

Agricultural Property Named Perils Form – Form AP101

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 17

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 14 BASIS OF VALUATION
- (ii) the interest of the Insured in the “Property”;
- (iii) 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 Form insures the following “Property” but only those items for which an amount of insurance is specified on the “Declarations Page”, only while the described “Property” is situated at the location(s) specified on the “Declarations Page”:

- (i) “BUILDING” or “BLANKET BUILDINGS”
- (ii) “EQUIPMENT”
- (iii) “STOCK”
- (iv) “CONTENTS” or “BLANKET CONTENTS” OR “BLANKET AGRICULTURAL PROPERTY”
- (v) “PROPERTY” or “PROPERTY OF EVERY DESCRIPTION”

3 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. Should any occurrence give rise to the application of more than one deductible amount for any one “premise”, only the highest deductible will be applied.

4 CO-INSURANCE

- a The Insured shall maintain insurance concurrent with this Form on the “Property” insured to the extent of at least the amount produced by multiplying the actual cash value of the “Property” by the co-insurance percentage specified on the “Declarations Page”, and failing so to do, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause;
- b This clause applies separately to each item for which a co-insurance percentage is specified on the “Declarations Page” and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or five thousand dollars (\$5,000).

5 INSURED PERILS

- a FIRE OR LIGHTNING
- b EXPLOSION: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - (i) 1. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - 2. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - 3. the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;

4. smelt dissolving tanks;

- (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this Exclusion shall not apply to other "Property" insured hereunder that has been damaged by such explosion;
- (v) gas turbines:

The following are not explosions within the intent or meaning of this section:

- 1. electric arcing or any coincident rupture of electrical equipment due to such arcing;
- 2. bursting or rupture caused by hydrostatic pressure or freezing;
- 3. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

- c IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE: The terms aircraft and spacecraft include articles dropped therefrom. There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:
 - (i) caused by land vehicles belonging to or under the control of the Insured or any of his/her employees;
 - (ii) to aircraft, spacecraft or land vehicles causing the loss.
 - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "Building"(s).
- d RIOT, VANDALISM OR MALICIOUS ACTS: The term Riot includes open assemblies of strikers inside or outside the "Premises" who have quitted work and of locked-out employees. There shall in no event be any liability hereunder for loss or damage:
 - (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under this Form;
 - (iii) due to "Theft" or attempted "Theft", vandalism, or malicious acts from that part of the "Premises" which you rent to others, caused by you, any tenant, tenant's guests or employees, or members of their household;
 - (iv) occurring while the "Building" is under construction, renovation, repair or "Vacant" even if permission for construction, renovation, repair or vacancy has been given by us. This limitation applies immediately upon "Vacancy".
- e SMOKE: The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- f LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT: The term Leakage from Fire Protective Equipment means:
 - (i) the leakage or discharge of water or other substances from:
 - (ii) the collapse of;
 - (iii) The rupture due to freezing of;
 - 1. "fire protective equipment" for the "premises" or for adjoining structures.
- g WINDSTORM OR HAIL: There shall in no event be any liability hereunder for loss or damage:
 - (i) to the interior of the "Building"(s) insured or their "Contents" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) 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, tsunamis, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide;
 - (iii) to the outer metal cover of any mobile home caused by hail, whether wind driven or not, unless such cover is punctured thereby.
- h FALLING OBJECT: The term "Falling Object" means an object striking the exterior of a building, but there shall be no liability under this Peril in respect to loss or damage caused to glass constituting part of a building unless such damage is coincidental with other damage to the building.

6 EXCLUSIONS

A. PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- a sewers, drains or water mains located beyond the outside bearing walls or foundations of the "Property" insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs;
- b property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days. This Exclusion also applies to any self-contained suite or unit in the "Building" while under construction, renovation, repair or "Vacant";
- c any building or structure insured under the residential section of this policy.
- d any property separately described and specifically insured in whole or in part by this or any other insurance policy;
- e windmills, wind chargers and their towers, independently erected and their appurtenances;
- f exterior glass or vitrolite and lettering or ornamentation thereon, but this Exclusion does not apply to loss or damage caused directly perils not excluded in Clause 6B of this form;
- g electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in this policy ensues and then only for each ensuing loss or damage, provided such perils are not excluded in Clause 6B of this Form;
- h growing plants, trees, shrubs or flowers, all while outside the "building", except as provided in the Extensions of Coverage Clause 7c of this Form;
- i animals, fish, birds or bees, unless specifically described in the Declaration Page.
- j money, "cash cards", bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- k mobile agricultural machinery and implements, automobiles, vehicles licensed for road use, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such "Property", but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "Premises" of the Insured;
- l furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, or precious and semi-precious stones, alcoholic beverages, firearms and ammunition, tobacco and tobacco products, pre-recorded video tapes, dvd's, and electronic video games.

