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## **1 INDEMNITY AGREEMENT**

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

- (i) the value of the lost or damaged property as determined in Clause 11 BASIS OF VALUATION;
- (ii) the interest of the Insured in the property;
- (iii) the catastrophe limit, if one is shown on the Declaration Page; or
- (iv) the amount of insurance specified on the Declarations Page in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the Declarations Page.

## **2 PROPERTY INSURED**

This Floater insures Contractors Equipment usual to the business of the Insured being the property of the Insured and listed on the Declarations Page or on the schedule attached (or on a "Blanket" basis if so indicated on the Declarations Page) or the property of others for which the Insured is legally liable all to be used in, or incidental to, the operations of the Insured anywhere in Canada or the Continental United States of America excluding Alaska.

## **3 PROPERTY EXCLUDED**

This Form does not insure:

- a automobiles, motor trucks, motorcycles, midget automobiles, all terrain three or four wheel vehicles which are subject to motor vehicle registration, snowmobiles, watercraft, aircraft, "Unmanned Air Vehicles", or any other vehicles which are licensed or are subject to motor vehicle registration, including equipment or appurtenances of any of the foregoing;
- b property used away from the insured premises for logging, forestry, brush cutting, land clearing or sawmill operations;
- c harness, saddlery, feed, hay, grain or crops of any nature;
- d brooders, barn cleaners, boilers, bulk feed tanks or bins, bulk milk tanks, pasteurizers or any permanent fixtures attached to or within a building;
- e windchargers, windmills or their towers, outdoor radio or television equipment or wiring; private power and light poles
- f property illegally imported, acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- g cranes or derrick boom(s) while being operated unless directly caused by fire, lightning, hail, windstorm and explosion.

## **4 PERILS INSURED**

This Form insures against all risks of direct physical loss or damage to the property insured from any external cause except as hereinafter excluded.

## **5 PERILS EXCLUDED**

This Form does not insure loss or damage:

- a caused by wear and tear, gradual deterioration, insects, vermin, rodents, latent or mechanical defect, inherent vice, mechanical or electrical breakdown, scraping, scratching, dampness or dryness of atmosphere, corrosion, rust, freezing or extremes of temperature, contamination;
- b caused by or arising from mechanical or electrical breakdown or failure, adjusting or failure to adjust, improper set-up or failure to set-up, repairing, servicing, fueling or maintenance operations unless fire or explosion ensues and then only for the resulting loss or damage caused by such ensuing fire or explosion;

- c caused by clogging, compacting, plugging or piling up of material(s) intended to be ingested into a combine, baler or forage harvest equipment;
- d loss or damage caused by or resulting from delay, loss of market, loss of use, or loss or shortage disclosed on taking inventory or making appraisal;
- e to tires, tracks or tubes unless the loss or damage is caused by fire, windstorm, theft or vandalism or is coincident with other loss or damage insured by this policy;
- f caused by or resulting from exceeding the manufacturer's rated capacity of the equipment;
- g sustained while the property insured is actually being worked upon and directly resulting therefrom unless fire or explosion ensues and then only for loss or damage caused by such ensuing fire or explosion;
- h loss or damage caused by breaking through ice or subsidence of ice, sinking in muskeg, swamp, sand or other soft ground;
- i occasioned by the neglect of the Insured to use all reasonable means to save and preserve the insured property;
- j caused by electrical currents (other than lightning) to electrical appliances of any kind including wiring, unless fire ensues and then for loss by fire only;
- k by explosion to any pressure vessel or internal combustion engine in which the explosion originates;
- l caused by or resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents or others to whom the property may be entrusted (carriers for hire excepted).
- m in whole or in part by war, invasion of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other cause or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
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  - (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
  - (ii) by contamination by radioactive material;
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  - (i) to "data";
  - (ii) caused directly or indirectly by "Data problem". However, if loss or damage caused by "Data problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire, "explosion", "smoke", "leakage from fire protective equipment", water damage caused by bursting of frozen pipes and tanks, this exclusion shall not apply to such resulting loss or damage.
- p caused directly or indirectly, in whole or in part, by any "Terrorism" or by any activity or decision of a government 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.

