOLID FUEL HEAT WARRANTY CLAUSE

The following is applicable if the Coverage Summary Page shows that a building is subject to the **Solid Fuel Heat Warranty Clause**.

It is warranted by the Insured that no solid fuel heat will be used in this building during the term of this policy. If this warranty is in any way disregarded, coverage afforded to this building shall be null and void with respect to any claim which occurs as a direct result of the use of solid fuel heat, or a heating or cooking device.

GENERAL EXCLUSIONS – Loss or Damage Not Insured

(Applicable to all of Section 1 – Farm Property Coverages & Endorsements)

We do not insure loss or damage:

- (1) caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (2) caused by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
- (3) caused by contamination by any radioactive material;
- (4) by an intentional or criminal act or failure to act by:
 - (a) **you** or any other person **insured** by this policy; or
 - (b) any other person at the direction of any person **insured** by this policy; or
 - (c) **your** employees or anyone to whom the damaged or lost property is entrusted.

This exclusion applies only to the claim of a person:

- (a) whose act or omission caused the insured loss or damage;
- (b) who abetted or colluded in the act or omission;
- (c) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
- (d) who is in a class prescribed by regulation.

An **insured** person to whom this exclusion does not apply must cooperate with **us** in respect of the investigation of the loss or damage, including without limitation:

- (i) by submitting to an examination under oath, if requested by **us**;
- (ii) by producing for examination at a reasonable time and place designated by **us**, documents specified by **us** that relate to the loss or damage; and
- (iii) by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by **us**.

They cannot recover more than their proportionate interest in the lost or damaged property.

- (5) directly or indirectly caused by or resulting from neglect, meaning neglect by **you** to use all reasonable means to save and protect the property at and after the time of loss, or when property is endangered by an **insured peril**;
- (6) caused directly or indirectly, in whole or in part, by any **fungi** or **spore(s)** nor for the cost or expense for any testing, monitoring, evaluating or assessing of **fungi** or **spores**;
- (7) because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretenses;
- (8) to any property illegally acquired, imported, kept, stored or transported;
- (9) to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (10) to buildings and/or structures, and their contents, used in whole or in part for the illegal cultivation, harvesting, processing, manufacturing, distribution or sale of cannabis or any product derived from, or containing cannabis or any other substance falling within the Schedules of the Controlled Drugs and Substances Act, whether or not the **Insured** is aware of such use of the property;
- (11) caused 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** regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but **you** are still insured for ensuing loss or damage which results directly from fire or explosion;
- (12) to **data**; or resulting from, contributed to or caused directly or indirectly by **data problem**. However, if loss or damage caused by **data problem** results in the **occurrence** of further loss or damage to property insured that is directly caused by fire, explosion, smoke or water damage, this exclusion shall not apply to such resulting loss or damage.

GENERAL CONDITIONS

1. **Policy Period:** This policy applies only to **bodily injury** and **property damage** which occurs during the policy period shown on the Coverage Summary Page.
2. **Canadian Currency:** All limits of insurance, premiums, and other amounts as expressed in this policy are in Canadian currency.
3. **Duty of Insured after Loss:** It is the **Insured's** duty, in the event that any property insured by this policy is lost, damaged or destroyed to take all reasonable steps to recover such property. The Insurer shall contribute *pro rata* towards any reasonable and proper expenses in connection with such efforts according to the respective interests of the parties.
4. **Examination of Insured:** In the event of a claim under this policy and at the request of the Insurer, the **Insured** must submit to examination under oath and produce for examination at such reasonable place and time as designated by **us** or **our** representative, all documents in **your** possession or control that relate to the matters in question, and permit extracts and copies of such documents to be made.
5. **Insurance Under More than One Policy:** If the **Insured** has other insurance on specifically described property, **our** policy will be considered excess insurance and the Insurer will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, **our** policy will pay its ratable proportion of an insured loss.
6. **Liberalization Clause:** During the term of this policy, should the Insurer adopt and publish for use any forms, endorsements or rules which would extend or broaden coverage without additional premium charge, either by endorsement or substitution, then such extended or broadened coverage will immediately apply.

7. **Notice to Authorities:** Where the loss is due to a malicious act, burglary, robbery, theft or attempted theft, or is suspected to be so due, the **Insured** must notify the police or other authority immediately.
8. **No Benefit to Bailee:** This insurance does not apply directly or indirectly to the benefit of any carrier or other bailee.
9. **Pair and Set:** In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which is or are a part of a set, the Insurer will pay only a reasonable and fair proportion of the total value of the set, and such loss or damage will not be understood to mean total loss of the set.
10. **Property Consisting of Several Parts:** In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer will not pay for more than the insured value of the part lost or damaged, including the cost of installation.
11. **Reinstatement:** Any loss hereunder shall not reduce the amount of this insurance for the rest of the policy term.
12. **Subrogation:** It is expressly agreed that upon payment of any claim, or advancement or loan of money concerning the same, that the Insurer is entitled to make claim upon and institute legal proceedings against any party believed to be liable for the loss and will use all proper and reasonable means to recover the same.
13. **Valuation and Placement:** Unless otherwise provided, the Insurer is not liable beyond the **actual cash value** of the property at the time any loss or damage occurs, and 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.

SECTION 1

FARM PROPERTY COVERAGE

BEEKEEPERS (HONEY)

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Beekeepers Coverage, **we** insure the property described and used in connection with **your** beekeeping operations, but only while the property is within the Province of Saskatchewan.

DEFINITIONS

Beekeeping Equipment shall include portable or mobile beekeeping equipment and supplies used in conjunction with the beekeeping operation, excluding mobile machinery and/or implements.

Hives shall include raw honey contained herein and honey bees, including all stages of development; hives are defined as being one or two brood chambers plus a maximum of six supers.

Stock of Honey shall include processed and unprocessed honey while contained in any building or while contained in barrels.

Supers shall mean additional hives and/or boxes not specifically used as brood chambers.

INSURED PERILS

Named Perils – If the Coverage Summary Page specifies Named Perils, **you** are insured against direct loss or damage caused by the following perils, as described and limited:

- (1) Fire or Lightning (including loss or damage to electrical appliances or devices).
- (2) Explosion of natural, coal or manufactured gas.
- (3) Smoke – shall mean smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney.
- (4) Impact – by aircraft, spacecraft or land vehicle.
- (5) Riot, Vandalism or Malicious Damage. This peril does not include loss or damage:
 - (a) to glass constituting part of a building;
 - (b) directly or indirectly caused by theft or attempted theft;
 - (c) caused by any tenant, tenant's guests, tenant's employees or members of their households;
 - (d) caused by the **Insured**, members of his household or his employees.

- (6) Theft or Attempted Theft. This peril does not include loss or damage:
 - (a) caused by the **Insured**, members of his household or his employees;
 - (b) caused by any tenant, tenant's guests, tenant's employees or members of their households;
 - (c) caused by mysterious disappearance or loss or shortage disclosed upon taking inventory;
 - (d) caused by dishonesty of any person to whom the insured property has been entrusted.
- (7) Windstorm or Hail – There is no coverage under this peril for loss or damage:
 - (a) to property in a building unless damage is concurrent with and results immediately from an aperture caused by windstorm or hail;
 - (b) to an outside hive or property within an outside hive unless the hive was properly anchored;
 - (c) caused directly or indirectly by high water, flood, overflow, water borne objects, waves or ice, ice load, snow load, land subsidence or landslip, whether or not driven by the wind;
 - (d) to adult bees or cocoons in the open, unless this coverage has been extended on **your** policy;
 - (e) to buildings or structures in course of construction or dismantling, unless permission is granted to complete construction or to dismantle building(s) or structure(s);
 - (f) to buildings or structures in transit or while raised off foundations;
 - (g) to roofs of buildings or structures roofed with straw, hay or tar paper.
- (8) Ravaging by bears – **we** will only pay in excess of any government assistance program.
- (9) Transportation – means direct physical loss or damage to property insured caused by collision, upset, overturn, derailment, stranding, sinking or burning on any land vehicle or regular ferry or which is in or on railway cars or transfers in connection therewith.

OPTIONAL EXTENSION OF COVERAGE

- (1) **Property in Transit** – If the Coverage Summary Page shows a premium for **Property in Transit**, the insurance provided by this rider is extended to apply while the insured property, except machinery or permanent buildings, is in transit anywhere in Canada or the Continental United States of America.
- (2) **Bees in the Open** – If the Coverage Summary Page shows a premium for **Bees in the Open**, the exclusion for **Bees in the Open** under the peril of Windstorm or Hail is deleted.
- (3) **Electrical Power Interruption** – If the Coverage Summary Page shows a premium for **Electrical Power Interruption**, **we** will pay for direct loss or damage caused by:
 - (a) electrical power interruption or as a result of a mechanical breakdown of fans, blowers, coolers or other brooding building equipment;
 - (b) fumes.

The insurance provided by this extension does not apply unless there is in place an approved automatic operable back-up system which will provide uninterrupted power to the heating and ventilating system of the building containing the insured bees.

A deductible of \$500 or the deductible amount shown on **your** Coverage Summary Page (whichever is greater) applies to each **occurrence** insured under this extension.

EXCLUSIONS:

Property Excluded: **We** do not insure:

- (1) property contained in any building or structure at an **unoccupied farm** when the farm yard site has been unoccupied for more than 30 consecutive days unless permission for unoccupancy is granted on the Coverage Summary Page;
- (2) any building which has not been used for beekeeping purposes for more than 60 consecutive days, unless **you** notify **us** in writing.

Perils Excluded: **We** do not insure loss or damage:

- (1) caused by death resulting from or contributed to by disease, illness, predators, parasites or poison, whether as a consequence of an **insured peril** or not; or
- (2) caused directly or indirectly by electrical currents, other than lightning, but if fire or explosion results, **we** will pay for the resulting fire or explosion damage;
- (3) to property undergoing any process or while being worked on, where the damage results from such process or work;
- (4) caused by delay or loss of market;
- (5) caused by dishonesty of employees or any persons to whom the property is entrusted;
- (6) caused by shifting of the load in the transporting conveyance, poor or insufficient packing or rough handling, breakage, marring or scratching.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. **We** agree to waive this clause if the amount of loss in any one occurrence is less than \$2,500 or 5% of the amount of insurance, whichever is the least. If more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

SPECIAL DEDUCTIBLE – Each claim for loss or damage shall be adjusted separately and the deductible shown on **your** Coverage Summary Page shall apply, except with respect to loss or damage to any of the insured property while located in the open field by any of the following perils:

- (a) windstorm or hail;
- (b) riot, vandalism or malicious acts;
- (c) theft or attempted theft;
- (d) ravaging by bears;

in which event(s) the deductible applied shall be \$1,000 or the amount shown on **your** Coverage Summary Page, whichever is the greater.

Where the bee yard is protected with an electric fence, loss or damage to hives caused by **ravaging by bears** shall be subject to the deductible shown on **your** Coverage Summary Page.

See also General Exclusions – Loss or Damage Not Insured of Section 1

BEEKEEPERS (LEAFCUTTER)

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Beekeepers Coverage, **we** insure the property described on the Coverage Summary Page and used in connection with **your** beekeeping operations, but only while the property is within the Province of Saskatchewan.

DEFINITIONS

Beekeeping Equipment shall include portable or mobile beekeeping equipment and supplies used in conjunction with the beekeeping operation excluding mobile machinery and/or implements.

Adult Bees or Cocoons shall mean leafcutter bees and cocoons, including all stages of development.

Nesting Boards and Shelters shall mean nesting boards and shelters used in conjunction with a leafcutter operation.

INSURED PERILS

Named Perils – If the Coverage Summary Page specifies Named Perils, **you** are insured against direct loss or damage caused by the following perils, as described and limited:

- (1) Fire or Lightning (including loss or damage to electrical appliances or devices).
- (2) Explosion of natural, coal or manufactured gas.
- (3) Smoke – shall mean sudden, unusual and accidental damage caused by smoke from a heating or cooking unit;
- (4) Impact – by aircraft, spacecraft or land vehicle;
- (5) Riot, Vandalism or Malicious Damage. This peril does not include loss or damage:
 - (a) to glass constituting part of a building;
 - (b) directly or indirectly caused by theft or attempted theft;
 - (c) caused by any tenant, tenant's guests, tenant's employees or members of their households;
 - (d) caused by the **Insured**, members of his household or his employees.
- (6) Theft or Attempted Theft. This peril does not include loss or damage:
 - (a) caused by the **Insured**, members of his household or his employees;
 - (b) caused by any tenant, tenant's guests, tenant's employees or members of their households;
 - (c) caused by mysterious disappearance or loss or shortage disclosed upon taking inventory;
 - (d) caused by dishonesty of any person to whom the insured property has been entrusted.
- (7) Windstorm or Hail – There is no coverage under this peril for loss or damage:
 - (a) to property in a building unless damage is concurrent with and results immediately from an aperture caused by windstorm or hail;
 - (b) to an outside hive or property within an outside hive unless the hive was properly anchored;

- (c) caused directly or indirectly by high water, flood, overflow, water borne objects, waves or ice, ice load, snow load, land subsidence or landslip, whether or not driven by the wind;
 - (d) to adult bees or cocoons in the open, unless this coverage has been extended on **your** policy;
 - (e) to buildings or structures in course of construction or dismantling, unless permission is granted to complete construction or to dismantle building(s) or structure(s);
 - (f) to buildings or structures in transit or while raised off foundations;
 - (g) to roofs of buildings or structures roofed with straw, hay or tar paper.
- (8) Ravaging by bears – **we** will only pay in excess of any amount payable under any government assistance program.
- (9) Transportation – means direct physical loss or damage to property insured caused by collision, upset, overturn, derailment, stranding, sinking or burning on any land vehicle or regular ferry or which is in or on railway cars or transfers in connection therewith.

OPTIONAL EXTENSION OF COVERAGE

- (1) **Property in Transit** – If the Coverage Summary Page shows a premium for **Property in Transit**, the insurance provided by this rider is extended to apply while the insured property, except machinery or permanent buildings, is in transit anywhere in Canada or the Continental United States of America.
- (2) **Bees in the Open** – If the Coverage Summary Page shows a premium for **Bees in the Open**, the exclusion for **Bees in the Open** under the peril of Windstorm or Hail is deleted.
- (3) **Electrical Power Interruption** – If the Coverage Summary Page shows a premium for **Electrical Power Interruption**, **we** will pay for direct loss or damage caused by:
- (a) electrical power interruption or as a result of a mechanical breakdown of fans, blowers, coolers or other brooding building equipment;
 - (b) fumes.

The insurance provided by this extension does not apply unless there is in place an approved automatic operable back-up system which will provide uninterrupted power to the heating and ventilating system of the building containing the insured bees.

A deductible of \$500 or the deductible amount shown on **your** Coverage Summary Page (whichever is greater) applies to each **occurrence** insured under this extension.

EXCLUSIONS:

Property Excluded: **We** do not insure:

- (1) property contained in any building or structure at an **unoccupied farm** when the farm yard site has been unoccupied for more than 30 consecutive days unless permission for unoccupancy is granted on the Coverage Summary Page;
- (2) any building which has not been used for beekeeping purposes for more than 60 consecutive days, unless **you** notify **us** in writing.

Perils Excluded: **We** do not insure loss or damage:

- (1) caused by death resulting from or contributed to by disease, illness, predators, parasites or poison, whether as a consequence of an **insured peril** or not;
- (2) caused directly or indirectly by electrical currents, other than lightning, but if fire or explosion results, **we** will pay for the resulting fire or explosion damage;
- (3) to property undergoing any process or while being worked on, where the damage results from such process or work;
- (4) caused by delay or loss of market;
- (5) caused by dishonesty of employees or any persons to whom the property is entrusted;
- (6) caused by shifting of the load in the transporting conveyance, poor or insufficient packing or rough handling, breakage, marring or scratching.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. **We** agree to waive this clause if the amount of loss in any one occurrence is less than \$2,500 or 5% of the amount of insurance, whichever is the least. If more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

SPECIAL DEDUCTIBLE – Each claim for loss or damage shall be adjusted separately and the deductible shown on **your** Coverage Summary Page shall apply, except with respect to loss or damage to any of the insured property while located in the open field by any of the following perils:

- (a) windstorm or hail;
- (b) riot, vandalism or malicious acts;
- (c) theft or attempted theft;
- (d) ravaging by bears;

in which event(s) the deductible applied shall be \$2,500 or the amount shown on **your** Coverage Summary Page, whichever is the greater.

Where the bee yard is protected with an electric fence, loss or damage to hives caused by **ravaging by bears** shall be subject to the deductible shown on **your** Coverage Summary Page.

LOSS REPORTING – Any **occurrence** causing loss or damage insured by this coverage must be reported immediately.

LOSS ADJUSTMENT CLAUSE – Bees and/or Cocoons in the open field:

Where coverage is provided for adult bees and cocoons while in the open field and loss or damage is caused by an **insured peril** while such bees or cocoons are in the open field, including while in hives or shelters, **we** will not pay any loss if the number of cocoons recovered during the season is equal to or greater than the number of adult bees and/or cocoons released at the beginning of the season.

See also General Exclusions – Loss or Damage Not Insured of Section 1

FARM OUTBUILDINGS AND CONTENTS

If the Coverage Summary Page shows an amount of insurance for Farm Outbuildings and/or Contents, **we** insure the property described on the Coverage Summary Page.

PROPERTY INSURED

(1) **FARM OUTBUILDINGS** – the word **building**, as used in describing this coverage also means a **structure**.

(a) **Blanket Cover** – If the Coverage Summary Page shows an amount of insurance for outbuildings with Blanket cover, **we** insure farm buildings on **your farm premises**, including their permanently attached fixtures and equipment, owned by **you** and usual to **your farming** operations, excluding the following:

We do not insure:

- (1) any building, or mobile home used in whole or in part for residential purposes, whether or not insured under any section of this policy;
- (2) any dwelling which qualifies for coverage or is insured under Dwellings and Personal Property of this policy;
- (3) any building used or intended for use as a greenhouse;
- (4) any other building separately described and specifically insured by this or any other policy;
- (5) windmills, wind chargers and their towers, roof signs, television, radio or satellite dish antennas and their towers, equipment, and appurtenances, in the open whether or not attached to an insured building;
- (6) any **special risk buildings** (as described in Definitions);
- (7) any building used in whole or in part for manufacturing or commercial purposes other than **farming**;
- (8) any building not fully enclosed on all sides;
- (9) any buildings and/or shelters where wall or roof construction consists of fabric, tarp, polyethylene or similar covering;
- (10) fences and corrals, except if attached to and forming an integral part of an insured building and then, for the peril of fire only;
- (11) any building under construction or **vacant**;
- (12) any building using solid fuel and/or oil heat unless approved by **us** and shown on the Coverage Summary Page.

Extensions of Blanket Cover

We will cover building materials and supplies on the **farm premises** intended solely for use in construction, alteration or repair of buildings to which Blanket Coverage applies. Coverage is provided at the location and at the time the **Insured** takes possession of such materials and supplies. Coverage applies while in transit to the **farm premises**, except while in transit by a common carrier, for the same perils applicable to the insured buildings and for collision, upset or overturning of a transporting conveyance.