This exclusion does not apply to:

- (i) the first two thousand five hundred dollars (\$2,500.) of any loss insured herein;
- (ii) any loss or damage caused directly by Insured Perils Clause 5, provided such perils are not excluded in Clause 6B of this Form;
- m "Property" insured under the terms of any marine insurance, and "Property" while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- n "Property" on loan or on rental or sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this Exclusion does not apply while such "Property" is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- o "Property" in the custody of a sales representative outside the "Premises" of the Insured;
- p "Property" illegally imported, acquired, kept, stored or transported; "Property" seized or confiscated for breach of any law or by order of any public authority;
- q (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
- (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure [except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use];
- (iii) caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such "Property" while connected ready for use;

but this Exclusion does not apply to:

- 1 manually portable gas cylinders;
 - 2 explosion of natural, coal or manufactured gas;
 - 3 explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
- r roadways, walkways, parking lots or other exterior paved surfaces. This exclusion does not apply to the first \$10,000 of any loss otherwise insured;
- s “equipment” or “stock” while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of “equipment” or “stock”. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in this policy;
- t any buildings or structures, and the contents of any buildings or structures, where the building or structures are used in whole or in part for the illegal cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any 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 and/or whether or not such use of the property causes, in any way, in whole or in part, any loss or damage. This includes any alteration of the premises to facilitate such illegal activity;
- u property which has been delivered to any elevator company or railway company for storage or transportation purposes unless permission is granted and specified on the Declaration Page.
- v farm produce, standing crops, field crops, swathed grain, swathed seed crops, fertilizer or chemicals, eggs, and raw milk, unless specifically described in the “Declaration Page”;
- w liquefied petroleum gas, gasoline, benzene, naphtha and fuel tanks, unless specifically described in the “Declaration Page”.

B. PERILS EXCLUDED

This Form does not insure against loss or damage resulting from, contributed to or caused directly or indirectly:

- a by “Earthquake” except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Insured Perils Clause 5. This Exclusion does not apply to “Property” in transit;
- b by flood, including surface water, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of, any body of water, whether natural or man-made,
- (i) except:
1. for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Insured Perils Clause 5;
 2. for loss or damage due to leakage from a water main;
- (ii) This Exclusion does not apply to “Property” in transit;
- c (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights;
- (ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this Form;
- (iii) by the entrance of rain, sleet or snow through doors, windows, skylights, vents, soffits, gable vents or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form;
- (iv) loss or damage to buildings and/or contents caused by continuous or repeated seepage or leakage of water;
- d 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;
- e by dampness or dryness of atmosphere, changes in or extremes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of “Contents”, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this Exclusion does not apply to loss or damage caused directly by Insured Perils Clause 5, rupture of pipes or breakage of apparatus, not excluded in paragraph q of Clause 6A of this Form, “Theft” or attempt thereat or accident to transporting conveyance provided that such perils are not excluded in Clause 6B of this Form. Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph q of Clause 6A of this Form;

- f to pipes caused by freezing occurring while the "Building" is under construction, renovation, repair or "Vacant" even if we have given permission for construction, renovation, repair or vacancy. This exclusion also applies to any self-contained suite or unit in the building while under construction, renovation, repair or vacant. This limitation applies immediately upon "Vacancy";
- g by smoke from agricultural smudging or industrial operations;
- h by delay, loss of market, or loss of use or occupancy by voluntary parting of ownership or title by the Insured to any party whether from a legal or illegal transaction;
- i to "Building"(s) by:
 - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Insured Perils Clause 5;
 - (ii) settling, expansion, contraction, moving, bulging, buckling or cracking of driveways or pavements, patios, foundations, walls, floors, roofs or ceilings unless concurrently and directly caused by a peril not otherwise excluded in Clause 6B of this Form;
- j by loss or damage sustained to "Contents" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "Contents" unless fire or explosion ensues and then only for such ensuing loss or damage;
- k due to "Theft" or attempted "Theft", vandalism, or malicious acts from that part of the "Premises" which you rent to others, caused by you, any tenant, tenant's guests or employees, or members of their household;
- l 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;
- m
 - (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;
- n by birds, moths, vermin (including but not limited to skunks and raccoons), rodents (including but not limited to squirrels, rats and mice) or insects (including but not limited to ants and bed bugs), except damage to building glass if glass breakage is provided by this policy;
- o
 - (i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
 - (ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
 - (iii) by any dishonest or criminal act committed by anyone, except as stated in (o) (ii), when the Insured or any agent of the Insured knew or ought to have known prior the loss or damage, of the dishonest or criminal act.