## 6 DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the Declarations Page in any one occurrence. If one occurrence could lead to the application of more than one deductible, only the highest deductible will apply.

## 7 CO-INSURANCE

The Insurer shall not be liable for a greater proportion of any loss or damage to the property described herein than the sum insured bears to:

- (a) 90% of the Actual Cash Value of said property at the time of the loss.
- (b) 90% of the combined:
  - (i) Replacement cost of eligible property as defined in Clause 11b, and
  - (ii) Actual Cash Value of all other property insured hereunder at the time such loss shall occur.

If the insurance under this Form is divided into two or more items or categories, the foregoing shall apply to each item or category separately. Co-insurance applies only when the total of any loss exceeds the lesser of 2% of the amount of insurance or \$10,000.

## 8 NEW ACQUISITION CLAUSE

On the condition that the Insured report additional property of the kind insured hereunder, purchased by the Insured subsequent to the attachment date of this policy, within thirty (30) days from the date purchased and in consideration of the payment of the full premium thereon from the date purchased at pro rate of the current rates of the Company for such insurance, this policy insures each property for not exceeding 25% of the total amount of the policy (exclusive of the provisions of this clause) in respect to any one loss, disaster or casualty, but not exceeding \$100,000 on any one item. This clause is effective only when all property insured by this Policy is scheduled.

## 9 RENTAL EXTENSION

This Policy is extended to include an amount not exceeding 10% of the applicable limit of insurance stated on the Declarations Page on contractors' equipment of any kind which may be rented, leased or borrowed by the Insured from others, for a maximum of seven (7) consecutive days. Such property shall be insured hereunder from the time it comes into the custody of the Insured and shall be valued, for the purpose of this extension, at actual cash value, whether or not Replacement Cost coverage is shown on the Declarations Page.

## 10 TERRITORIAL LIMITS

This insurance covers the described property while on your premises and while temporarily away from your premises anywhere in Canada or the Continental United States.

## 11 BASIS OF VALUATION

### a Actual Cash Value

The Insurer shall not be liable for more than the actual cash value of the property at the time any loss or damage occurs. The loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality. The Insurer may repair any damage to the property or replace any lost or damaged property with other of like quality and value, if the insurer so elects.

### b Replacement Cost:

- (i) The Insurer agrees to amend the basis of settlement to "replacement cost" (up to the limit of insurance) subject to the following conditions:
  - (a) the equipment is not more than five (5) years old;
  - (b) "replacement cost" does not apply to tires and batteries nor betterments resulting from repair or replacement of parts having prior unrepaired damage;
  - (c) "replacement" shall be effected by the Insured with due diligence and dispatch;
  - (d) settlement on a "replacement cost" basis shall be made only when the replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement, nor shall it exceed the applicable limit of insurance;
  - (e) failing compliance by the Insured with any of the foregoing provisions settlement shall be made as if this endorsement had not been in effect;
  - (f) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the equipment to which this endorsement is applicable shall be on the basis of "replacement cost" as defined herein;
  - (g) this endorsement applies separately to each item(s) listed above
- (ii) In the event that new equipment of like kind and quality is not obtainable, new equipment which is as similar as possible to that destroyed and which is capable of performing the same function shall be deemed to be new equipment of like kind and quality for the purposes of this endorsement.

## 12 DEFINITIONS

Wherever used in this Form:

- a **"Data"** means representations of information or concepts in any form.
- b **"Data problem"** means:

- (i) erasure, destruction, corruption, misappropriation of "Data";
  - (ii) error in creating, amending, entering, deleting or using "Data";
  - (iii) inability to receive, transmit or use "Data";
  - (iv) damage to electronic "Data Processing System(s) and Equipment" or any other related component system, process or device.
- c **"Replacement"** includes repair, construction or re-construction with new equipment of like kind and quality.
  - d **"Replacement Cost"** means the cost, at the time of loss, of repair or replacement (whichever is less) with new property of similar kind and quality, without deduction for depreciation.
  - e **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling and/or fear in the public or a sector of the public.
  - f **"Unmanned Air Vehicle"** means a power driven aircraft, other than a "Model Aircraft" that is operated without a flight crew member on board, and is used for non-recreational or commercial purposes.

EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FORM IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.