- (b) **Scheduled Cover** – If the Coverage Summary Page shows an amount of insurance for outbuildings with Scheduled cover, **we** insure farm buildings located on **your farm premises** including their permanently attached fixtures and equipment, owned by **you** and usual to **your farming** operations excluding the following:

We do not insure:

- (1) fences or corrals attached to any building, unless they are specifically described on the Coverage Summary Page with an amount of insurance indicated;
- (2) any building used in whole or in part for manufacturing or commercial purposes, or used in connection with any **custom farming**, unless permission for such use is shown on the Coverage Summary Page;
- (3) outdoor radio and T.V. antennae and towers, including satellite dishes or the attachments of any of them, whether or not they are attached or connected to a building.

Extensions of Scheduled Cover

(1) **We** will cover building materials and supplies located on the **farm premises** intended solely for use in construction, alteration or repair of scheduled buildings insured by this policy. Coverage provided is for no more than the **actual cash value** of the property, subject to a maximum of 10% of the current total scheduled building(s) value.

(2) **Newly Acquired Buildings** – Coverage is automatically provided on building(s) newly acquired by the **Insured** during the policy term. The **Insurers** limit of liability for this extension shall be for no more than the **actual cash value** of the building, nor for more than \$50,000, whichever is the least. Coverage shall cease:

- (a) at the inception of more specific insurance; or
- (b) at the expiration of the policy; or
- (c) 30 days from the inception of such acquisition, whichever occurs first.

When such newly acquired building(s) are to be insured under this policy beyond the expiry of the above limits, premium shall be payable from the date of such acquisition. If this coverage applies to more than one building, the amount of insurance shall be divided in the proportions of the value of all buildings on the premises at the time of loss.

(3) **Buildings in Course of Construction** – The following special conditions apply to buildings under construction when such buildings are insured under this policy:

- (a) The building must be fully enclosed within 60 days from the day on which construction is started. Otherwise **you** will be insured for the perils of Fire & Lightning only, even though another coverage may be shown on the Coverage Summary Page.
- (b) During the entire time the building is under construction, a separate deductible applies to loss or damage caused by windstorm. The windstorm deductible will be shown on the Coverage Summary Page.

(2) FARM OUTBUILDING CONTENTS

(a) **Blanket Cover** – If the Coverage Summary Page shows an amount of insurance for Contents with Blanket Cover, **we** insure the contents usual to a **farming** operation, owned or used by **you** and for which **you** are legally liable, while contained in buildings located on the **farm premises**.

(b) **Scheduled Cover** – **We** insure contents specifically described on **your** Coverage Summary Page usual to a **farming** operation, owned or used by **you** and for which **you** are legally liable, while contained in buildings located on the **farm premises**.

PROPERTY EXCLUDED – Applies to Blanket or Scheduled Contents

We do not insure:

- (a) any personal belongings which qualify for coverage or are insured under Dwellings and Personal Property of this or any other insurance policy;
- (b) contents of **special risk buildings** (as described in Definitions);
- (c) contents of any building not fully enclosed on all sides;
- (d) contents of buildings used as a greenhouse;
- (e) contents in buildings where wall or roof construction consists of fabric, tarp, polyethylene or similar covering;
- (f) contents in buildings that are under construction or **vacant**;
- (g) animals, livestock, poultry, fish, bees, poultry or dairy products, processed or frozen meat or honey;
- (h) motorized vehicles, including licensed or unlicensed automobiles, trucks, campers, house trailers, motorcycles, trailers, dirt bikes, go-carts, midget automobiles, golf carts, dune buggies, snowmobiles, all-terrain vehicles or any other similar motorized items not otherwise specifically mentioned herein;
- (i) aircraft, hang gliders, ultra lights or other similar aircraft of any name, including furnishings, equipment or appurtenances of any of the foregoing;
- (j) watercraft and their motors and equipment;
- (k) mobile machinery and implements including all equipment therefore attached or otherwise. Repair parts are not excluded, unless otherwise insured;
- (l) permanently attached fixtures and equipment forming part of any building;
- (m) money, securities, accounts, bills, stamps, or evidences of debt or title;
- (n) fodder, produce, grain and seed;
- (o) bagged silage and silage bags;
- (p) irrigation equipment;
- (q) liquefied petroleum gas, gasoline, benzine, diesel fuel and naphtha;
- (r) tools;
- (s) semen and semen tanks;
- (t) fertilizers, herbicides and pesticides;
- (u) nesting boards, shelters, hives;
- (v) building contents where removed from any building except as provided by the **Extensions of Blanket and Scheduled Cover**;
- (w) any property separately described and specifically insured in whole or in part by this or any other insurance policy, except as provided by the **Extensions of Blanket & Scheduled Cover**;
- (x) building contents used in whole or in part for **business pursuits** or used in connection with any **custom farming**.

Extensions of Blanket and Scheduled Cover – Farm Outbuilding Contents

You may apply up to 10% of the amount of insurance shown for Farm Building Contents or \$2,000 whichever is the least amount to:

- (a) cover contents owned by others and for which **you** are responsible;
- (b) cover building contents while in the open on the **farm premises**, or temporarily removed for service, repair or adjustment, subject to the limitations and exclusions applicable thereto.

INSURED PERILS – Outbuildings and Outbuilding Contents

- (1) **Fire and Lightning** – If the Coverage Summary Page specifies Fire & Lightning **you** are insured against direct loss or damage caused by:
 - (a) Fire;
 - (a) Lightning (excluding lightning damage to electrical devices or appliances); or
 - (b) Explosion of natural, coal or manufactured gas.
- (2) **Named Perils** – If the Coverage Summary Page specifies Named Perils, **you** are insured against direct loss or damage caused by the following perils as described and limited:
 - (a) Fire;
 - (b) Lightning, including loss or damage to electrical devices or appliances;
 - (c) Explosion or Implosion;

- (d) Smoke: this peril means smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney;
- (e) Falling Object: This peril means an object which strikes the exterior of a building but not objects which strike the building because of snowslide, iceslide, landslide or any other earth movement. This peril does not include damage to glass which forms part of the building;
- (f) Impact by land vehicle, spacecraft or aircraft, including impact by objects falling from an aircraft;
- (g) Riot, Vandalism or Malicious Acts: This peril does not include loss or damage:
 - (1) caused by theft or attempted theft;
 - (2) to glass constituting part of a building;
 - (3) caused by any tenant, tenant's guest, tenant's employees or members of their household;
 - (4) caused by the **Insured** or any member of his household or his employees;
 - (5) occurring when the insured **farm premises** are **vacant**, even if **we** have given permission for vacancy;
- (h) Windstorm or Hail: This peril does not include loss or damage:
 - (1) to fences or corrals anywhere on the **farm premises** unless specifically described and insured;
 - (2) to awnings and roof signs, outside radio and/or television antennae, or satellite receivers and appurtenances;
 - (3) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow load, ice load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip;
 - (4) to the interior of a building or to the contents of a building unless (subject always to the exclusions in (3) above) damage occurs concurrently with and results immediately from an opening in the building caused by windstorm or hail;
 - (5) to a building in course of construction or while being dismantled, unless **we** have given permission to complete construction or to dismantle such building;
 - (6) to a building while being moved or otherwise in course of transit;
 - (7) to a building or to property contained therein that is not fully enclosed on all sides;
 - (8) to a building while raised off its foundation;
 - (9) to walls or roofs of buildings constructed of or covered with straw, hay, tar paper, fabric, tarp, polyethylene or similar covering.

In addition, Named Perils is further extended, but only for property insured under **Farm Outbuilding Contents Blanket** or **Scheduled**, to include loss or damage caused directly by the following perils as defined and limited:

- (a) Theft or Attempted Theft: This peril does not include:
 - (1) loss or damage caused by the **Insured**, his employees or any member of his household or an employee's household; or
 - (2) caused by any tenant, tenant's guests, tenant's employees or members of their households;
 - (3) caused by any mysterious disappearance or loss or shortage disclosed upon taking inventory.
- (b) Transportation – means direct physical loss or damage to property insured caused by collision, upset, overturn, derailment, stranding, sinking or burning, on any land vehicle or regular ferry or which is in or on railway cars or transfer in connection therewith.

EXCLUSIONS – Applicable to Fire & Lightning and to Named Perils Coverage

We do not insure loss or damage:

- (a) to contents undergoing any process, but resulting fire damage to other property is insured;
- (b) to a building or contents occurring when the **farm premises** has been **vacant** for more than 30 consecutive days, unless **we** have given permission for vacancy;
- (c) to property contained in any building at an **unoccupied** farm when the farm yard site has been unoccupied for more than 30 consecutive days, unless **we** have given permission for unoccupancy;
- (d) caused by fire if there is, to **your** knowledge, in addition to what is in the fuel tanks of vehicles, more than five gallons in all of gasoline, benzene, naphtha or other material of greater volatility, in an insured building or in a building in which insured property is contained;

- (e) caused by electrical currents other than lightning, unless fire or explosion ensues, and then for loss or damage caused by such ensuing fire or explosion only;
- (f) caused by 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**:
 - i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to such boilers and containing steam or water under steam pressure;
 - ii) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii) 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, other than the following:
 - manually portable gas cylinders;
 - tanks having an internal diameter of 610 millimeters (24 inches) or less used for the heating and storage of hot water for domestic use;
 - iv) moving or rotating machinery or parts of same if the loss or damage is caused by centrifugal force or mechanical breakdown;
 - v) any vessels and apparatus and connecting piping while undergoing pressure test, but **we** will pay for other insured property damaged by the explosion;
 - vi) gas turbines;
- (g) **we** do not insure any loss, expense or increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.

(3) **All Risk Coverage** – If the Coverage Summary Page specifies All Risk Coverage, **you** are insured against all risks of direct physical loss or damage from any external cause, subject to the following exclusions:

EXCLUSIONS – Applicable to All Risk Coverage

We do not insure loss or damage caused directly or indirectly:

- (a) by earthquake, except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment;
- (b) by snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment;
- (c) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from fire protective equipment or a watermain;
- (d) by seepage, leakage or influx of water derived from natural sources through basement floors or walls, doors, windows or other openings therein, foundations, sidewalks or sidewalk lights;
- (e) by the backing up of sewers, sumps, septic tank or drains, unless concurrently and directly caused by a peril not otherwise excluded by this coverage;
- (f) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded by this coverage;
- (g) 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;
- (h) caused by explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the **Insured**, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to such boilers and containing steam or water under steam pressure;

- ii) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii) 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, other than the following:
 - manually portable gas cylinders;
 - tanks having an internal diameter of 610 millimeters (24 inches) or less used for the heating and storage of hot water for domestic use;
 - iv) moving or rotating machinery or parts of same if the loss or damage is caused by centrifugal force or mechanical breakdown;
 - v) any vessels and apparatus and connecting piping while undergoing pressure test, but **we** will pay for other insured property damaged by the explosion;
 - vi) gas turbines;
 - (i) by settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded by this coverage;
 - (j) by dampness or dryness of atmosphere, changes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in color or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by fire, lightning, smoke, windstorm, hail, explosion, strike, riot, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, rupture of pipes or breakage of apparatus not excluded under exclusion (g) hereof, vandalism or malicious acts, theft or attempted theft or accident to transporting conveyance;
 - (k) by smoke from agricultural smudging or industrial operations;
 - (l) by vermin (such as skunks and raccoons), rodents (such as squirrels and mice), insects (such as moths and termites,) moles, zebra mussels, bats, birds or domesticated animals, unless directly caused by a peril otherwise insured and not otherwise excluded under this policy;
 - (m) by delay, loss of market or loss of use or occupancy or indirect or consequential loss of any kind resulting in loss of revenue;
 - (n) proximately or remotely, arising in consequence of, or contributed to, by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the 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;
 - (o) by windstorm or hail:
 - i) to a building in course of construction or while being dismantled, unless **we** have given permission to complete construction or to dismantle such building;
 - ii) to a building while being moved or otherwise in course of transit;
 - iii) to a building or to property contained therein that is not fully enclosed on all sides;
 - iv) to a building while raised off its foundation;
 - v) to walls or roofs of buildings constructed of or covered with straw, hay, tar paper, tar or similar covering;
 - (p) the melting of ice or snow on the roof of the building.
- Now do **we** insure:
- (q) wear and tear, gradual deterioration, latent defect or inherent vice, wet or dry rot or mould;
 - (r) the cost of making good:
 - i) faulty or improper material;
 - ii) faulty or improper workmanship;
 - iii) faulty or improper design;
 - (s) to insured property while being worked on, where the damage results from such process or work or caused by any repairing, adjusting or servicing of the property, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
 - (t) loss or damage to goods while undergoing any process involving the application of heat;
 - (u) to electrical devices or appliances or wiring caused by artificially generated electrical currents, including arcing unless fire or explosion ensues and then only for such ensuing loss or damage;

- (v) mysterious disappearance or unexplained loss;
- (w) loss or damage to a building occurring after the building has, to **your** knowledge, been **vacant** for more than 30 consecutive days. Farm buildings which are in a seasonal state of vacancy due to normal practices of **farming** operations are not considered **vacant**.
- (x) accumulative damage however caused or any loss or damage not due to a sudden unexpected event.

Pollution Excluded – **We** do not insure any loss or damage, whether caused directly or indirectly, nor any clean up or removal cost incurred as a result of any spill, discharge or seepage of a pollutant or contaminant. This exclusion does not apply to loss or damage to the property insured caused directly by fire, lightning, smoke, windstorm, hail, explosion, riot, impact by land vehicle, spacecraft or aircraft, leakage from fire protective equipment, rupture of pipes or breakage of apparatus not excluded under paragraph (h) above, vandalism or malicious acts, theft or attempted theft.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. **We** agree to waive this clause if the amount of loss in any one **occurrence** is less than \$2,500 or 5% of the amount of insurance shown, whichever is the least. In the case of Scheduled Cover, if more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

REPLACEMENT COST COVERAGE – FARM OUTBUILDINGS

Where the Coverage Summary Page sets out the basis of settlement as **replacement cost**, and there is loss or damage to the building by an **insured peril**, settlement shall be based on the cost of repairing, replacing or reinstating (whichever is the least) with material of like kind and quality without deduction for depreciation. The foregoing shall be subject, otherwise, to all terms, conditions and limitations of this policy (including any amendments) and to the following provisions:

1. **you** repair or replace the damaged or destroyed building within a reasonable time after the loss; and
2. until repair, replacement or reinstatement has been effected, the applicable amount of protection in respect of the loss shall be limited to that which would have existed without this clause. Liability shall in no event exceed the actual expenditure for repairs, replacement or reinstatement; and
3. if replacement is necessary, **you** replace the building on the same site, or within 200 feet (65 meters) thereof, with a building designed for the same purpose for which the destroyed building was originally intended; and
4. if repair or replacement with material of like kind and quality is restricted or prohibited by any bylaw, ordinance or law, any increase in cost will not be covered by this clause; and
5. if **you** have other insurance on the building insuring against the same perils as this policy, it must include **replacement cost** coverage identical to this endorsement, otherwise settlement will be as if this endorsement had not been in effect.

Failing compliance by the **Insured** with any of the foregoing provisions, this clause shall be null and void and settlement will be based on **Actual Cash Value**.

If there is more than one item insured for **replacement cost**, this endorsement shall apply separately to each building to which it is applicable.

Basis of Loss Settlement: The cost of repairs or replacement (whichever is the least) without deduction for depreciation, in which case the Insurer will pay in the proportion that the applicable amount of insurance bears to 80% of the **replacement cost** of the damaged building at the date of damage, but not exceeding the actual cost incurred, or the applicable amount of insurance, whichever is the least.

Replacement cost coverage to the roof and roof coverings, roof accessories and venting, soffit, fascia, eavestroughs and downspouts connected to eavestroughs will be limited as indicated in the table below – **Roof Limitation for Outbuildings**.

ROOFS: ROOF LIMITATION FOR OUTBUILDINGS

In the event of loss or damage in whole or in part, caused by windstorm or hail to the roof of **your** building or structure, payment will be settled on a **Limited Replacement cost** basis. **We** will only pay for the insured loss to the area of **your** roof directly damaged.

Limited replacement cost means the cost, including labour, material and all other related costs, to replace or repair **your** property based on the age, condition and the remaining life expectancy of **your** property at the time of loss.

Roof includes but is not limited to roof material, roof covering, roof accessories and venting, soffit, fascia, flashing, eavestroughs and downspouts connected to eavestroughs.

The **Limited Replacement Cost** is based on the following schedule:

Roof Material	Depreciation during first 15 years	Annual Depreciation % after year 15	Maximum Depreciation %
Asphalt/Fibreglass Composition Shingles Class 1-3	0%	10%	75%
Asphalt/Fibreglass Composition Shingles Class 4	0%	7%	75%
Architectural Shingles	0%	7%	75%
Membrane Roofing	0%	5%	75%
Metal, Tile, Rubber, Slate, Synthetic, Polymer, Concrete	0%	2%	75%
Wood Shakes or Shingles	0%	4%	75%
Built Up Tar and Gravel	0%	30%	75%
Other	0%	9%	
Soffit, Fascia, Vents Eavestroughs, Downspouts Connected To Eavestroughs	0%	5%	75%

This limitation will not apply in the event of a total loss to a building.

All other limits, terms, conditions, provisions, definitions and exclusions shall have full force and effect.

See also General Exclusions – Loss or Damage Not Insured of Section 1

FARM MACHINERY AND EQUIPMENT

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Farm Machinery and Equipment, **we** cover machinery and equipment (as described below) which **you** own or for which **you** are legally liable, subject to the terms and conditions below.

(1) (a) **BLANKET COVER – Machinery – Harvesting Equipment**

Harvesting equipment means combines, combine headers, balers, haybines, haybine headers and forage machines including all equipment, attached or otherwise (excluding all other mobile machinery, implements and repair parts) usual to a **farming** operation, owned or used by **you** and for which **you** may be legally liable, while such property is within the territorial limits of Canada.

(b) **BLANKET COVER – Machinery – Non Harvesting Equipment**

Non Harvesting Equipment means mobile machinery and implements including all equipment, attached or otherwise (excluding Harvesting Equipment above) usual to a **farming** operation, owned or used by **you** and for which **you** may be legally liable, while such property is within the territorial limits of Canada.

EXTENSIONS OF BLANKET COVER

Newly Acquired Machinery & Equipment – We will extend coverage to mobile machinery and implements newly acquired by **you** as owner or lessee, subsequent to the effective date and during the current term of this policy, or to replacement machinery newly acquired by **you** as owner or lessee, to replace an item of machinery insured by this policy which **you** have disposed of. The replacement machinery must be designed for the same purpose as the item it replaces. The limit of insurance applicable to **Blanket Cover**, as stated on the Coverage Summary Page, will be increased by 25% or \$50,000, whichever is the least. The coverage provided by this extension is for a period of 30 days only from the date of purchase or acquisition of the additional unit(s), but not past the date on which this policy expires or is cancelled. The 25% or \$50,000 referred to above is the maximum increase that will apply regardless of the number of additional or replacement items **you** acquire within the 30-day period.