This exclusion (o) (iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

For the purpose of this exclusion:

 - (i) "criminal act" includes but is not limited to:
 - 1 any act that would be considered an offence under the Criminal Code of Canada;
 - 2 any act that would be considered an offence under any federal or provincial legislation whether or not such an offence is punishable by incarceration. It is not necessary that an act result in a charge and / or conviction for the act to be a criminal act;
 - (ii) "agent" includes a property manager of the Insured, as well as any other person who would qualify as an agent of the Insured at law.
- p caused by or resulting from misappropriation, secretion, conversion, infidelity or dishonest act on the part of the Insured or other party of interest, his or their employees or agents or any person or persons to whom the property may be entrusted (bailees for hire excepted).

C. POLLUTION EXCLUSION

This policy does not insure against:

- a loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" nor the cost or expense of any resulting "clean up". This exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this policy;
 - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy;
- b cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants". "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization, or remediation of "pollutants", including testing which is integral to the aforementioned processes.

D. DATA & DATA PROBLEM EXCLUSION

- a Loss or damage caused directly by failure of any "Data";
- b Loss or damage 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 or lightning, explosion, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, windstorm or hail, this exclusion shall not apply to such resulting loss or damage.

E. TERRORISM

This policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

F. FUNGI AND SPORES EXCLUSION

This policy does not insure:

- a loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores". This exclusion does not apply:
 - (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
 - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- b the cost or expense for any testing, monitoring, evaluation or assessing of "fungi" or "spores"

G. OTHER EXCLUDED LOSSES:

This form does not insure:

- a
 - (i) wear and tear;
 - (ii) rust or corrosion;
 - (iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to destroy itself.

This exclusion (a) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

- b the cost of making good;
 - (i) faulty or improper material;
 - (ii) faulty or improper workmanship;
 - (iii) faulty or improper design.

This exclusion (b) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

- c mysterious disappearance, or shortage of "equipment" or "stock" disclosed on taking inventory

7 EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amounts of insurance applying under this Form and are subject to all conditions of this Form:

- a **Removal:** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven days only, or for the unexpired term of the policy if less than seven days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all;
- b (i) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this policy. The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible;
- (ii) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this policy but which has been blown by windstorm upon a location specified on the "Declarations Page".
Extensions of coverage (i) and (ii) do not apply to costs or expenses:
 - 1. to "clean up" "pollutants" from land or water; or;
 - 2. for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape or "pollutants";
Debris removal expenses shall not be considered in the determination of actual cash value for the purpose of applying the Co-insurance Clause.
- c **Growing Plants, Trees, Shrubs or Flowers in the Open:** This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by the insured perils other than loss of or damage by the perils of windstorm or hail as stated in Clause 5. INSURED PERILS, Item (G) WINDSTORM OR HAIL. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open including debris removal expense. This extension is limited to a maximum limit of \$5,000 per occurrence.

8 PERMISSION

Permission is hereby granted:

- a for other insurance concurrent with this Form;
- b to make additions, alterations or repairs;
- c to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business.

9 BREACH OF CONDITION

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the "Premises" over which the Insured has no control.

10 REINSTATEMENT

Any loss or damage shall not reduce the amounts of insurance provided by this policy. However the premium for the coverage claimed will be deemed fully earned for the balance of the policy term if the limit of insurance for that coverage has been exhausted.

11 SUBROGATION

The insurer, upon making payment or assuming liability therefore under this Form, shall be subrogated to all the rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual, or other interest with respect to which insurance is provided by this Form.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

12 PROPERTY PROTECTION SYSTEMS

- a It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:
 - (i) sprinkler or other fire extinguishing system; or
 - (ii) fire detection system; or
 - (iii) intrusion detection system;
- b and shall also notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.
- c Failing so to do, all coverages previously afforded herein will be rendered null and void.