The value of the new or replacement machinery is subject to the Co-Insurance clause.

EXCLUSIONS (Applicable to Blanket Cover)

We do not cover loss or damage to:

- (a) automobiles, campers, house trailers or mobile homes, motorcycles, snow mobiles, dirt bikes, go-carts, all terrain vehicles, whether or not they are required to be licensed and any other motorized vehicle required to be licensed for use on public roads, including trailers and the furnishing, equipment or appurtenances of any of the foregoing. This exclusion does not apply to trailers used in connection with **your farming** operations and which are not required to be licensed for use on public roads;
 - (b) watercraft and their motors, aircraft or air cushion vehicles, or the equipment or appurtenances of any of the foregoing;
 - (c) miscellaneous farm property and equipment;
 - (d) portable water, chemical and fuel tanks;
 - (e) tools;
 - (f) grain dryers;
 - (g) irrigation equipment;
 - (h) any farm machinery or implements separately described and specifically insured by this or any other policy.
- (2) (a) **SCHEDULED COVER – Machinery – Harvesting Equipment**

Harvesting equipment means combines, combine headers, balers, haybines, haybine headers and forage machines including attached equipment (excluding repair parts) usual to a **farming** operation, owned or used by **you** and for which **you** may be legally liable, while such property is within the territorial limits of Canada and specifically shown on **your** Coverage Summary Page; excluding any item(s) insured in whole or in part by this or any other insurance policy.

(b) **SCHEDULED COVER – Machinery – Non Harvesting Equipment**

Non Harvesting Equipment means mobile machinery and implements including attached equipment, (excluding Harvesting Equipment above) usual to a **farming** operation, owned or used by **you** and for which **you** may be legally liable, while such property is within the territorial limits of Canada and specifically shown on **your** Coverage Summary Page; excluding any item(s) insured in whole or in part by this or any other insurance policy.

EXTENSIONS OF SCHEDULED COVER

We will extend coverage to additional mobile machinery and implements acquired by **you** as owner or lessee or to replacement machinery acquired by **you** as owner or lessee, subsequent to the effective date and during the current term of this policy:

- (1) **Newly Acquired Machinery & Equipment –** This coverage is automatically extended to cover additional items which are similar in nature to those scheduled and described on the Coverage Summary Page, which are newly acquired by **you** as owner or lessee. Under the conditions of this agreement, additional machinery is automatically insured for an amount equal to 25% of the total limit of insurance on all scheduled items or \$50,000, whichever is the least.

- (2) **Replacement Farm Machinery** – If **you** dispose of an item of machinery insured by this policy and replace it with one **you** acquire as owner or lessee, and which is designed for the same use as the one **you** disposed of, the insurance on the replaced item will automatically transfer to the replacement machinery, with the limit of insurance increased by \$50,000 or up to the **actual cash value** of the replacement item, whichever is least.

This extension is limited to a period of 30 days from the date **you** acquire the Additional or Replacement Machinery, but not past the date this policy expires or is cancelled. If **you** acquire more than one item of additional or replacement machinery within a 30-day period, the \$50,000 referred to above will not apply to each item. It will be divided amongst the newly acquired or replacement items in the proportions that the value of each item bears to the value of all items.

EXCLUSIONS (Applicable to Blanket and Scheduled Cover)

We do not cover loss or damage to:

- (a) property used in logging, forestry, or sawmill operations;
- (b) property used for excavating, brush cutting, land clearing and snow removal unless permission for such use is stated on the Coverage Summary Page, however permission is granted for snow removal and excavating on land owned by, rented or leased to **you**;
- (c) property when used in whole or in part for any **business pursuits** or while engaged in any **custom farming** or while in transit in connection with such custom work, unless permission for such use is stated on the Coverage Summary Page;
- (d) underground property including wells, piping and wiring, or the cost of excavation for any of these.

LOSS OF USE COVERAGE

This coverage applies only if an amount of insurance is shown on the Coverage Summary Page for **Loss of Use**. **We** agree to reimburse the **Insured** for expenses incurred for the rental of mobile farm machinery, similar in size, use and capacity to an insured machine which has become inoperable because of loss or damage caused by an **insured peril**. This coverage applies separately to each item of machinery insured should two or more items become inoperable in the same **occurrence**. **Our** payment shall be limited to 90% of the actual rental expense incurred by you, up to the limit shown on the Coverage Summary Page. Payment shall end on the date of completion of repairs or replacement of the damaged property or the date **we** make or tender settlement for the loss or damage, whichever is first. This extension does not apply to any machinery which has become inoperative while being used in any **custom farming** or **business pursuits**.

INSURED PERILS

- (1) **Fire and Lightning** – If the Coverage Summary Page specifies Fire and Lightning, **you** are insured against direct loss or damage caused by:
- (a) Fire;
 - (b) Lightning (excluding lightning damage to electrical devices or appliances); or
 - (c) Explosion of natural, coal or manufactured gas.
- (2) **All Risk** – If the Coverage Summary Page specifies All Risk Coverage, **you** are insured against direct physical loss or damage from any external cause, except the following:

We do not insure loss or damage:

- (a) caused by or resulting from wear, tear, gradual deterioration, mechanical breakdown, failure or defect, inherent vice or defect, scraping, scratching, corrosion, rust, dryness or dampness of atmosphere, freezing or extremes of temperature;
- (b) by vermin (such as skunks and raccoons), rodents (such as squirrels and mice), insects (such as moths and termites), moles, zebra mussels, bats, birds or domesticated animals;
- (c) caused by short circuit or other electrical disturbance, except by lightning, within an electrically equipped article, but if fire or explosion results, **we** will pay only for the loss or damage to the insured property caused by the fire or explosion;
- (d) caused by or resulting from repairing, adjusting (including the necessary adjustments to a machine to place it into or out of its transporting position), servicing, fuelling or maintenance operations, but if any of these result in fire or explosion, **we** will pay only for the loss or damage to the insured property caused by the fire or explosion;
- (e) to tires, tubes or tracks, unless the loss or damage is caused by fire, lightning, explosion, windstorm, vandalism or theft, or is coincident with other loss or damage insured by this policy;

- (f) caused by or resulting from internal damage to combines, combine headers, balers, swathers, forage machines, haybines and haybine headers due to clogging, compacting, plugging or piling up of straw, hay or other material intended to be ingested into the machine;
- (g) caused by earthquake;
- (h) by mysterious disappearance or unexplained loss;
- (i) by accumulative damage, however caused.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. In the case of Blanket Cover, **we** agree to waive this clause if the amount of loss in any one occurrence is less than \$2,500 or 5% of the amount of insurance, whichever is the least. In the case of Scheduled Cover, if more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

SPECIAL LIMITS OF INSURANCE

Special Deductible

The deductible noted on the Coverage Summary Page shall be deducted for each claim of loss or damage except as provided for herein:

In case of internal damage caused by foreign object(s) being ingested into combines, combine headers, balers, swathers, forage machines, haybines or haybine headers, the deductible shall be equivalent to 25% of the amount of the loss, \$2,500, or the amount shown on your Coverage Summary Page, whichever is the greater.

Internal damage caused by foreign object(s) is defined as the entry, or taking in, of any foreign object that is not intended to be ingested into the machine. This would include the sudden and accidental mechanical failure of any part(s) of the machine or its attached equipment. There is no coverage for the actual part(s) that failed, however **we** will pay for any resultant damage to the machine, and its attached equipment which was caused by the mechanical failure of the equipment's own part(s).

LIMITED WAIVER OF DEPRECIATION

In the event loss or damage to farm machinery exceeds the deductible amount shown on the Coverage Summary Page, **we** agree to make settlement without deduction for depreciation subject to the terms and conditions below:

- (a) the **Insured** must be the first owner/lessee of the farm machinery;
- (b) the damage must occur within sixty (60) months of the date on which the farm machinery was first delivered to the owner/lessee;
- (c) repair or replacement must be effected within a reasonable period of time after the loss; **we** will not pay for increased costs due to unnecessary delay;
- (d) if the property to which this waiver is applicable is subject to the Co-Insurance Clause requiring a stated percentage of insurance to value be maintained, the **actual cash value** for the purpose of applying said Co-Insurance Clause shall be calculated on the basis of the original purchase price or **replacement cost** of the property, whichever is the least, without deduction for depreciation;
- (e) this waiver will not apply with respect to:
 - (i) tires, tubes, tracks and batteries; or
 - (ii) betterment resulting from the necessary repair or replacement of parts having prior unrepaired damage;
 - (iii) any claim arising out of internal damage caused by foreign object(s) being ingested into a machine.

Failing compliance by the **Insured** of any of the foregoing provisions, settlement shall be made as if this waiver had not been in effect.

Limited Waiver of Depreciation means the cost, at the time of loss, of repair or replacement (whichever is least) with new property of similar kind and quality, without deduction for depreciation. **We** will pay the least of:

- (a) the original purchase price of the property;
- (b) the actual cost to repair or replace;
- (c) the amount of protection shown on **your** Coverage Summary Page.

Settlement will be made to the owner/lessee on this basis only when replacement has been made by **you**. In no event will **we** pay more than the actual purchase price of the farm machinery and its equipment, the manufacturer's suggested list price at the original date of purchase, or the actual **replacement cost** of the farm machinery and its equipment, whichever is the least.

Basis of Loss Settlement: The cost of repairs or replacement (whichever is the least) without deduction for depreciation, in which case the Insurer will pay in the proportion that the applicable amount of insurance bears to 80% of the **replacement cost** of the damaged equipment at the date of damage, but not exceeding the actual cost incurred, or the applicable amount of insurance, whichever is the least.

See also General Exclusions – Loss or Damage Not Insured of Section 1

FARM TOOLS COVERAGE

PROPERTY INSURED – Applicable to Blanket Cover and Scheduled Cover

If the Coverage Summary Page shows an amount of insurance for Tools, **we** insure tools, meaning any device, apparatus or instrument which is independent of any other apparatus and upon its own is used for machinery or building repair, construction, or maintenance, usual to a **farming** operation, owned by **you** while such property is anywhere within the territorial limits of Canada.

We do not insure:

- (1) tools when used or intended for use in whole or in part for any **business pursuits** other than **farming**, unless permission for such use is stated on the Coverage Summary Page;
- (2) repair parts or materials intended to form part of any machinery or building;
- (3) farm tools being used for **custom farming**, unless permission is shown on the Coverage Summary Page;
- (4) any Miscellaneous Farm Property and Equipment as named in this booklet.

INSURED PERILS

- (1) **Fire and Lightning** – If the Coverage Summary Page specifies Fire and Lightning, **you** are insured against direct loss or damage caused by:

- (a) Fire;
- (b) Lightning (excluding lightning damage to electrical devices or appliances); or
- (c) Explosion of natural, coal or manufactured gas.

- (2) **All Risk** – If the Coverage Summary Page specifies All Risk Coverage, **you** are insured against direct physical loss or damage from any external cause, excluding the following:

We do not insure loss or damage caused directly or indirectly by or resulting from:

- (a) unexplained loss or mysterious disappearance of property;
- (b) caused by or resulting from wear, tear, gradual deterioration, mechanical breakdown, failure or defect, inherent vice or defect, scraping, scratching, corrosion, rust, dryness or dampness of atmosphere, freezing or extremes of temperature;
- (c) by vermin (such as skunks and raccoons), rodents (such as squirrels and mice), insects (such as moths and termites), moles, zebra mussels, bats, birds or domesticated animals;
- (d) any process or work being performed on the insured property, including any repairing, adjusting or servicing or maintenance operation, but if fire or explosion results, **we** will pay for the damage caused by the fire or explosion;
- (e) caused by short circuit or other electrical disturbance, except by lightning, but if fire or explosion results, **we** will pay only the resulting fire or explosion damage;
- (f) to property at an unoccupied farm when the farm yard site has been **unoccupied** for more than 30 consecutive days, unless **unoccupied** is specified on the Coverage Summary Page.

We will not pay more than \$2,500 for any one item insured under Blanket Cover.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. If more than one item is insured, this clause shall apply separately to each item for which an amount of insurance is shown.

REPLACEMENT COST COVERAGE

In the event of loss, destruction or damage, the Insurer agrees to make settlement on the basis of **replacement cost** subject to the following provisions:

- (1) **you** repair or replace the property within 180 days after the date on which the loss or damage occurs;
- (2) this clause shall not apply to property which at the time of loss has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss;
- (3) this clause shall not apply to property which is not in current use by **you** at the time of loss and which was stored away with no specific future use intended;
- (4) this clause does not apply to antiques, rare objects and other items that cannot be replaced.

Otherwise settlement will be as if this coverage had not been in effect.

We will keep any salvage or proceeds from salvage.

In no event will **replacement cost** exceed the amount of protection shown on the Coverage Summary Page.

The above **Co-Insurance Clause** is amended to read as follows for insured property to which **replacement cost** coverage applies:

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **replacement cost** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **replacement cost** of such property at the time of loss. If more than one item is insured, this clause shall apply separately to each item for which an amount of insurance is shown. In no event shall **we** pay more than the applicable limit of insurance shown on the Coverage Summary Page.

See also General Exclusions – Loss or Damage Not Insured of Section 1

FERTILIZER & FARM CHEMICALS

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Fertilizer and Chemicals, **we** insure chemical fertilizer, herbicides and pesticides usual to a **farming** operation, owned by **you** and intended for **your** own use, while in all situations within the territorial limits of Canada.

INSURED PERILS

Named Perils – If the Coverage Summary Page specifies Named Perils Coverage, **you** are insured against direct loss or damage caused by the following perils as defined and limited:

- (1) Fire or lightning;
- (2) Explosion of natural, coal or manufactured gas;
- (3) Windstorm or hail, but only while the insured property is stored in a fully enclosed building(s) or storage tank(s);
- (4) Accidental collision of a vehicle on which the insured property is being transported, with any other vehicle or object;
- (5) Upset or overturn of a conveyance on which the insured property is being transported;
- (6) Vandalism or Malicious Acts;
- (7) Theft, or attempted theft, from within a fully enclosed building or storage tank (but only if such building or tank is securely locked when not in use) or while the property is in transit – coverage is for transportation from the supplier to the farm premises and is deemed to have ended upon reaching the farm premises, regardless if the fertilizers and chemicals remain on the transporting conveyance. This peril does not include mysterious disappearance or unexplained shortage upon taking inventory.

EXCLUSIONS

We do not insure loss or damage:

- (1) occurring before **you** have accepted delivery of the insured property;
- (2) caused by or resulting from strike, lockout, labour disturbance, riot, civil commotion or the acts of any person or persons taking part in any of these activities;

- (3) to property undergoing any process or while being worked on, where the damage results from such process or work;
- (4) to property while stored in any commercial warehouse, unless permission is granted on **your** Coverage Summary Page.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. If more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

LOCKED STORAGE WARRANTY

It is a condition of this insurance that all storage facilities such as buildings, tanks and pumps, will be securely locked when not in use, otherwise, coverage under perils (6) and (7) will be excluded.

See also General Exclusions – Loss or Damage Not Insured of Section 1

FODDER & FEEDS

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Fodder and Feeds, **we** insure **your** fodder which includes prepared feed and supplements, grain screenings, and straw used for feed or bedding while baled, stacked or piled in the open or in any building or open-sided shelter, while in all situations, within the territorial limits of Canada.

INSURED PERILS

- (1) **Fire and Lightning** – If the Coverage Summary Page specifies Fire and Lightning Coverage, **you** are insured against direct loss or damage caused by:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion of natural, coal or manufactured gas.
- (2) **Named Perils** – If the Coverage Summary Page specifies Named Perils Coverage, **you** are insured against direct loss or damage caused by the following perils as described and limited:
 - (a) Fire or lightning;
 - (b) Explosion of coal, natural or manufactured gas;
 - (c) Windstorm or hail but only while the insured property is in a fully enclosed building(s) or tank;
 - (d) Accidental collision of the transporting conveyance with any other vehicle or object;
 - (e) Upset or overturn of the transporting conveyance on which the insured property is being transported;
 - (f) Theft or attempted theft from within a fully enclosed building or tank or while the property is in transit. This peril does not include mysterious disappearance or unexplained shortage upon taking inventory.

EXTENSION OF COVERAGE

You may apply up to 10% of the amount of insurance on Fodder & Feeds or \$1,000, whichever is the least, to cover hay (either loose or in bales) and baled straw in the open, which **you** own, but only against loss by fire.

EXCLUSIONS

We do not insure loss or damage:

- (1) occurring before **you** have accepted delivery of the insured property;
- (2) caused by or resulting from strike, lockout, labour disturbance, riot, civil commotion, or the acts of any person(s) taking part in any of these activities;
- (3) to property undergoing any process or while being worked on, where the damage results from such process or work;
- (4) to property while stored in any commercial warehouse, unless permission is granted on **your** Coverage Summary Page.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss.

See also General Exclusions – Loss or Damage Not Insured of Section 1

GRAIN – THRESHED

PROPERTY INSURED

Blanket Cover

If the Coverage Summary Page shows an amount of insurance for Threshed Grain, **we** insure whole threshed grain and seed usual or incidental to a **farming** operation, owned by **you** or for which **you** are legally liable, while such property is within the territorial limits of Canada.

INSURED PERILS

- (1) **Fire and Lightning** – If the Coverage Summary Page specifies Fire and Lightning Coverage, **you** are insured against direct loss or damage caused by:
 - (a) Fire
 - (b) Lightning;
 - (c) Explosion of natural, coal or manufactured gas.
- (2) **Named Perils:** If the Coverage Summary Page specifies Named Perils coverage, **you** are insured against direct loss or damage caused by the following perils as described and limited:
 - (a) Fire or lightning;
 - (b) Explosion of coal, natural or manufactured gas;
 - (e) Windstorm, but only while the insured property is in a fully enclosed building(s). This peril does not include loss or damage due to the entrance into the building of rain, hail, sleet or snow, whether or not resulting from windstorm;
 - (d) Accidental collision of the transporting conveyance with any other vehicle or object;
 - (e) Upset or overturn of the transporting conveyance on which the insured property is being transported;
 - (f) Theft from within a fully enclosed building or while the property is in transit, but excluding any mysterious disappearance or unexplained shortage.

EXTENSION OF COVERAGE

- (1) **You** may apply up to \$2,000 of the amount of insurance on threshed grain to cover **your** standing or swathed grain and seed crops, but only against loss by fire.
- (2) Rail Transportation – If Named Perils coverage is shown on **your** Coverage Summary Page, this coverage extends to apply to **your** financial interest in grain being transported directly on rail cars.

EXCLUSIONS

We do not cover loss or damage to:

- (1) property while in any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant, whether or not in course of transit, unless otherwise shown on the Coverage Summary Page;
- (2) property in any cleaning plant or dryer away from the **farm premises**;
- (3) property which has been delivered to any railway company for transportation purposes, except as provided under Rail Transportation Extension above;
- (4) property while undergoing any process involving the application of heat where this is the cause of the loss, but if fire results, **we** will pay for the loss or damage to insured property caused by the fire;
- (5) loss or damage caused by or resulting from strike, lockout, labour disturbances, riot, civil commotion or the acts of any person(s) taking part in any such **occurrence** or disorder;
- (6) grain screenings used for or intended to be used for feed.

SPECIAL LIABILITY

We will not be liable for loss if, at the time of loss or damage, there is other valid and collectible insurance which would attach if this insurance had not been in effect; except that this insurance will apply only as excess and in no event as contributing insurance, and then only when such other insurance has been exhausted.

See also General Exclusions – Loss or Damage Not Insured of Section 1

GRAIN (CUSTOMER'S) IN DRYER

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Customer's Grain in Dryer, **we** insure threshed grain owned by others while in **your** grain dryer for the purpose of drying.

INSURED PERILS

We insure against loss or damage caused directly by fire, lightning or explosion of natural, coal or manufactured gas.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss.

LOSS SETTLEMENT

Loss if any, will be settled with and payable to the person named as the **Insured** on the Coverage Summary Page.

See also General Exclusions – Loss or Damage Not Insured of Section 1

IRRIGATION EQUIPMENT

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Irrigation Equipment, **we** insure irrigation equipment, including all equipment pertaining thereto (excluding repair parts) usual to a **farming** operation, owned by **you** and located on the **farm premises**, excluding:

- (1) buildings, underground property including wells, water supply, dams, piping, wiring; and
- (2) the cost of excavation for same.

INSURED PERILS

All Risk – If the Coverage Summary Page specifies All Risk Coverage, **you** are insured against direct physical loss or damage from any external cause, excluding the following:

EXCLUSIONS

We do not insure loss or damage:

- (1) caused by or resulting from wear, tear, gradual deterioration, mechanical breakdown, failure or defect, inherent vice or defect, scraping, scratching, corrosion, rust, dryness or dampness of atmosphere, freezing or extremes of temperature;
- (2) by vermin (such as skunks and raccoons), rodents (such as squirrels and mice), insects (such as moths and termites), moles, zebra mussels, bats, birds or domesticated animals;
- (3) any process or work being performed on the insured property, including any repairing, adjusting or servicing or maintenance operation, but if fire or explosion results, **we** will pay for the damage caused by the fire or explosion;
- (4) caused by short circuit or other electrical disturbance, except by lightning, but if fire or explosion results, **we** will pay only the resulting fire or explosion damage;
- (5) to tires, tubes or tracks unless the loss or damage is caused by fire, lightning, explosion, windstorm, vandalism or theft or is coincident with other loss or damage insured by this policy;
- (6) caused by earthquake.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. If more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

DEDUCTIBLE

The deductible noted on the Coverage Summary Page shall be deducted for each claim of loss or damage except as provided for herein:

With respect to loss or damage by windstorm, weight of ice, sleet or snow, or caused by rutting or grounding out of any part of the irrigation system while in use, the deductible shall be the equivalent of 10% of the amount of loss or damage, \$1,000 or the amount shown on the Coverage Summary Page, whichever is greater.

See also General Exclusions – Loss or Damage Not Insured of Section 1

LIVESTOCK

PROPERTY INSURED

- (1) **Blanket Cover** – If the Coverage Summary Page shows an amount of insurance for Livestock with Blanket cover, **we** insure livestock **you** own while such property is within the territorial limits of Canada.

The insurance for Blanket Cover is based on **Class of Animal**. A separate amount of insurance shall apply to each **Class of Animal** insured, determined by the number and average value per head stated within the **Class of Animal**. **Class of Animal** means cattle, swine, horses or sheep.

Blanket Cover does not apply to any animal separately described and specifically insured by this or any other policy.

- (2) **Scheduled Cover** – **We** cover livestock, owned by **you** and specifically described on **your** Coverage Summary Page, while such property is within the territorial limits of Canada.

INSURED PERILS

- (1) **Fire and Lightning** – If the Coverage Summary Page specifies Fire and Lightning Coverage, **you** are insured against death or destruction directly resulting from or made necessary by:
- (a) Fire;
 - (b) Lightning;
 - (c) Explosion of natural, coal or manufactured gas.
- (2) **Named Perils** – If the Coverage Summary Page specifies Named Perils coverage, **you** are insured against death or destruction directly resulting from or made necessary by:
- (a) Fire, lightning or explosion;
 - (b) Earthquake;
 - (c) Smoke;
 - (d) Windstorm, tornado, cyclone or hail;
 - (e) Riot or civil commotion;
 - (f) Collapse of any buildings, bridges, culverts; any falling structure, tree or part thereof;
 - (g) Flood, meaning the rising of natural bodies of water;
 - (h) Collision, derailment or overturning of a transporting conveyance while the insured property is in transit by land (the coming together of railway cars during coupling and uncoupling operations shall not be deemed a collision within the meaning of this peril);
 - (i) Impact by aircraft, spacecraft or objects falling from aircraft or spacecraft;
 - (j) Stranding, sinking, burning or collision (including general average and salvage charges for which **you** may be legally liable), also including jettison or washing overboard, while in or on ferries in connection with land conveyances;
 - (k) Accidental shooting by a person or persons other than the **Insured**, his employees or any member of his household;
 - (l) Accidental collision with any land vehicles except those owned or operated by the **Insured**, his employees or any member of their households;
 - (m) Mutilation by a person or persons other than the **Insured**, his employees or any member of their households;
 - (n) Drowning, breaking or falling through ice or stranding in mud;
 - (o) Electrocuting;
 - (p) Attack by wild animals or dogs; this peril does not include:
 - (a) death or destruction of sheep; or
 - (b) attack by wild animals or dogs owned by the **Insured**, his employees or any member of their households;
 - (q) Entrapment meaning the accidental and involuntary ensnaring or restraint of an animal resulting in the death or destruction of the entrapped animal. This peril does not include death or necessary destruction:
 - (1) for death due to animal birth or while the animal is birthing;
 - (2) to any animal in transit or while being loaded or unloaded;
 - (3) due to choking on objects, food or medicine; bloat or suffocation of an animal in its own fluids;
 - (4) to any animal which contracted a disease or is sick prior to entrapment;
 - (5) to any animal being handled or forcibly restrained for care or treatment or breeding or other purposes, including normal restraint in tie stalls, stanchion stalls or similar apparatus;

- (6) due to splitting;
- (7) for death caused by huddling, piling, smothering, freezing or stampeding;
- (8) due to casting, or an animal's inherent inability to regain an upright position;
- (9) due to the animal becoming trapped or cast by the contours or depressions of the land, including but not limited to any furrow, gully, ditch, hill or slope.

You are also insured against direct loss or damage caused by:

- (a) Theft or attempted theft; but excluding escape, or any mysterious disappearance or shortage disclosed upon taking inventory.

EXTENSION OF COVERAGE

Veterinarian Fees

We agree to pay reasonable fees charged by a veterinarian employed by the **Insured** to verify the cause of death of an animal or to provide documents or other relevant information the Insurer may require to determine the indemnity payable.

EXCLUSIONS

We do not insure loss:

- (1) caused by death or destruction due to any disease whether or not such loss is in any way caused by, contributed to or aggravated by any of the **insured perils**;
- (2) to livestock less than 60 days old;
- (3) caused by death or destruction that occurs more than 15 days after the **occurrence** of an **insured peril**;
- (4) caused by or resulting from wind-driven snow, sleet or dust;
- (5) due to delay or loss of market;
- (6) while in transit by common carrier or while in any aircraft;
- (7) occurring while at any stockyard, commercial livestock dealer, sale barn or sale yard or auction mart, while held on consignment or for sale by others;
- (8) occurring while on the grounds of any racetrack or any premises for race, show, rodeo or other special event, unless permission is stated on the Coverage Summary Page;
- (9) loss caused by the seizure, confiscation or destruction of any animal by order of any Government or public authority;
- (10) caused by or resulting from exposure or freezing, except as provided by the peril (q) above, Entrapment.

CO-INSURANCE CLAUSE – (Applicable to Blanket Cover only)

Insurance must be maintained to at least 80% of the number of animals of each Class owned. If, at the time of loss, the **Insured** has not complied with this requirement, settlement will be made in the ratio that the number insured bears to the number that should have been insured, multiplied by the lesser of:

- (a) 1.5 times the average value per head as shown on the Coverage Summary Page; or
- (b) the actual market value of the animal(s) lost.

BASIS OF CLAIM PAYMENT

- (1) In respect to animals separately described and specifically insured under **Scheduled Cover**, **we** will not pay more than the fair market value of the animal at the time of loss or the applicable limit of insurance as shown on the Coverage Summary Page, whichever is the least.
- (2) In respect to livestock insured under **Blanket Cover**, **our** liability for loss of any insured animal(s) shall not exceed 1.5 times the average value per head shown on your Coverage Summary Page, nor in any event exceed the total amount of protection shown on your Coverage Summary Page.

In all cases, payment shall be limited to the amount of **your** loss in excess of any Government compensation that **you** are eligible to receive.

CONDITIONS

- (1) The deductible will be as noted on the Coverage Summary Page.
- (2) **You** will be responsible for the removal of debris. Salvage value, if any, will be payable to **us**.
- (3) The carcass must not be moved prior to **our** approval.
- (4) Poultry is not covered.

See also General Exclusions – Loss or Damage Not Insured of Section 1

MILK IN TANKS

PROPERTY INSURED – Applies to Occupied Farms only

If the Coverage Summary Page shows an amount of insurance for Milk in Tanks, **we** insure raw milk while in milk tanks on the **farm premises**.

INSURED PERILS

All Risk – you are insured against all risks of direct physical loss or damage from any external cause, but **we** do not insure loss due to souring, change of flavor, contamination, change of temperature or spoilage of any kind, unless such loss is as a direct consequence of:

- (1) fire lightning, explosion, vandalism or malicious mischief, or;
- (2) interruption of electrical power.

See also General Exclusions – Loss or Damage Not Insured of Section 1

MISCELLANEOUS FARM PROPERTY AND EQUIPMENT

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Miscellaneous Farm Property and Equipment, **we** insure portable farm-related property and equipment, usual to a **farming** operation, owned or used by **you** and for which **you** may be legally liable, specifically described on **your** Coverage Summary Page, while such property is within the territorial limits of Canada.

DEFINITIONS

Equipment: includes items such as aeration fans, bin sweeps, weigh scales, pumps, generators, pond mills, pressure washers, drill fills, portable water, chemical and fuel tanks not mounted on a stand, cradle or platform and similar items.

Farm Property: includes items such as portable corrals, cattle squeeze and chutes, watering bowls and similar items.

Extension of Coverage: includes newly acquired Miscellaneous Farm Property and Equipment (as defined) acquired subsequent to the effective date of this policy. The amount of protection shall be no more than that **actual cash value** of the property, subject to a maximum of 10% of the current total amount of protection or \$2,000, whichever is greater. This coverage shall apply from the date of purchase or acquisition of the item(s) and applies only during the current term of this policy.

PROPERTY NOT INSURED

We do not insure:

- (1) Property engaged in **custom farming** or while in transit in connection with **custom farming**, unless permission for such use is stated on the Coverage Summary Page;
- (2) Underground property other than pumps separately described and specifically insured. **We** do not cover wells, underground piping or wiring or the cost of excavation for any of these;
- (3) Property used for logging, forestry, brush cutting, land clearing or sawmill operations;
- (4) Property when used in whole or in part, for any **business pursuits** other than **your farming** operations, unless permission for such use is stated on the Coverage Summary Page.

INSURED PERILS

- (1) **Fire and Lightning** – If the Coverage Summary Page specifies Fire and Lightning Coverage, **you** are insured against direct loss or damage caused by:

- (a) Fire;
- (b) Lightning;
- (c) Explosion of natural, coal or manufactured gas.

- (2) **All Risk** – If the Coverage Summary Page specifies All Risk Coverage, **you** are insured against direct physical loss or damage from any external cause, except the following:

EXCLUSIONS

We do not insure loss or damage:

- (a) caused by or resulting from wear, tear, gradual deterioration, mechanical breakdown, failure or defect, inherent vice or defect, scraping, scratching, corrosion, rust, dryness or dampness of atmosphere, freezing or extremes of temperature;
- (b) by vermin (such as skunks and raccoons), rodents (such as squirrels and mice), insects (such as moths and termites), moles, zebra mussels, bats, birds or domesticated animals;
- (c) caused by short circuit or other electrical disturbance, except by lightning, but if fire or explosion results, **we** will pay only the resulting fire or explosion damage;

- (d) caused by or resulting from repairing, adjusting, servicing, or maintenance operations, but if any of these result in fire or explosion, **we** will pay only for the loss or damage to the insured property caused by the fire or explosion;
- (e) to tires or tubes unless the loss or damage is caused by fire, lightning, explosion, windstorm, vandalism or theft, or is coincident with other loss or damage insured by this policy;
- (f) caused by earthquake;
- (g) vandalism or malicious acts caused by any person employed by **you**;
- (h) to property at an **unoccupied** farm when the farm yard site has been **unoccupied** for more than 30 consecutive days, unless permission for unoccupancy is shown on the Coverage Summary Page.

We do not insure:

- (a) mysterious disappearance or unexplained loss;
- (b) accumulative damage, however caused.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. If more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

REPLACEMENT COST COVERAGE

In the event of loss, destruction or damage, the Insurer agrees to make settlement on the basis of **replacement cost** (once replacement has been effected by the **Insured**) subject to the following:

- (1) **you** repair or replace the property within 180 days after the date on which the loss or damage occurs;
- (2) this clause shall not apply to property which at the time of loss has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss;
- (3) this clause shall not apply to property which is not in current use by **you** at the time of loss and which was stored away with no specific future use intended;
- (4) this clause does not apply to antiques, rare objects, and other items that cannot be replaced.

Otherwise settlement will be as if this coverage had not been in effect.

We will keep any salvage or proceeds from salvage.

In no event shall the **replacement cost** exceed the amount of protection shown on **your** Coverage Summary Page.

The above **Co-Insurance Clause** is amended to read as follows for insured property to which **replacement cost** coverage applies:

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **replacement cost** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **replacement cost** of such property at the time of loss. If more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

See also General Exclusions – Loss or Damage Not Insured of Section 1

POULTRY

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for poultry, **we** insure poultry owned by **you** while anywhere within the territorial limits of Canada, excluding:

- (1) Poultry while in **special risk buildings** (as described in Definitions);
- (2) Any poultry separately described and specifically insured in whole or in part by this or any other insurance policy.

INSURED PERILS

- (1) **Fire and Lightning** – If the Coverage Summary Page specifies Fire and Lightning Coverage, **you** are insured against direct loss or damage caused by:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion of natural, coal or manufactured gas.
- (2) **Named Perils** – If the Coverage Summary Page specifies Named Perils Coverage, **you** are insured against death or destruction of insured poultry directly resulting from or made necessary by:
 - (a) Fire, lightning or explosion;
 - (b) Earthquake;
 - (c) Smoke;
 - (d) Windstorm, tornado, cyclone or hail; but this peril does not include loss caused by wind-driven snow, sleet or dust;
 - (e) Collapse of any buildings, bridges, culverts; any falling structure, tree or part thereof;
 - (f) Flood, meaning the rising of natural bodies of water;
 - (g) Collision, derailment or overturning of a transporting conveyance while the insured property is in transit by land (the coming together of railway cars during coupling and uncoupling operations shall not be deemed a collision within the meaning of this peril);
 - (h) Accidental shooting by a person or persons other than the **Insured**, his employees or any member of their households;
 - (i) Impact by aircraft, spacecraft or objects falling from aircraft or spacecraft;
 - (j) Stranding, sinking, burning or collision (including general average and salvage charges for which **you** may be legally liable), also including jettison or washing overboard, while in or on ferries in connection with land conveyances;
 - (k) Mutilation by a person or persons other than the **Insured**, his employees or any member of their households;
 - (l) Drowning, breaking or falling through ice or stranding in mud;
 - (m) Electrocutation;
 - (n) Accidental collision with any land vehicles, except those owned or operated by the **Insured**, his employees or any member of their households.

EXCLUSIONS

We do not insure loss:

- (1) caused by death or destruction due to any disease whether or not such loss is in any way caused by, contributed to or aggravated by any of the **insured perils**;
- (2) caused by death or destruction that occurs more than 15 days after the **occurrence** of an **insured peril**;
- (3) due to delay or loss of market;
- (4) while in transit by common carrier or while in any aircraft.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual market value** of the number of birds owned, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual market value** of such property at the time of loss.

See also General Exclusions – Loss or Damage Not Insured of Section 1

SEMEN AND SEMEN CONTAINERS

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Semen and Semen Containers, **we** insure tank(s) and the semen held in tank(s) while at **your** premises or held at any breeding or artificial insemination stations on **your** behalf while such property is within the territorial limits of Canada, including while in transit to and from **your** premises and such other locations. Separate limits of insurance apply to the semen and the tank, as shown on **your** Coverage Summary Page. If **you** have more than one semen tank, the limit of insurance on tanks will be divided in the proportion that the value of each tank bears to the value of all tanks, and the limit of insurance on semen will be divided in the proportion that the value of semen in each tank bears to the total value of semen in all tanks.

INSURED PERILS

All Risk – You are insured against direct physical loss or damage from any external cause, except the following:

We do not insure loss or damage:

- (1) caused by or resulting from wear, tear, gradual deterioration, mechanical breakdown, failure or defect, inherent vice or defect, scraping, scratching, corrosion, rust, dryness or dampness of atmosphere, freezing or extremes of temperature;
- (2) by vermin (such as skunks and raccoons), rodents (such as squirrels and mice), insects (such as moths and termites), moles, zebra mussels, bats, birds or domesticated animals;
- (3) caused by short circuit or other electrical disturbance, except by lightning, but if fire or explosion results, **we** will pay only the resulting fire or explosion damage;
- (4) caused by or resulting from repairing, adjusting, servicing, or maintenance operations, but if any of these result in fire or explosion, **we** will pay only for the loss or damage to the insured property caused by the fire or explosion;
- (5) arising from the failure of the semen to fertilize;
- (6) caused by neglect or failure to maintain proper nitrogen charge.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. If more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

See also General Exclusions – Loss or Damage Not Insured of Section 1

SILAGE BAGS AND BAGGED SILAGE

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Silage Bags and Bagged Silage, **we** insure the bags and/or silage in the bags while on **your premises**.

INSURED PERILS

Named Perils – You are insured against direct loss or damage caused by the following perils as defined and limited:

- (1) Fire or lightning;
- (2) Vandalism or Malicious Acts: This peril does not include loss or damage:
 - (a) caused by theft or attempted theft;
 - (b) caused by any tenant, tenant's guests, employees or members of their household;
 - (c) caused by the **Insured**, his employee or any member of their households;
- (3) Windstorm or Hail: This peril does not include loss or damage:
 - (a) caused directly or indirectly by high water, flood, overflow, waterborne objects, waves or surface ice, whether or not any of these are driven by wind or due to windstorm;
 - (b) to silage contained in bags unless the damage occurs concurrently with and results immediately from an opening caused by windstorm or hail;
- (4) Impact by land vehicle except a vehicle owned, operated or controlled by **you** or any person employed by **you**.

EXCLUSIONS

We do not insure loss or damage:

- (1) occurring before **you** have accepted delivery of the insured property;
- (2) caused by or resulting from strike, lockout, labour disturbance, riot, civil commotion or the acts of any person or persons taking part in any of these activities;
- (3) to property while undergoing any process involving the application of heat, where the loss is caused by such application;
- (4) **we** do not insure any consequential loss or damage to silage arising from an **insured peril**, except as provided under the **Extension of Coverage** described below, and then only if silage is specifically insured.

EXTENSION OF COVERAGE

Without increasing the amount of insurance, **we** will pay for the cost of rebagging silage insured by this coverage, if the rebagging is made necessary because of loss or damage caused by an **insured peril**.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss. If more than one item is insured, this clause will apply separately to each item for which an amount of insurance is shown.

See also General Exclusions – Loss or Damage Not Insured of Section 1

TACK EQUIPMENT

DEFINITIONS

Tack Equipment shall include bridles, halters, harnesses, saddles, grooming equipment and supplies, veterinarian supplies and other portable property usual to the use, care or grooming of livestock.

Circuit means the property is used for show, race, gymkhana or similar purpose.

Non-Circuit means the property is used for personal and/or **farming** purposes only.

PROPERTY INSURED

If the Coverage Summary Page shows an amount of insurance for Tack Equipment, **we** insure tack equipment owned by **you**, while such property is within the territorial limits of Canada; excluding:

- (1) any property when used for show, race, gymkhana or similar purpose, unless **Circuit** permission is granted on your Coverage Summary Page.
- (2) any property when used in any **business pursuit**, other than personal and/or **farming** purposes, unless permission is granted on **your** Coverage Summary Page.

INSURED PERILS

All Risk Coverage – if the Coverage Summary Page specifies All Risk Coverage, you are insured against all risks of direct physical loss or damage from any external cause, subject to the following exclusions:

- (1) caused by or resulting from wear, tear, gradual deterioration, mechanical breakdown, failure or defect, inherent vice or defect, scraping, scratching, corrosion, rust, dryness or dampness of atmosphere, freezing or extremes of temperature;
- (2) by vermin (such as skunks and raccoons), rodents (such as squirrels and mice), insects (such as moths and termites), moles, zebra mussels, bats, birds or domesticated animals;
- (3) any process or work being performed on the insured property, including any repairing, adjusting or servicing or maintenance operation, but if fire or explosion results, **we** will pay for the damage caused by the fire or explosion;
- (4) caused by short circuit or other electrical disturbance, except by lightning, but if fire or explosion results, **we** will pay only the resulting fire or explosion damage;
- (5) caused by earthquake;
- (6) to property at an unoccupied farm when the farm yard site has been **unoccupied** for more than 30 consecutive days, unless **unoccupied** is specified on the Coverage Summary Page.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss.

Replacement cost Coverage

In the event of loss, destruction or damage, **we** agree to make settlement on the basis of **replacement cost** subject to the following provisions:

- (1) the property at the time of the loss was usable for its original intended purpose;
 - (a) this clause does not apply to property which has become obsolete or to property that is not in good usable condition at the time of loss;
 - (b) this clause does not apply to property which was stored away with no specific future use intended;

- (c) this clause does not apply to antiques, rare objects and other items that cannot be replaced.
- (2) **you** repair or replace the property within 180 days after the date on which the loss or damage occurs.

We will keep any salvage or proceeds from salvage.

Otherwise settlement will be as if this coverage had not been in effect. In no event will **Replacement cost** exceed the amount of protection shown on the Coverage Summary Page.

The above **Co-Insurance Clause** is amended to read as follows for insured property to which **replacement cost** coverage applies:

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **replacement cost** of such property insured, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **replacement cost** of such property at the time of loss. In no event shall **we** pay more than the applicable limit of insurance shown on the Coverage Summary Page.

See also General Exclusions – Loss or Damage Not Insured of Section 1

SPECIAL AG ENDORSEMENT

If the Coverage Summary Page shows Special Ag Endorsement applies, **we** provide the insurance described.

Except as otherwise specifically provided by this endorsement, all terms, limitations, conditions and exclusions of this policy apply.

Please Note: additional coverage means that no underlying coverage is required; extension of coverage means this coverage is an extension to the coverage that is already insured on the Coverage Summary Page.

1. Fire Department Charges – Additional Coverage

We will pay up to \$7,000 as an additional limit of insurance for Fire Department Charges incurred in response to an **occurrence** caused by an **insured peril** to covered property including mobile farm machinery and mobile farm equipment, provided a fire department was called to respond. No deductible applies to this coverage.

2. Building By-laws Coverage – Extension of Coverage to Farm Outbuildings or Contents

We agree to pay for the following:

Coverage A – Loss of the Undamaged Portion of a Building:

If an **insured peril** causes loss or damage to a building insured by this policy at the described premises, **we** will pay for loss to the undamaged portion of the building caused by the enforcement of any by-law that:

- 1) requires the demolition of parts of the same building not damaged by an **insured peril**;
- 2) regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- 3) is in force at the time of the loss.

Coverage B – Demolition Cost Coverage

If an **insured peril** causes loss or damage to a building insured by this policy at the described premises, **we** will pay for the cost to demolish and clear the site of undamaged parts of the building caused by the enforcement of any building, zoning or land use by-law.

Coverage C – Increased Cost of Construction Coverage

If an **insured peril** causes loss or damage to a building insured by this policy at the described premises, **we** will pay for the increased cost to repair, rebuild or construct the building caused by the enforcement of any building, zoning or land use by-law. If the building is repaired or rebuilt, it must be intended for the same occupancy as before the loss, unless otherwise required by a zoning or land use by-law. **We** will not pay for the increased cost of construction of the building if not repaired or replaced.

We will not pay under any of the foregoing coverages (A, B, or C) for the cost associated with the enforcement of any by-law which requires **you** or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects

of any pollutant. Pollutant means any solid liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

The insurance under each of the foregoing coverages (A, B and C) is part of, and does not increase, the limit of insurance applicable to the farm outbuilding shown on the Coverage Summary Page.

We will not pay more than \$20,000 for all By-Laws coverages combined, in any one **occurrence**. No additional deductible applies to this coverage.

3. **Corrals & Fencing– Additional Coverage**

We will pay up to \$5,000 in any one **occurrence** as an additional limit of insurance for direct physical loss of or damage to corrals and/or fences (excluding pasture fences) caused by the perils of Fire, Lightning, Impact by Land Vehicle or Aircraft or Spacecraft, including articles dropped from an aircraft or spacecraft, but excluding impact by an aircraft or spacecraft when being taxied or moved on the ground. A \$500 deductible applies to this coverage.

4. **Cost to Prepare Proof of Loss– Additional Coverage**

We will pay up to \$1,000 as an additional limit of insurance for reasonable professional expenses incurred by **you** in preparing the proof of loss or any other exhibits **we** require for settlement of a loss under this policy. No deductible applies to this coverage.

5. **Cost of Restoring Farm Operations Records (including Auditor fees) – Additional Coverage**

We will pay up to \$5,000 in any one **occurrence** as an additional limit of insurance to cover **your** cost to research, replace or restore lost information on farm operations records damaged by in **insured peril**. No deductible applies to this coverage.

6. **Crop Coverage – Additional Coverage**

We will pay up to \$5,000 in any one **occurrence** as an additional limit of insurance for direct physical loss by fire ONLY to standing or swathed grain and seed crops. **We** will pay up to \$2,000 in any one **occurrence** for direct physical loss by fire ONLY to loose hay and straw in an open field. 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. A \$500 deductible applies to this coverage.

7. **Debris Removal – Extended Coverage**

The following paragraph is added to the Debris Removal Clause under the Extensions of Coverage of Section 1.

If the limit of insurance on **your** property is not sufficient to pay Debris Removal Expenses as described, **we** will pay an additional amount up to \$10,000 for such expenses.

8. **Extra Expense – Additional Coverage**

We will pay up to \$10,000 as an additional limit of insurance for the actual, reasonable and necessary expenses **you** incur to resume normal **farming** operations interrupted as the result of direct physical loss of or damage by an **insured peril** to property insured under Farm Outbuildings and Contents or Farm Livestock.

Coverage for such extra expense is not limited by the expiration of this policy. **We** will not pay extra expenses **you** incur after the period for repair, rebuilding or replacement of insured property. No deductible applies to this coverage.

9. **Exterior Farm Sign – Additional Coverage**

We will pay up to \$5,000 in any one **occurrence** as an additional amount of insurance for direct physical loss of or damage to an exterior farm sign on **your** premises caused by an **insured peril** as described and limited under All Risk Coverage – Farm Outbuildings and Contents. A \$500 deductible applies to this coverage.

10. **Exhibition Coverage – Extension of Coverage**

We will pay up to \$5,000 for direct physical loss or damage to Farm Personal Property while at any fairground, exhibition or exposition for the purpose of exhibition or sale, caused by an **insured peril**. This coverage does not increase the amount of insurance applying to the damaged property. Subject to a \$500 deductible or the policy deductible (whichever is greater).

11. **Farm Tools – Additional Coverage**

We will pay up to \$5,000 in any one **occurrence** as an additional limit of insurance for direct physical loss or damage to Farm Tools on **your** premises caused by an **insured peril** as described and limited under All Risk Coverage for Farm Tools. A \$500 deductible applies to this coverage.

12. **Farm Water System Coverage**

We will pay up to \$5,000 in any one **occurrence** as an additional limit of insurance for direct physical loss of or damage to a water pump, pressure system or pump house on **your** premises, used in whole or in part for **farming** purposes, caused by an **insured peril** as described and limited under All Risk Coverage – Farm Outbuildings and Contents. A \$500 deductible applies to this coverage.

13. **Fertilizer & Chemicals – Additional Coverage**

We will pay up to \$5,000 in any one **occurrence** as an additional limit of insurance for direct physical loss or damage to farm fertilizer and chemicals caused by an **insured peril** as described and limited under Named Perils Coverages – Fertilizer and Chemicals.

If **we** do not insure **your** property under Section 2 – Farm Property Coverage, a deductible in the amount of \$500 will apply to this coverage; otherwise, the deductible shown on the Coverage Summary Page for Farm Fertilizer & Chemicals will apply.

14. **Fuel & Fuel Tanks – Additional Coverage**

We will pay up to \$3,000 in any one **occurrence** as an additional amount of insurance for direct physical loss or damage to fuel tanks, fuel stands, and liquefied petroleum or manufactured gas stored on **your** premises, caused by an **insured peril** as described and limited under Named Perils coverage. The tank(s) must be kept locked at all times in order for Theft, Vandalism or Malicious Acts Coverage to be in force. A \$500 deductible applies to this coverage.

15. **Newly Acquired or Newly Constructed Farm Buildings – Extension of Coverage**

Coverage for Farm Outbuildings and Contents, (b) Scheduled Cover – Extensions of Scheduled Cover (2), is amended by deleting the figure of \$50,000 and replacing it with the figure of \$100,000.

Newly Acquired or Leased Farm Machinery – Extension of Coverage

Coverage for Farm Machinery (1) Extensions of Blanket Cover and (2) Extension of Scheduled Cover (1), is amended by deleting the figure of \$50,000 and replacing it with the figure of \$150,000.

NOTE: Insurance under Extension of Coverages will end when one of the following first occurs:

- 1) the policy expires;
- 2) 30 days expire after **you** acquire or begin to construct the property;
- 3) **you** report the values to **us**.

The **insured** agrees to keep an accurate record of the date of the commencement of construction and/or acquisition and a description and the value of each item so covered and to pay pro-rata additional premium thereon. A \$500 deductible applies to this coverage.

16. **Non-Owned Farm Machinery – Extension of Coverage**

We will pay up to \$15,000 in any one **occurrence** as an additional amount of insurance for direct physical loss or damage to mobile farm implements and machinery owned in whole by others, while in **your** care, custody or control, caused by an **insured peril** as described and limited under All Risk Coverage – Farm Machinery. 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 payable under the other insurance, but **we** will not pay more than \$15,000. A \$500 deductible applies to this coverage.

17. **Pollutant Clean-Up – Additional Coverage**

We will pay **your** expense to extract pollutants from land or water at **your** premises if the discharge, dispersal, seepage, migration, release or escape of the pollutants is caused by or results from an **insured peril** that occurs during the policy period. The expenses will be paid only if they are reported to **us** in writing within 180 days of the date on which the loss by **insured peril** occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of any pollutant. But **we** will pay for testing which is performed in the course of extracting the pollutants from the land or water.

The most **we** will pay under this Additional Coverage for each described premise is \$10,000 for the sum of all covered expenses arising out of losses caused by **insured perils** occurring during each separate 12 month period of the policy. The amount is in addition to the Amounts of Insurance. A \$500 deductible applies to this coverage.

18. **Private Power & Light Poles – Additional Coverage**

We will pay up to \$5,000 in any one **occurrence** as an additional amount of insurance for direct physical loss of or damage by an **insured peril** to private power and light poles, outside wiring and attachments located on **your** premises. Attachments include attached switch boxes, fuse boxes, and other electrical equipment mounted on poles **you** own at the premises. A \$500 deductible applies to this coverage.

19. **Property in the Custody of a Common or Contract Carrier**

You may extend the insurance under Fertilizers & Chemicals, Fodder & Feeds, Grain Threshed, or Livestock to include coverage while the insured property is in the custody of a Common or Contract carrier, up to an amount of \$15,000. This is part of and does not increase the applicable limit of insurance shown on the Coverage Summary Page.

20. **Veterinarian Supplies – Additional Coverage**

We will pay up to \$1,500 in any one **occurrence** as an additional amount of insurance for direct physical loss of or damage by an **insured peril** (Named Perils form) to Veterinarian Supplies (excluding semen and semen tanks) kept for use in **your farming** operations while on **your** premises. A \$500 deductible applies to this coverage.

AG ADVANTAGE COVERAGES

Ag-Advantage Coverages – (Not applicable to product or property associated with a special risk)

AG PRODUCT BUNDLE – Blanket Cover

If the Coverage Summary Page shows Ag Product Bundle applies, **we** provide the insurance described.

Except as otherwise specifically provided by this endorsement, all terms, limitations, conditions and exclusions of this policy apply.

This endorsement provides coverage under a single amount of protection for:

1. **Fertilizer and Chemicals** usual to a **farming** operation, owned and intended for the **Insured's** own use, while such property is located within the territorial limits of Canada.
2. **Fodder** owned by the **Insured**, (including prepared feed and supplements, silage (bagged or otherwise), grain screenings, and straw used for feed or bedding) baled, stacked or piled in the open or in any building or open sided structure, while such property is within the territorial limits of Canada.
3. **Grain** (whole threshed grain or seed) usual to a **farming** operation and owned by the **Insured**, while such property is located within the territorial limits of Canada.
4. **Produce** – Fruits and Vegetables meaning harvested edible agricultural plant products consisting of fruits and vegetables, usual to a **farming** operation and owned by the **Insured**, while such property is located within the territorial limits of Canada.

INSURED PERILS

Named Perils – **You** are insured against direct loss or damage caused by the following perils as defined and limited:

- (1) Fire or Lightning;
- (2) Explosion or Implosion;
- (3) Smoke – means smoke due to a sudden, unusual and faulty operation of any heating apparatus flued to a chimney;
- (4) Impact by land vehicle, aircraft or spacecraft;
- (5) Cyclone, Tornado, Windstorm or Hail, while the property is stored in a fully enclosed building, structure or tank;
- (6) Transportation – means direct physical loss or damage to property insured caused by collision, upset, overturn, derailment, stranding, sinking or burning, on any land vehicle or regular ferry or which is on railway cars or transfers in connection therewith;
- (7) Riot, vandalism or malicious acts **excluding** loss or damage caused directly or indirectly by theft or attempted theft;
- (8) Theft or Attempted Theft from within a fully enclosed building, structure or tank, or while the property is in transit, but not as a result of any mysterious disappearance or loss or shortage upon taking inventory.

* Coverage for theft or attempted theft of fertilizer and chemicals in transit is restricted to transportation from the supplier to the **farm premises** and is deemed to have ended upon reaching the **farm premises**, regardless if the fertilizers and chemicals remain on the transporting conveyance.

* In respect to loss or damage by theft of fertilizer and chemicals only:

It is hereby understood and agreed, that coverage for loss of property is provided only when all storage facilities such as buildings, tanks, and pumps have been securely locked when not in use.

- (9) Water Escape Coverage – It is hereby understood and agreed that this policy is extended to include loss or damage caused by the following peril:

Freezing of a heating, plumbing or air conditioning system or by escape of water, from any such system or from a public watermain. However, there is no liability upon the Insurer for loss or damage:

- (a) directly or indirectly caused by freezing of any part of any such system which is not within a building in which heat is maintained during the usual heating season;
- (b) directly or indirectly caused by escape of water from a sewer or drain at or below the surface level of the lowest floor, nor by escape of water from a sump, septic tank, eavestrough or down spout;
- (c) occurring while a building insured is **vacant** irrespective of any permission elsewhere in this policy;
- (d) occurring while a building insured is in the course of construction irrespective of any permission elsewhere in this policy to complete construction.

EXTENSIONS OF COVER

- (1) The **Insured** may apply up to \$5,000 to cover loose hay in the open against loss by fire only.
- (2) The **Insured** may apply up to \$5,000 to cover standing or swathed grain and seed crops against loss by fire only.
- (3) Consequential Loss Assumption Clause – applicable to Produce – Fruits and Vegetables only: The following extension shall not increase the amount of protection applying under this policy to Produce – Fruits and Vegetables damaged or destroyed, unless otherwise specifically stated. It is understood and agreed that his policy is extended to cover, and the Insurer shall be liable for any indirect or consequential loss or damage to Produce – Fruits and Vegetables hereby insured, caused by change in temperature or humidity resulting from damage by the perils insured against, to equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating, generating, or converting power (including their connections and supply to transmission lines or pipes), only while such Produce – Fruits and Vegetables is contained in building or structures located on the **farm premises**.

EXCLUSIONS

This policy does not cover loss or damage:

- (1) to property before delivery has been accepted by the **Insured**;
- (2) caused by or resulting from strike, lockout, labour disturbances, riot, civil commotion, or the acts of any person(s) taking part in any such **occurrence** or disorder;
- (3) to property while undergoing any process or while actually being worked upon and where loss or damage is due thereto, unless fire ensues, and then, for loss or damage caused by such ensuing fire only;
- (4) to property in any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant;
- (5) to property which has been delivered to any railway company for transportation purposes;
- (6) to property while being stored within a bin ring, grain bag or other temporary enclosure, unless loss or damage is caused by fire, lightning or explosion;
- (7) to any property separately described and specifically insured in whole or in part by this or any other insurance policy, except as provided by the Extensions of Cover.

Amount of Protection

The limit shown on the Coverage Summary page for **Ag Product Bundle** coverage is the limit of the Insurer's liability for all loss or damage in respect of any one **occurrence**.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **actual cash value** of such property insured, excluding however, property insured by the Extensions of Cover, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **actual cash value** of such property at the time of loss.

The Insurer agrees to waive the Co-insurance clause if the amount of the loss in any one **occurrence** does not exceed \$5,000.

LOCKED STORAGE WARRANTY

In respect to loss or damage by theft of fertilizer and chemicals only:

It is a condition of this insurance that coverage for loss of property is provided only when all storage facilities such as buildings, tanks and pumps have been securely locked when not in use.

AG PROPERTY BUNDLE – Blanket Cover

If the Coverage Summary Page shows Ag Property Bundle applies, **we** provide the insurance described.

Except as otherwise specifically provided by this endorsement, all terms, limitations, conditions and exclusions of this policy apply.

This endorsement provides coverage under a single amount of protection for:

- (1) **Fire Fighting Coverage** – this policy covers fire department charges, where a fire department is called to save or protect property insured under **your** policy or to protect **your** property or property of others adjacent to **your** premises. because of a fire in, on or exposing insured property covered by this policy, or to property adjacent to the **farm premises**, however the Insurer shall not be liable for more than the amount of protection shown on your Coverage Summary Page. Payment will be made to the fire department.
- (2) **Debris Removal (excluding dwelling)** – **We** will pay for the cost of removal of debris of the farm property insured, occasioned by loss or damage to such farm property as a result of an **insured peril**. **We** will also cover expenses incurred to remove the property of others, excluding trees, shrubs and plants, which has been blown by windstorm upon the **farm premises**, when it is coincidental with other loss or damage insured by this policy.
Debris removal expenses shall not be considered in the determination of **actual cash value** or **replacement cost** for the purpose of applying the Co-Insurance Clause. This coverage shall be considered as excess to any coverage available elsewhere in this policy
- (3) **Farm Building Contents, Miscellaneous Farm Property, Tack Equipment and Tools** – usual to a **farming** operation, owned or used by the **Insured** and for which the **Insured** is legally liable, while such property is within the territorial limits of Canada excluding:
 - (a) Any personal belongings which qualify for coverage or are insured under Dwellings and Personal Property.
 - (b) Animals, livestock, poultry, fish, bees, poultry or dairy products, processed or frozen meats, or honey.
 - (c)
 - (i) Motorized vehicles including licensed or unlicensed automobiles, trucks, campers, house trailers, motorcycles, trailers, dirt bikes, go-carts, midget automobiles, golf carts, dune buggies, snowmobiles, all-terrain vehicles or any other similar motorized items not otherwise specifically mentioned herein and including **aircraft**, hang gliders, ultralights or other similar aircraft of any name, including furnishings, equipment or appurtenances of any of the foregoing.
 - (ii) Watercraft and their motors and equipment.
 - (iii) Mobile machinery and implements including all equipment therefore attached or otherwise. Repair parts are not excluded, unless otherwise insured.
 - (d) Permanently attached fixtures and equipment forming part of any building or structure.
 - (e) Fodder, produce, grain and seed.
 - (f) Liquefied petroleum gas, gasoline, benzene, diesel fuel and naphtha.
 - (g) Semen and semen tanks.
 - (h) Fertilizers, herbicides and pesticide, except as shown in Extensions of Cover.
 - (i) Any property used in whole or in part for **business pursuits** or used in connection with any **custom farming**.

EXTENSIONS OF COVER

- (1) **You** may apply up to 10% of the amount of protection shown for Ag Property Bundle to cover fertilizers, herbicides and pesticides while contained in any fully enclosed building located on the **farm premises** and then, for loss by fire only.
- (2) **You** may apply up to 10% of the amount of protection shown to cover veterinary supplies while located in any dwelling located on the **farm premises**.
- (3) **You** may apply up to \$1,000, subject otherwise to the limitations and exclusions applicable thereto, to cover:
Poultry including chickens, turkeys, geese and ducks, of any maturity, usual to mixed **farming** operations; and then, for the peril of fire only.

Definitions

Farm Building Contents means portable items usual to a **farming** operation and normally stored within a farm building or structure.

Miscellaneous Farm Property includes items such as portable corrals, cattle squeeze and chutes, watering bowls, aeration fans, bin sweeps, weigh scales, pumps, generators, pond mills, pressure washers, drill fills, portable water, chemical and fuel tanks not mounted on a stand, cradle or platform and similar items.

Tack Equipment includes bridles, halters, harnesses, saddles, grooming equipment and supplies, veterinarian supplies and other portable property usual to the use, care or grooming of livestock.

Tools includes any device, apparatus or instrument which is independent of any other apparatus and upon its own is used for machinery or building repair, construction or maintenance.

INSURED PERILS

All Risk – you are insured against all risks of direct physical loss or damage from any external cause, except as herein provided. This policy does not cover loss or damage:

- (1) caused by or arising from wear, tear, gradual deterioration, mechanical breakdown, mechanical defect, or inherent vice or defect, scraping, scratching, corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature;
- (2) by vermin (such as skunks and raccoons), rodents (such as squirrels and mice), insects (such as moths and termites), moles, zebra mussels, bats, birds, or domesticated animals;
- (3) caused by or arising from any repairing, adjustment, servicing or maintenance operation, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only;
- (4) caused by short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article, unless fire or explosion ensues, and then, for loss or damage caused by such ensuing fire or explosion only;
- (5) caused by earthquake, except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment;
- (6) to tires, tubes or tracks, unless loss or damage is caused by fire, lightning, explosion, windstorm, vandalism or theft, or is coincident with other loss or damage insured by this policy;
- (7) to silage bags, grain bags or similar coverings/enclosures while located in the open unless loss or damage is caused by fire, lightning or explosion;
- (8) to property at an **unoccupied farm** when the farm yard site has been unoccupied for more than 30 consecutive days, unless permission for unoccupancy is granted on **your** Coverage Summary Page;
- (9) to property while undergoing any process involving the application of heat;
- (10) to property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority.

Amount of Protection

The limit shown on **your** Coverage Summary page with respect to **Ag Property Bundle** coverage is the limit of the Insurer's liability for all loss or damage in respect of any one **occurrence**.

Deductible

We are responsible only for the amount by which the loss or damage caused by any of the **insured perils** exceeds the amount of the deductible shown on the Coverage Summary Page, in any one **occurrence**.

A deductible will not apply for firefighting and debris removal claims.

CO-INSURANCE CLAUSE

The **Insured** shall at all times maintain an amount of insurance equivalent to at least 80% of the **replacement cost** of such property *insured*, and that should the **Insured** fail to maintain such insurance, the Insurer shall not be liable for a greater proportion of any loss than the amount of insurance carried bears to 80% of the **replacement** of such property at the time of loss.

The **Insurer** agrees to waive the Co-insurance clause if the amount of the loss in any one **occurrence** does not exceed \$5,000.

Replacement cost Clause

1. In the event of loss, destruction or damage, the Insurer agrees to make settlement on the basis of **replacement cost** subject to the following provisions:
 - a) replacement shall be effected by the **Insured** with due diligence and dispatch; we will not pay for increased costs due to unnecessary delay;
 - b) settlement of the basis of **replacement cost** 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 clause had not been in effect;
 - d) this clause shall not apply to property which at the time of loss has become obsolete or unusable for its originally intended purpose or to property that is not in good useable condition at the time of loss;
 - e) the clause shall not apply to property which is not in current use by the **Insured** at the time of loss and which was stored away with no specific future use intended;
 - f) this clause does not apply to antiques, rare objects and other items that cannot be replaced;
 - g) the Insurer will keep any salvage or proceeds from salvage.

The **Insured** may choose payment on an **actual cash value** basis initially. Any subsequent claim for settlement on a **replacement cost** basis must be made not later than 180 days after payment of an actual cash value settlement to **you**.

2. In no event shall the **replacement cost** exceed the Amount of Protection shown on the Coverage Summary Page.

OPTIONAL COVERAGES

Dent Clause Endorsement

If the Coverage Summary Page shows "**Dent Coverage Included**", the Dent Clause exclusion does not apply.

Voluntary Fire Fighting Coverage

If the Coverage Summary Page shows an amount of insurance for fire fighting coverage, this policy covers fire department charges, where a fire department is called because of a fire in, on, or exposing insured property covered by this policy, or to property adjacent to the **farm premises**, however the Insurer shall not be liable for more than the amount of protection shown on **your** Coverage Summary Page. Payment of any charges will be made to the fire department. This coverage is not subject to a deductible.

SECTION 2

FARM GENERAL LIABILITY

GENERAL SECTION – Applicable to all Coverages in the Coverage Section

If **you** have a personal insurance policy issued by **us**, this Section 2 replaces Section 2 of the personal insurance policy.

The amounts of insurance shown on **your** Coverage Summary Page with respect to Farmowner's Liability is the limit of the Insurer's liability for all damages, including damages for care and loss of services in respect of any one **occurrence**, except as provided under **Defense Settlement, Supplementary Payments**. The inclusion herein of more than one **Insured** shall not increase the limit of insurance.

DEFINITIONS AS USED IN LIABILITY SECTION 2

In addition to other terms defined elsewhere in the policy, as used herein and in any further amendment, the following terms and expressions have the following meanings:

Action means a civil proceeding in which **compensatory damages** because of **bodily injury** or **property damage** to which this insurance applies are alleged. **Action** includes:

- (a) an arbitration proceeding in which such **compensatory damages** are claimed and to which the **Insured** must submit or does submit with our consent, or
- (b) any other alternative dispute resolution proceeding in which such **compensatory damages** are claimed and to which the **Insured** submits with our consent.

Aircraft shall also include hang gliders, ultralights or other similar **aircraft** of any name, excluding model **aircraft** when kept or used for amusement purposes as part of a hobby.

Bodily injury means **bodily injury**, sickness or disease, including death at any time resulting therefrom, sustained by any person.

Business Pursuits in this part has the same meaning as in **Definitions** Page 5-7.

Compensatory Damages means damages due or awarded in payment for actual injury or economic loss. **Compensatory damages** does not include punitive or exemplary damages.

Coverage Territory means anywhere in the world with respect to damages because of **bodily injury** or **property damage**. With respect to damages because of **bodily injury** or **property damage** arising out of the **farming** operations only, suit for such damages against the **Insured** shall be brought within Canada or the United States of America (including its territories and possessions).

Custom farming in this part has the same meaning as in **Definitions** Page 5-7.

Data in this part has the same meaning as in **Definitions** Page 5-7.

Farm employee means an employee whose duties in the employment of the **Insured** are principally those connected with **farming** activities outside of the **Insured's** dwelling.

Farming has the same meaning as in **Definitions** Page 5-7.

Fungi has the same meaning as in **Definitions** Page 5-7.

Insured means:

- (a) The person(s) named on the Coverage Summary Page and, while living in the same household, the following unnamed person(s):
 - his or her spouse
 - the relatives of either
 - any permanent member of the household of the **Insured** who does not pay board or rent
 - any person under the age of 21 in the care of the **Insured**
 - an unmarried student(s) attending school and while temporarily residing away from home.
- (b) Any spouse, mother, father, grandparent or child of the person(s) named on the Coverage Summary Page, while residing away from **your** dwelling in any approved nursing or care home.
- (c) If the named **Insured** is designated on the Coverage Summary Page as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof, but only with respect to his/her liability as such;
- (d) The Corporation named on the Coverage Summary Page and any executive officer or director while acting within the scope of his or her duties related to the **farming** operation;
- (e) Any **farm employee** of the **Insured's** while engaged in his or her duties as such. No employee is insured for claims arising out of **bodily injury** to another person insured by this policy;
- (f) A **residence employee** while engaged in the employment of the **Insured**;

- (g) With respect to animals and watercraft insured under this policy and owned by the **Insured**, any person or organization legally responsible therefore, except a person or organization using or having custody or possession of such animals or watercraft in the course of his **business pursuits** or without the permission of the **Insured**;
- (h) In the event of the death of the named **Insured**:
 - 1) the legal representative of the named **Insured** but only with respect to the premises of the original named **Insured** and those of his/her spouse; and
 - 2) while a resident of such premises, any person who was an **Insured** prior to the named **Insured's** death.

Insured Contract means a written agreement involving:

- (a) A lease of farm premises;
- (b) A sidetrack agreement;
- (c) An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- (d) Any other easement agreement;
- (e) An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality; or
- (f) An elevator maintenance agreement; or
- (g) That part of any other contract or agreement pertaining to your **farming** business under which you assume the tort liability of another to pay **compensatory damages** because of **bodily injury** or **property damage** to a third person or organization, if the contract or agreement is made prior to the **bodily injury** or **property damage**. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. An **insured contract** shall not include any obligation for volunteer fire fighting expenses, fire fighting expenses, road maintenance or service including snow removal.

Jet Propulsion Personal Watercraft means a motorized sea vehicle, jet ski, or other motorized water device, designed as a self-propelled unit used on water and of the type commonly referred to as a **personal watercraft**.

Legal Liability means responsibility, which courts recognize and enforce between persons who sue one another.

Motor Vehicle means any self propelled land vehicle, amphibious or air cushion vehicle, licensed trailer or semi-trailer.

It does not, however, include any **recreational vehicle**, crawler or farm type tractor, farm implement or vehicle not subject to **motor vehicle** registration.

Occurrence means an accident to which this coverage applies, occurring within the policy period, including continuous or repeated exposure to conditions which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **Insured**.

Premises Insured means:

- (a) the location(s) shown on the Coverage Summary Page and includes all farm land owned by, rented or leased to the **Insured** within the province of Saskatchewan or within 40 kilometers of the border, but only within the territorial limits of Canada, including all buildings in connection therewith, and any principal residence premises shown in Dwellings/Personal Property on the Coverage Summary Page;
- (b) individual or family cemetery plots or burial vaults;
- (c) residence premises in which the **Insured** is temporarily residing, if not owned by the **Insured**, provided that the **Insured** is not the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days;
- (d) any other residential premises shown in the Liability section on your Coverage Summary Page, where an additional premium has been paid; but **premises insured** shall not include any business property, meaning any property on which a business is conducted.

Premises insured does not include any privately or commercially owned elevator, elevator annex, terminal, warehouse or manufacturing plant, wherever located, including the grounds associated with any of these, unless coverage is specifically shown on the Coverage Summary Page.

Property damage means physical injury to, or destruction of tangible property, including the resulting loss of use of that property.

Products Hazard means the consumption, handling or use of goods or products manufactured, sold, handled or distributed by the **Insured** if such consumption, handling or use occurs away from the **Insureds** premises after the **Insured** has relinquished possession of the goods or products.

Recreational Vehicle means a land **motor vehicle** designed for recreational use off public roads, if not required to be registered under any government authority, including all-terrain vehicles and restricted use motorcycles and mini-bikes. Under this section, motorized golf carts are also considered to be a **recreational vehicle**.

Residence Employee means an employee whose duties in the employment of the **Insured** are exclusively in connection with the maintenance or use of the residence premises, including the performance of household or domestic services, or who performs elsewhere duties of a similar nature not in connection with the **Insured's business pursuits** or **farming** operations.

Spores in this part has the same meaning as in **Definitions** Page 5-7.

Terrorism in this part has the same meaning as in **Definitions** Page 5-7.

You and **Your** in this part refers to **Insured** as described above.

We, Us or **Our** means the Germania Mutual Insurance Company of Saskatchewan.

COMMON EXCLUSIONS

Applicable to All Insuring Agreements A1-A5

This insurance does not apply to:

1. **Asbestos**

Bodily injury or **property damage** related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **bodily injury** or **property damage**.

2. **Communicable Disease Exclusion**

1) Notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, fine, penalty, judgment, cost, expense or other amount, directly or indirectly arising out of, caused by, resulting from, in consequence of, in connection with, contributed to by, attributable to, or in any way involving (regardless of any other cause or event contributing concurrently or in any other sequence thereto):

- a) a Communicable Disease;
- b) the fear or threat (whether actual or perceived) of a Communicable Disease; or
- c) any action taken in controlling, preventing, suppressing or in any way relating to any incidence, outbreak, epidemic or pandemic or threat of incidence, outbreak, epidemic or pandemic of a Communicable Disease.

2) For the purposes of this exclusion, loss, damage, claim, fine, penalty, judgment, cost, expense or other amount includes, but is not limited to, loss of revenue or income and/or replacement costs of, deterioration of, depreciation of, loss of value or marketability of,

or loss of use of any property, as well as any cost to clean, sanitize, remediate, detoxify, remove, monitor or test with respect to:

- a) for a Communicable Disease, or
 - b) any property that is affected or may be affected by such Communicable Disease.
- 3) For the purposes of this exclusion, a Communicable Disease means any disease, illness, infection, sickness or syndrome which can be transmitted, either directly or indirectly, by any substance or agent between or from any organism to another organism (whether of the same or any other species) where:
- a) the substance or agent includes, is comprised of, or contains any virus, bacterium, prion, parasite or other organism or microorganism, or any variation, mutation or evolution thereof whether living or not, and
 - b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - c) the disease, illness, infection, sickness, syndrome, substance or agent can or does:
 - i. cause or threaten to cause damage to human health or human welfare, or
 - ii. cause or threaten to cause damage to, deterioration of, loss of value of, marketability of or loss of use of any property; or
 - iii. otherwise cause or threaten to cause any loss of revenue, income, market share, or patronage of any kind.
- 4) This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).
- 5) Neither this exclusion nor its absence from any prior insurance policy contract(s) shall be used to demonstrate coverage under such prior insurance policy contract(s).

3. Data

- a) The erasure, destruction, corruption, misappropriation, misinterpretation of **data**; or erroneously creating, amending, entering, deleting or using **data**; including any loss of use arising from any of these actions or events; or
- b) the distribution or display of **data**, by means of an internet website, the internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of **data**.

4. Fungi and Fungi Derivatives Liability

- a) **Bodily injury, property damage**, personal injury or medical payments or any other cost, loss or expense incurred by others arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of **fungi** or **spores**, however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of **fungi** or **spores**; or
- b) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with (a) above; or
- c) any obligation to pay damages, share damages with or repay someone else who must pay **compensatory damages** because of such injury or damage referred to in (a) or (b) above.

5. Nuclear Energy Liability

- a) Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b) **Bodily injury** or **property damage** with respect to which an **Insured** under this coverage is also insured under a contract of nuclear energy liability insurance (whether the **Insured** is named or not in such contract and whether or not it is legally enforceable by the **Insured**) issued by the Nuclear Insurance Association of Canada or any other group or pool of Insurers or would be an **Insured** under any such policy but for its termination upon exhaustion of its limit of liability.

6. Pollution

- a) **Bodily injury or property damage** arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants:
- 1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**. However, this subparagraph does not apply to:
 - a) **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
 - b) **bodily injury or property damage** for which an **Insured** may be held liable, if they are a contractor and the owner or lessee of such premises, site or location has been added to this policy as an additional **insured** with respect to the **Insured's** ongoing operations performed for that additional **insured** at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any **Insured**, other than that additional **insured**; or
 - c) **bodily injury or property damage** arising out of heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one that becomes uncontrollable or breaks out from where it was intended to be.
 - 2) At or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - 3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - a) any **Insured**; or
 - b) any person or organization for whom the **Insured** may be legally responsible; or
 - 4) At or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations if the pollutants are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor. However, this subparagraph does not apply to:
 - a) **bodily injury or property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the **bodily injury or property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged dispersed or released as part of the operations being performed by such **Insured**, contractor or subcontractor;
 - b) **bodily injury or property damage** sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by the **Insured** or on behalf of the **Insured** by a contractor or subcontractor;
 - c) **bodily injury or property damage** arising out of heat, smoke or fumes from a hostile fire; or
 - d) **property damage** to growing crops of others on neighboring land arising out of the application of pesticides, herbicides or fertilizers by an **Insured** or his **farm employee** on the **Insured's** own crops (other than by means of an aircraft) if:
 - i) such pesticides, herbicides or fertilizers are misused by an **Insured** or his **farm employee**; or
 - ii) spray drifts from such pesticides, herbicides or fertilizers, provided the **Insured** could not reasonably have expected such drift to occur.

This exception does not apply if the **Insured** and any **farm employee** who applies pesticides, herbicides or fertilizers did not follow all applicable requirements contained in any applicable federal, provincial, territorial or municipal law, statute, ordinance, rule or regulation pertaining to the application of pesticides, herbicides or fertilizers, including any requirement that an **Insured** or such **farm employee** be licensed to apply pesticides, herbicides or fertilizers.

- 5) At or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
- b) Any loss, cost or expense arising out of any:
 - 1) request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants; or
 - 2) claim or **action** by or on behalf of a governmental authority for **compensatory damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

However, this paragraph **b)** does not apply to liability for **compensatory damages** because of **property damage** that the **Insured** would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or **action** by or on behalf of a governmental authority.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

7. **Terrorism**

Bodily injury or **property damage** arising directly or indirectly, in whole or in part, out of **terrorism** or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **bodily injury** or **property damage**.

8. **Transmissible Spongiform Encephalopathies (TSE)**

- a) **Bodily injury** or **property damage** arising out of, resulting from, caused or contributed to by:
 - i) any form of TSE; or
 - ii) any exposure to TSE; or
 - iii) any exposure to any item that is known or suspected to cause, contribute to or enable TSE.
- b) The cost of abatement, mitigation, removal or disposal of feed, feed additives or animals, or of any premises or equipment handling such items, as a result of any known or suspected connection between such items and TSE; or
- c) Any costs related to a person's abatement, mitigation or removal of, or testing, medical monitoring, medical costs or cure for TSE.

This exclusion also includes:

- a) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- b) Any obligation to share **compensatory damages** with or repay someone else who must pay damages because of such injury or damage.

This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the **bodily injury** or **property damage**.

9. **War Risks**

Bodily injury or **property damage** arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **bodily injury** or **property damage**.

DEDUCTIBLE

Under Insuring Agreements A-1 and A-2 each claim for loss or damage shall be adjusted separately and from the amount so determined, \$500 or the amount indicated on **your** Coverage Summary Page will be deducted. This deductible applies to **compensatory damages** because of **property damage** relating to **farming** operations, as the result of any one **occurrence**, regardless of the number of persons who sustain **compensatory damages** because of that **occurrence**.

Under Insuring Agreement A-3 each claim for loss or damage shall be adjusted separately and from the amount so determined, \$500 or the amount indicated on **your** Coverage Summary Page will be deducted. This deductible applies to **compensatory damages** because of **property damage** as the result of any one **occurrence**, regardless of the number of persons who sustain **compensatory damages** because of that **occurrence**.

The terms of this insurance, including those with respect to:

- a) the Insurer's rights and duties to defend any **action** seeking those **compensatory damages**; and
 - b) the **Insured's** duties in the event of an **occurrence**, claim or **action**;
- apply irrespective of the application of the deductible amount.

The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or **action** and upon notification of the **action** taken, the **Insured** shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

COVERAGE SECTION

FARMER'S LIABILITY – COVERAGE E

Coverage is provided by this policy only if **Farm Liability** is shown on the Coverage Summary Page. The insurance described applies only to an **occurrence** which takes place during the term of this policy and in the **coverage territory**. Each person **Insured** is a separate **Insured**, but this does not increase the limit of insurance. The following insurance is provided and is subject to the limitations, exclusions, conditions, definitions and other terms contained herein.

Insuring Agreement A-1 Bodily Injury and Property Damage Liability

The Insurer agrees with the Named **Insured** to pay on behalf of the **Insured**:

1. The Insurer will pay those sums that the **Insured** becomes legally obligated to pay as **compensatory damages** because of unintentional **bodily injury** or **property damage** to which this insurance applies. The Insurer will pay those sums that the **Insured** becomes legally obligated to pay for liability of others assumed by the **Insured** under any **insured contract** relating to the **premises insured** as **compensatory damages** because of **bodily injury** or **property damage** to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Defense Settlement – Supplementary Payments. This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period and must be caused by an **occurrence** which takes place in the **coverage territory**. The Insurer will have the right and duty to defend any action seeking those **compensatory damages** but:
 - a) The amount the Insurer will pay for **compensatory damages** is limited as shown under Amount of Protection on the Coverage Summary Page.
 - b) The Insurer may investigate and settle any claim or action at their discretion; and
 - c) The Insurer's right and duty to defend ends when the applicable limit of insurance, as stated on the Coverage Summary Page, has been used up in the payment of judgements or settlements under Agreements A-1, A-2 or A-3 or medical expenses under Agreement A-4.
2. **Compensatory damages** because of **bodily injury** include **compensatory damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.
3. **Property damage** that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the **occurrence** that caused it.

Other than as provided under **Defense, Settlement, Supplementary Payments**, the amount of insurance shown on the Coverage Summary Page is the maximum amount the Insurer will pay for all **compensatory damages** in respect of one **occurrence** regardless of the number of:

- (a) **insured** persons;
- (b) claims made or **actions** brought; or
- (c) persons or organizations making claims or bringing **actions**.

EXCLUSIONS

The insurance under Agreement A-1 does not apply to:

- (1) **Bodily injury or property damage** arising out of **business pursuits** except;
 - a) **farming**; or
 - b) **custom farming**, specifically excluding any custom application or spraying of chemicals and/or fertilizers, and then only within the province of Saskatchewan and only where remuneration received does not exceed \$20,000 gross receipts in total during the policy term;
 - c) if shown on **your** Coverage Summary Page, the performance of **business pursuits**, where an additional premium has been paid; or
 - d) **your** work for someone else as a clerical worker, sales person, bill or money collector, messenger, lifeguard or teacher, provided the claim does not involve physical disciplinary action to a student or injury to a fellow employee.
- (2) **Bodily injury or property damage** expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.
- (3) **Bodily injury or property damage** for which the **Insured** is obligated to pay **compensatory damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **compensatory damages**:
 - a) assumed in a contract or agreement that is an **insured contract** provided the **bodily injury or property damage** occurs subsequent to the execution of the contract or agreement; or
 - b) that the **Insured** would have in the absence of the contract or agreement.
- (4) **Bodily injury or property damage** caused by any illegal or criminal act, or the failure to act by any person insured by this policy or any other person at the direction of any person insured by this policy.
- (5) **Bodily injury or property damage** arising out of the growing, cultivating, processing, manufacturing, distributing or selling of any illegal substance, including drugs or narcotics, by or on behalf of an **Insured**.
- (6) Liability arising out of the rendering of or the failure to render, professional services.
- (7) Liability arising out of any actual or alleged sexual, physical, psychological or emotional abuse, molestation or harassment including corporal punishment by, at the direction of, or with the knowledge of a person insured by this policy, or claims arising from the intentional or negligent failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.
- (8) **Bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading or entrustment to others, by or on behalf of any **Insured** of:
 - a) any air cushion vehicle, **aircraft** or unmanned air vehicle or drone; nor
 - b) any liability arising out of the ownership, existence, use or operation of any portion of the **premises insured** for the purpose of an aerodrome, airport or aircraft landing facility, and all operations necessary, or incidental thereto; nor
 - c) **bodily injury or property damage** arising out of any substance released or discharged from any **aircraft**, including the release of any substance in connection with crop spraying operations;
- (9) **Bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading or entrustment to others, by or on behalf of any **Insured** of:
 - a) any **motor vehicle** or part thereof, owned or operated by, rented or loaned to any **Insured**, but this does not apply to **bodily injury or property damage** occurring on the **premises insured** if the **motor vehicle** is not required to be registered under any government authority because it is used exclusively on the **premises insured** or kept in dead storage on the **premises insured**; or

- b) any vehicle while being used in any racing, speed, demolition, tractor pull or similar contest or in any stunting activity or in practice or preparation for any such contest or activity.
- (10) **Bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading or entrustment to others, by or on behalf of any **Insured** of any **recreational vehicle** except:
- recreational vehicles** shown on your Coverage Summary Page where an additional premium has been paid;
 - recreational vehicles** operated but not owned by the **Insured** provided the **recreational vehicle** is being operated with the owner's consent;
 - motorized golf carts owned by the **Insured** or while being operated by others with the **Insured's** permission;
- but in no event will the Insurer incur any liability while the **recreational vehicle** is:
- being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;
 - being used in any **business pursuits**;
 - not being operated in accordance with the *All-Terrain Vehicles Act*.

You are not insured for claims arising from the ownership, use or operation of the **recreational vehicle** while it is:

- being operated or controlled by any person under 16 years of age, unless the Underage Operator option is included;
- being operated or controlled by any person under 12 years of age, whether or not the Underage Operator option is included; nor
- bodily injury** to any person riding as a passenger on any recreational vehicle where the rated seated capacity as established by the manufacturer has been exceeded.

This exclusion (11) does not apply to **bodily injury** to an employee of the **Insured** on whose behalf contributions are made or required to be made by the **Insured** under the provisions of any workers compensation law.

- (11) **Bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading or the entrustment to others, by or on behalf of any **Insured**, of any watercraft if the watercraft:
- has inboard or inboard-outboard motor power of more than 38kW (50 HP); or
 - has outboard motor power, singly or in combination, of more than 19kW (25 HP) in all; or
 - exceeds eight metres (26 ft) in overall length.

This exclusions does not apply to:

- watercraft shown on your Coverage Summary Page where an additional premium has been paid; or
- watercraft acquired by the **Insured** during the policy period, which is declared to the Insurer within 30 days of such acquisition, and endorsed hereon. The amount of insurance shown on your Coverage Summary Page for this extension of cover is the maximum amount we will pay for claims arising from the newly acquired unit;
- watercraft operated but not owned by the **Insured** provided the watercraft is being used or operated with the owner's consent.

But in no event shall the Insurer incur any liability while the watercraft is:

- being used to participate in any race or speed contest;
- rented to others;
- being used in any **business pursuits**;
- being used for carrying passengers for compensation;
- not being operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.

- (12) **Bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading or entrustment to others, by or on behalf of the **Insured**, of any **jet propulsion personal watercraft** except:
- jet propulsion personal watercraft** shown on your Coverage Summary Page, where an additional premium has been paid; or
 - jet propulsion personal watercraft** operated but not owned by the **Insured**.

But in no event will the Insurer incur any liability while the **jet propulsion personal watercraft** is:

- a) being used to participate in any race or speed contest or in any stunting activity or in practice or preparation for any such contest or activity;
 - b) rented to others;
 - c) being used in any **business pursuits**;
 - d) not being operated in accordance with the Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements.
- (13) **Bodily injury or property damage** arising out of the use or operation of any **motor vehicle, recreational vehicle, watercraft or jet propulsion personal watercraft** in any race, rally, derby, speed test or practice on the **premises insured**, unless permission is granted on the Coverage Summary Page.
- (14) **Bodily injury** to an employee of the **Insured**, arising out of and in the course of employment by the **Insured**:
This exclusion applies:
- a) to any obligation to share **compensatory damages** with, or repay someone else, who must pay **compensatory damages** because of the injury;
- This exclusion does not apply:
- a) where the **Insured** may be liable as an employer or in any other capacity; and
 - b) to liability assumed by the **Insured** under any **insured contract**; or
 - c) to employees on whose behalf contributions are made by or required to be made by the **Insured** under provisions of any workers compensation law.
 - d) to an **Insured's residence employee or farm employee**.
- (15) Any obligation of the **Insured** under a workers' compensation, disability benefits or unemployment compensation law, or any similar law.
- (16) **Bodily injury** to:
- a) any **Insured**; or
 - b) any person regularly residing on the premises (other than a **residence employee**); or
 - c) any person while engaged in alteration, demolition or new construction operations of the **Insured**.
- This exclusion does not apply to any person while providing voluntary assistance to the **Insured** in the **farming** operations on the **premises insured** and who does work for which no remuneration is made, given or contemplated.
- (17) **Bodily injury or property damage** arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any **Insured** of:
- a) Any draft or saddle animal or attached conveyance:
 - i) for charge or remuneration; or
 - ii) while entrusted to others; or
 - iii) for the carrying of passengers for financial gain or other compensation; or
 - b) Any livestock used or intended for use in a race or rodeo, away from the **premises insured**, while on the grounds of any racetrack or any premises for race or rodeo; or
 - c) Any premises for the purpose of boarding facilities, riding stables, riding arena or academy; or
 - d) Any premises for the purpose of any rodeo, any draft or saddle animal race, or any gymkhana or similar equestrian event or activity;
- unless coverage is shown on the Coverage Summary Page.
- (18) Liability arising out of any premises other than the **premises insured** as specified on the Coverage Summary Page, but this exclusion shall not apply to:
- a) the grazing of livestock on premises away from **farm premises** owned or leased by the **Insured**; or
 - b) **farm premises** purchased or leased by an **Insured** during the period this policy is in force, which is declared to the Insurer within 14 days of such acquisition, and endorsed thereon.
- (19) The application of any chemicals or fertilizers or any spraying operations away from the **premises insured**.
- (20) **Bodily injury or property damage** arising out of **custom farming**, including property in transit in connection with **custom farming**, unless it is shown on the Coverage Summary Page that **custom farming** is insured and an additional premium charged for it;

- (21) **Property damage**, destruction of or loss of use of:
- a) property an **Insured** owns, uses, occupies, leases, sells, gives away or abandons; or
 - b) any personal property or fixtures as a result of any work performed by the **Insured** or by anyone on his behalf;
 - c) property in the care, custody and control of an **Insured** or property as to which the **Insured** is for any purpose exercising physical control.
- This exclusion (c) does not apply to Tenants Legal Liability as described in Insuring Agreement A-2 of this section.
- (22) a) **Property damage** to products manufactured, sold, handled or distributed by any **Insured**, or work performed by or for any **Insured**, arising out of such products or work or any part thereof.
- b) Loss of use of tangible property which has not been physically injured or destroyed resulting from:
- i) a delay in or lack of performance by or on behalf of the **Insured** of any contract or agreement, or;
 - ii) the failure of the **Insured's** products or work performed by or on behalf of the **Insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **Insured**.
- (23) **Bodily injury or property damage** arising out of the **product hazards**, but this exclusion shall not apply to **your** farm products, other than:
- a) manufactured products including fertilizers, weed sprays, and other chemicals;
 - b) blended or processed seeds or feeds;
 - c) fish, dairy or poultry products, processed or frozen meat, honey, fruit or vegetables where the sale of such products exceeds 10% of total farm product sales.
- (24) **Property damage** caused by an **Insured** while unlawfully on the premises of others, or for an **Insured's** obligation to share **compensatory damages** with any other person or persons for **property damage** occurring while such other person or persons are unlawfully on the premises of others.
- (25) **Bodily injury or property damage** caused directly or indirectly by an animal owned by the **Insured** or for which the **Insured** is responsible and which has been declared under any law, by-law or municipal ordinance, to be a dangerous animal.

Such insurance as afforded by this policy shall be extended to include each and every volunteer worker as an additional **Insured** but only in respect of any activity approved by the named **Insured** in respect to **farming** operations arising out of the **premises insured**.

OPTIONAL EXTENSIONS

COVERAGE I – ALL-TERRAIN VEHICLE LIABILITY Including Farm Utility All-Terrain Vehicle

The Insurer will provide the insurance described in this coverage only if a separate amount of insurance is shown for All-Terrain Vehicle Liability on the Coverage Summary Page.

The coverage provided under Insuring Agreement A-1 is extended to cover the ownership, use and operation of the All-Terrain Vehicle(s) described on the Coverage Summary Page, when operated by the **Insured** and anyone else with the permission of the **Insured**.

The Insurer shall not be liable for **bodily injury or property damage** where:

- (a) the operator is under the age of 16 years, unless the Underage Operator option is shown on the Coverage Summary Page. In no event shall coverage apply where the operator is under the age of 12 years, regardless of any permission for underage operators;
- (b) the operator is under the age of 16 years and the engine capacity exceeds 250 c.c. or 25 h.p. regardless of any permission for underage operators or passenger hazard;
- (c) the operator is under the age of 16 years and allows passengers, regardless of any permission for underage operators or passenger hazard.

The Insurer shall not be liable for **bodily injury**:

- (a) where passengers are being carried upon, getting onto or alighting from the unit where the seating capacity as established by the manufacturer has been exceeded, regardless of any permission granted for carrying passengers.

EXCLUSIONS

The Insurer shall not be liable for **bodily injury** or **property damage**:

- (a) caused by an operator under the influence of intoxicating liquor or drugs;
- (b) resulting from carrying passengers for a fee;
- (c) while being used for any illicit or prohibited trade or transportation;
- (d) while the unit is rented or leased to others;
- (e) while the unit is being operated in any race, speed or demolition contest or in any stunting activity or in practice for any such contest or activity.
- (f) when an All-Terrain Vehicle is not operated in accordance with *The All-Terrain Vehicles Act (Sask)*.

Except as otherwise provided, all terms, provisions and conditions of this policy shall have full force and effect.

Passenger Hazard Option – You may be legally liable for **bodily injury** to a passenger of an All-Terrain Vehicle. A passenger is anyone being carried upon, getting on to or alighting from the unit. **You** are not insured for claims because of **bodily injury** which occurs when the seating capacity of the All-Terrain Vehicle, as established by the manufacturer, has been exceeded.

Underage Operator Option – If the Coverage Summary Page shows that the Underage Operator option is included, **you** are insured for claims made against **you** because of **bodily injury** and **property damage** arising from the ownership, use, or operation of the All-Terrain Vehicle while it is being operated by an Underage Operator.

COVERAGE H – JET PROPULSION PERSONAL WATERCRAFT LIABILITY

The Insurer will provide the insurance described in this coverage only if a separate amount of insurance is shown for **Jet Propulsion Personal Watercraft** Liability on the Coverage Summary Page.

The coverage provided under Insuring Agreement A-1 is extended to cover the ownership, use and operation of the **Jet Propulsion Personal Watercraft** described on the Coverage Summary Page, when operated by the **Insured** and anyone else with the permission of the **Insured**.

EXCLUSIONS

1. The Insurer shall not be liable for **bodily injury** or **property damage**:
 - (a) while being operated or controlled by any person under 16 years of age;
 - (b) while being operated or controlled by any person while under the influence of any intoxicating liquor or drugs;
 - (c) resulting from carrying passengers for a fee, even if the **Passenger Hazard** option is included;
 - (d) while being operated in any race, speed or demolition contest or in any stunting activity or in practice for any such contest or activity;
 - (e) while the unit is rented or leased to others;
 - (f) while being used for any illicit or prohibited trade or transportation;
 - (g) while being used or operated in an area where the use or operation of a **jet propulsion personal watercraft** is restricted or prohibited;
 - (h) when a **jet propulsion personal watercraft** is not operated in accordance with the Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements.
2. **You** are not insured for claims when the engine capacity of the personal watercraft exceeds 650cc.

Except as otherwise provided, all terms, provisions and conditions of this policy shall have full force and effect.

Passenger Hazard Option – You may be legally liable for **bodily injury** to a passenger of a **personal watercraft**. A passenger is anyone being carried upon, getting on to or alighting from the unit. **You** are not insured for claims because of **bodily injury** which occurs when the seating capacity of the **personal watercraft**, as established by the manufacturer, has been exceeded, or while the **personal watercraft** is being operated or controlled by anyone under the age of 16 years.

Insuring Agreement A-2 Tenants Legal Liability

The Insurer will pay all sums that the **Insured** becomes legally obligated to pay as **compensatory damages** because of unintentional **property damage** to buildings and contents, which are rented to, occupied by, or in the care, custody or control of the **Insured** caused by:

- (a) Fire;
- (b) Explosion;
- (c) Smoke due to a sudden, unusual and faulty operation of any household heating or cooking unit in or on the premises;
- (d) Water escape from a heating, plumbing, sprinkler or air conditioning system or household appliance;
- (e) Impact by land vehicle.

Other than as provided under **Defense, Settlement, Supplementary Payments**, the amount of insurance shown on the Coverage Summary Page is the maximum amount the Insurer will pay for all **compensatory damages** in respect of one **occurrence** regardless of the number of:

- (a) **insured** persons;
- (b) claims made or **actions** brought; or
- (c) persons or organizations making claims or bringing **actions**.

The Insurer will have the right and duty to defend any **action** seeking those **compensatory damages** but:

- (a) The amount the Insurer will pay for **compensatory damages** is limited as shown under Amount of Protection on the Coverage Summary Page.
- (b) The Insurer may investigate and settle any claim or **action** at their discretion; and
- (c) The Insurer's right and duty to defend ends when the applicable limit of insurance, as stated on the Coverage Summary Page, has been used up in the payment of judgements or settlements under Agreements A-1, A-2 or A-6.

EXCLUSIONS

This insurance under Agreement A-2 does not apply to:

- (a) **Property damage** to or destruction of any residence or belongings contained therein used by or rented to, or in the care, custody or control of the **Insured**.
- (b) **Property damage** for which the **Insured** is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **compensatory damages** that the **Insured** would have in the absence of the contract or agreement.
- (c) **Property damage** arising out of alterations, additions or repairs by the **Insured**, unless notice is given and consent of the Insurer is obtained in writing.
- (d) **Property damage** to any building or contents therein being used for **business pursuits** by the **Insured**.
- (e) Liability that is otherwise excluded under Insuring Agreement A-1.

Insuring Agreement A-3 Residence Legal Liability

The Insurer will pay those sums that the **Insured** becomes legally obligated to pay as **compensatory damages** because of unintentional damage arising out of one **occurrence** for **property damage** to a residence (including a hotel or motel room) or belongings therein, used by or rented to, or in the care, custody or control of the **Insured** solely for private residential purposes and then, only for **property damage** caused by the perils insured as described and limited in Section 2 of the applicable wording booklet for the **Insured's** principal residence. Coverage does not apply where the **Insured's** principal residence is not insured by **us**.

Other than as provided under **Defense, Settlement – Supplementary Payments**, the amount of insurance shown on the Coverage Summary Page is the maximum amount the Insurer will pay for all **compensatory damages** in respect of one **occurrence** regardless of the number of:

- (a) **insured** persons;
- (b) claims made or **actions** brought; or
- (c) persons or organizations making claims or bringing **actions**

EXCLUSIONS

The insurance under Agreement A-3 does not apply to:

- (a) Liability assumed by the **Insured** under contract, except liability which would attach in the absence of such contract.
- (b) Liability that is otherwise excluded under Insuring Agreement A-1.

Insuring Agreement A-4 Medical Payments

The Insurer agrees to voluntarily pay reasonable and necessary medical, surgical, dental, hospital, professional nursing, ambulance and funeral costs, whether or not there is any liability imposed upon the **Insured** by law, resulting from **bodily injury**, sickness, disease or death caused by accident to any person(s) as a result of the maintenance or use of the **premises insured**, or the personal acts of an **Insured**, and incurred within one year from the date of accident. The limit shown on the Coverage Summary Page is the maximum the Insurer will pay in respect of one **occurrence**.

EXCLUSIONS

The insurance under Agreement A-4 does not apply to:

- (a) **Bodily injury** or death of any **Insured**, or any **farm employee**, or any other person who is not an employee and regularly resides on the **premises insured**, or any person engaged in alteration, repair, demolition or new construction operations of the **Insured**, or any person to or for whom benefits are payable under any workers compensation law because of such injury or death. This exclusion does not apply to any other person while on the premises in performance of a neighborly exchange of labor and for which there is no obligation to pay any monetary consideration, either expressed or implied.
- (b) The ownership, maintenance, use or operation, by or on behalf of any person insured by this policy, of any **motor vehicle**, trailer or semi-trailer which is required to be registered under the laws of Saskatchewan.
- (c) Those portions of such expenses payable or recoverable under any medical, surgical, dental or hospitalization plan or law, or under any other insurance policy or certificate issued to or for the benefit of any person for whom indemnity is provided.
- (d) Any portion of medical expenses, the payment of which is prohibited by law.
- (e) Liability that is otherwise excluded under Insuring Agreement A-1

Medical Reports, Proof and Payment of Claim or Loss

The **Insured** shall arrange for the injured person or someone on his behalf to give the Insurer written proof, under oath if required, and at the Insurer's request, obtain authorization to enable us to obtain medical reports and copies of records. The injured person shall submit to physical examination by a physician selected by the Insurer when, and as often, as **we** may reasonably require. The Insurer may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder of such injury.

Payment hereunder shall not constitute admission of liability.

Insuring Agreement A-5 Voluntary Property Damage

The Insurer agrees to voluntarily pay, in any one **occurrence**, whether or not there is any liability imposed upon the **Insured** by law, for loss, damage to or destruction of property, caused by an **Insured** and resulting from the maintenance or use of the **premises insured** or the personal acts of an **Insured**. The limit shown on the Coverage Summary Page is the maximum the Insurer will pay in respect of one **occurrence**.

EXCLUSIONS

The insurance under Agreement of A-5 does not apply to:

- (a) any **business pursuits** of the **Insured**; or
- (b) loss or damage arising out of the use or operation of farm machinery and equipment, recreational vehicles or any **motor vehicle**, aircraft or watercraft, trailer or semi-trailer; or
- (c) property owned by or rented to the **Insured**, any resident of the named **Insured's** household, or any tenant of the **Insured**; or
- (d) damage or destruction caused intentionally by an **Insured** who is over the age of 12 years; or
- (e) the ownership of any animal by the **Insured**, excluding farm livestock; or
- (f) loss of use, disappearance or theft of property.
- (g) Liability that is otherwise excluded under Insuring Agreement A-1.

Amount of Protection

The Insurer will pay whichever is the least of the following out of one **occurrence**:

- (a) the **actual cash value** of the property at the time of loss;
- (b) what it would cost to repair or replace the property with materials of like kind and quality at the time of loss;
- (c) the limit of insurance as shown on the Coverage Summary Page.

The Insurer may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with the **Insured** or the owner of the property and may, at the Insurer's option, take over any salvage.

Proof and Payment of Claim or Loss

Within 60 days after the loss, the **Insured** must submit to the Insurer (under oath if required) a Proof of Loss Form showing the interest of all persons in the property affected, the **actual cash value** thereof at the time of loss, and the amount, place, time and cause of the loss. If necessary, the **Insured** must cooperate with the Insurer to verify the damage or loss.

Insuring Agreement A-6 Defense Settlement – Supplementary Payments

In respect of the above Insuring Agreements A-1, A-2 and A-3, the Insurer shall:

1. Defend in the name and on behalf of the **Insured** and at the cost of the Insurer, any civil **action** brought against the **Insured** on account of any loss insured, even if such suit is groundless, false or fraudulent. The Insurer shall have the right to select legal counsel, and to make such investigation, negotiation and settlement of any claim as it may deem necessary. The Insurer will only pay for the legal counsel they select.
2. In addition to the applicable limits of liability, the Insurer shall:
 - (a) pay all expenses incurred by the **Insured**, all costs taxed or assessed against the **Insured** in any civil **action** defended by the Insurer, and any interest accruing after entry of judgment upon that part of the judgment which is within the limit of the Insurer's liability.
 - (b) pay all premiums on bonds to release attachments for an amount not in excess of the applicable Amount of Protection of this policy, and all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds.
 - (c) pay expenses incurred by the **Insured**, in the event of accident causing **bodily injury** for such immediate medical and surgical relief to others as shall be imperative at the time of the accident.
 - (d) reimburse the **Insured** for all reasonable expenses, other than loss of earnings, incurred by the **Insured** at the Insurer's request.
 - (e) reimburse the **Insured** up to \$100 per day because of the **Insured's** attendance, at the Insurer's request, at trial of any such suit in defense against allegation of **bodily injury**.

LIMITED POLLUTION LIABILITY INSURANCE

This Endorsement changes the policy – Please read it carefully

This endorsement modifies insurance coverage provided by the Farm General Liability:

1. The following is added to exclusion **5. Pollution** in **Common Exclusions**:

Paragraphs **a.1)**, **a.4)a)**, **a.4)b)**, and **a.4)c)** of this exclusion do not apply to **bodily injury** or **property damage** occurring at any premises, site or location situated in Saskatchewan and arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants, provided that such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants:

- a) results in the injurious presence of pollutants in or upon land, the atmosphere, drainage or sewage system, watercourse of body of water; and
- b) is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants; and
- c) is reported to the Insurer within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants; and
- d) occurs in a quantity or with a quality that is in excess of that which is routine or usual to the **Insured's farming** operations.

All other terms and conditions remain unchanged.

SECTION 3

FARM GENERAL LIABILITY CONDITIONS

- 1. Policy Period:** This policy applies only to ***bodily injury*** and ***property damage*** which occurs during the policy period.
- 2. Notice of Occurrence:** The ***Insured*** shall promptly give the Insurer written notice with all available particulars of any ***occurrences*** involving loss, damage or injury and of any claim made on account of an ***occurrence*** and shall verify the facts by Affidavit or Declaration if required by the Insurer and shall forward immediately to the Insurer every writ, letter, document or advice received by him from or on behalf of the claimant.
- 3. Assistance and Cooperation of the Insured in Claim Settlement:** The ***Insured*** shall cooperate with the Insurer and, upon the Insurer's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and the conduct of suits.
The ***Insured*** shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of the accident or occurrence.
- 4. Inspection, Audit, Suspension and Reinstatement:** The ***Insured*** shall permit the Insurer to inspect the insured premises and to examine and audit the ***Insured's*** books and records at any time during the policy period and within one year after termination of this insurance, as far as they relate to the premium calculation or subject matter of this insurance. The Insurer shall have the right to suspend any part of this insurance until any defect or dangerous condition found is remedied to the satisfaction of the Insurer. Notice of such suspension and the reason therefore and of the reinstatement of the insurance shall be in writing. For the period of such suspension, the Insurer shall allow a *pro rata* return premium.
- 5. When Action May be Brought:** The ***Insured*** may not bring action to recover the amount of any claim under this policy unless the requirements of the conditions of this policy are complied with and until the amount of the loss has been ascertained by judgment against the ***Insured*** after trial of the issue or with the written consent of the Insurer.
Nothing contained in this policy shall give any person(s) including the ***Insured***, or organization(s) any right to join the Insurer as a co-defendant or third party in any ***action*** against the ***Insured*** to determine the ***Insured's*** liability.
- 6. Limitations of Actions:** Every action or proceeding under this policy brought against the Insurer shall be commenced within two years after the cause of ***action*** arose.
- 7. Waiver:** No term or condition of this policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is stated in writing and signed by a duly authorized representative of the Insurer. In addition, neither the ***Insured*** nor the Insurer may be lawfully considered to have waived any term or condition of this policy by any act relating to the appraisal of the amount of a claim, the delivery or completion of proof, or the investigation of or adjustment of any claim under this policy.
- 8. Subrogation:** The Insurer shall be entitled to all rights of recovery against others and may bring action in the ***Insured's*** name to enforce these rights when the Insurer makes payment or assumes liability under this policy. The amount recovered less the costs of recovery will be shared between the ***Insured*** and Insurer in proportion to the loss that each has borne. The ***Insured*** shall execute all papers required and shall co-operate with the Insurer to secure its rights.

9. **Other Insurance:** If, at the time of an accident or **occurrence** covered by this coverage, there is any other insurance which would attach if this insurance had not been effected, the Insurer shall not be obligated to pay a larger proportion of any claim than the applicable amount of protection bears to the total corresponding limits of the whole amount of valid and collectible insurance.
10. **Cancellation:** This liability section is subject to Condition 5 (Termination of Contract) of the **Statutory Conditions** of this booklet.
11. **Canadian Currency:** All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.
12. **Separation of Insured, Cross Liability:** Except with respect to the limits of liability and any rights or duties specifically assigned to the first named **Insured**, this insurance applies:
 - a) as if each named **Insured** were the only named **Insured**; and
 - b) separately to each **Insured** against whom a claim is made or **action** is brought.The insurance afforded by this condition does not apply to acts unrelated to farming by an **Insured** residing in the same household.

STATUTORY CONDITIONS

With respect to **Section 2- Liability Coverage**, only Statutory Conditions 1, 3, 4, 5 and 15 apply. Otherwise, all of the Statutory Conditions apply with respect to all of the perils insured by this policy.

(1) MISREPRESENTATION

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

(2) PROPERTY OF OTHERS

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the **Insured**, unless the interest of the **Insured** therein is stated in the contract.

(3) CHANGE OF INTEREST

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law, or by death.

(4) MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the **Insured** voids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the **Insured** in writing that, if the **Insured** desires the contract to continue in force, the **Insured** must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

(5) TERMINATION

(1) This contract may be terminated:

- (a) by the Insurer giving to the **Insured** 15 days notice of termination by registered mail, or five days written notice of termination personally delivered;
- (b) by the **Insured** at any time on request.

(2) Where this contract is terminated by the Insurer:

- (a) the Insurer shall refund the excess premium actually paid by the **Insured** over the *pro rata* premium for the expired time, but in no event, shall the *pro rata* premium for the expired time, be deemed to be less than any minimum retained premium specified; and
- (b) the refund shall accompany the notice unless the premium is subject to adjustment or termination as to amount, in which case the refund shall be made as soon as practicable.

- (3) Where this contract is terminated by the **Insured**, the Insurer shall refund as soon as practicable the excess of premium actually paid by the **Insured** over the **short rate** premium for the expired time, but in no event shall the **short rate** premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order, or by cheque payable at par.
- (5) The fifteen days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

(6) REQUIREMENTS AFTER LOSS

- (1) Upon the occurrence of any loss of or damage to the insured property, the **Insured** shall, if such loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
 - (a) forthwith give notice thereof in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, cost, Actual Cash Value and particulars of amount of loss claimed;
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the **Insured** knows or believes;
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the **Insured**;
 - (iv) showing the amount of other insurances and the names of other Insurers;
 - (v) showing the interest of the **Insured** and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - (vii) showing the place where the property insured was at the time of loss;
 - (c) if required give a complete inventory of undamaged property and showing in detail quantities, cost, **Actual Cash Value**;
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (c) and (d) of subparagraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

(7) FRAUD

Any fraud or willfully false statement in a statutory declaration in relation to the above particulars under Statutory Condition 6 invalidates the claim of the person making the declaration.

(8) WHO MAY GIVE NOTICE AND PROOF

Notice of loss may be given and proof of loss may be made by the agent of the **Insured** named in the contract in case of absence or inability of the **Insured** to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the **Insured** refuses to do so, by a person to whom any part of the insurance money is payable.

(9) SALVAGE

- (a) The **Insured**, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (b) The Insurer shall contribute proportionately (*pro rata*) towards any reasonable and proper expenses in connection with steps taken by the **Insured** and required under sub condition (a) of this condition according to the respective interests of the parties.

(10) ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the insurer has:

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and;
- (b) after the **Insured** has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the **Insured's** consent, the Insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the Insurer's consent, there can be no abandonment to it of the insured property.

(11) APPRAISAL

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Saskatchewan Insurance Act* before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefore is made in writing and until after proof of loss has been delivered to the Insurer.

(12) WHEN LOSS PAYABLE

The loss is payable within sixty days after completion of the proof of loss in accordance with Statutory Condition 6 and delivered to the Insurer, unless the contract provides for a shorter period.

(13) REPLACEMENT

- (a) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proof of loss.
- (b) In that event, the Insurer shall commence to so repair, rebuild, or replace the property within forty five days after receipt of the proof of loss, and shall thereafter proceed with all due diligence to the completion thereof.

(14) ACTION

Repealed

(15) NOTICE

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice to the ***Insured*** named in the contract may be personally delivered to or sent by registered mail addressed to the ***Insured*** at the last known post office address as provided to the Insurer. In this condition, the expression **registered** means registered in or outside Canada.

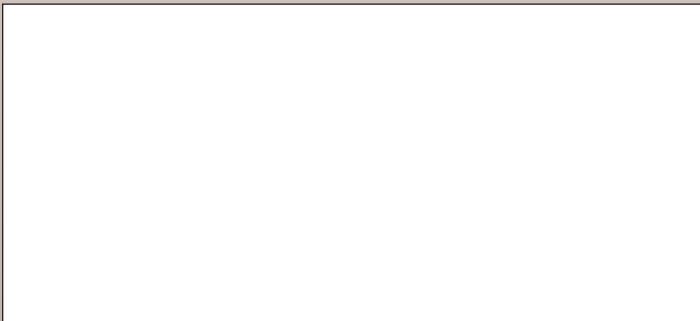


Germania Mutual Insurance Co.

Box 477
Langenburg, SK
S0A 2A0

Phone
(306) 743-5363

email: germania@sasktel.net
www.germaniasask.ca



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