13 VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this policy, or within a year after termination or expiration, to inspect the "Property" insured and to examine the Insured's books, records and such policies as relate to any "Property" insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Form.

14 BASIS OF VALUATION

A. Actual Cash Value

The value of the insured property shall be determined as follows:

- a unsold "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- b sold "stock": the selling price after allowance for discounts;
- c the property of others in the custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended to such time;
- d tenants improvements:
 - (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the actual cash value of the tenant's improvements at the time and place of loss or damage;
 - (ii) if not repaired or replaced with due diligence and dispatch, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease;
- e business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):
 - (i) the cost of blank materials for reproducing the records: and
 - (ii) the costs of labour to transcribe or copy the records when there is a duplicate.
- f all other insured property under this form and for which no more specific conditions have been set out: the actual cash value at the time and place of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.
- g Average Distribution Clause: If a single amount of insurance accounts for more than one building, or the contents of more than one building, the amount of insurance in either case will be divided in proportions that the value of each building or the contents of each building bears to the total value of all buildings or the contents of all buildings at the time of loss.

Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.

- B. Replacement Cost** - Applicable only to those items shown in the Declarations as subject to "Replacement Cost" coverage.
- a The Insurer agrees to amend the basis of settlement from actual cash value to "Replacement Cost" subject to the following provisions:
 - (i) the damaged property to be repaired or replaced with due diligence and dispatch;
 - (ii) "Replacement" shall be on the same site or on an adjacent site;
 - (iii) settlement on a "Replacement Cost" basis 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";
 - (iv) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect;
 - (v) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Form on the property to which this endorsement is applicable shall be on the basis of "Replacement Cost" as defined herein;
 - (vi) this endorsement applies separately to each item(s) listed above.
 - b This coverage is subject to the Co-insurance Clause (as stated on the Declaration Page) requiring a stated percentage of insurance to value to be maintained; the value for the purpose of applying said Co-insurance Clause shall be calculated on "replacement cost" without deduction for depreciation.
 - c In this clause,
 - (i) "Replacement Cost" means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and
 - (ii) "Replacement" includes repair, construction or re-construction with new property of like kind and quality;
 - d In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
 - e Settlement on a "Replacement Cost" basis does not apply to:
 - (i) stock or customer's goods;
 - (ii) patterns, dies, moulds;
 - (iii) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (iv) manuscripts and records meaning books of account, drawings, card index systems and other records, media, data storage devices, and program devices for electronic electro-mechanical data processing or for electronically controlled equipment;
 - (v) any increase in the cost of "Replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
 - (vi) property that is "Vacant" at the time of loss.
 - f Average Distribution Clause: If a single amount of insurance accounts for more than one building, or the contents of more than one building, the amount of insurance in either case will be divided in proportions that the value of each building or the contents of each building bears to the total value of all buildings or the contents of all buildings at the time of loss.

15 PROPERTY OF OTHERS

At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or the owner of the "Property".

16 LOCKED VEHICLE WARRANTY

- a Warranted by the Insured that any vehicle in which the "Property" insured is carried is equipped with a fully enclosed metal body or compartment and the Insurer shall be liable in case of loss by "Theft" from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment, the doors and windows of which shall have been securely locked.
- b This clause does not apply to "Property" which is under the control of a common carrier.

17 DEFINITIONS

Applicable to all coverages provided and subject to all conditions of this Form unless otherwise noted herein, wherever used in this Form:

- a **"Building"** or **"Blanket Buildings"** means the building(s) described on the "Declarations Page" and includes:
 - (i) fixed structures pertaining to the "Building" and located on the "Premises";
 - (ii) additions and extensions communicating and in contact with the "Building";
 - (iii) permanent fittings and fixtures attached to and forming part of the "Building";
 - (iv) materials, equipment and supplies on the "Premises" for maintenance of, and normal repairs and minor alterations to the "Building" or for building services;
 - (v) growing plants, trees, shrubs or flowers inside the "Building" used for decorative purposes when the Insured is the owner of the "Building".
- b **"Blanket Agricultural Property"** means "Equipment" and "Stock" usual to an agricultural operation as defined herein;
- c **"Cash Cards"** means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account;
- d **"Clean Up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "Pollutants", including testing which is integral to the aforementioned processes.
- e **"Contents"** or **"Blanket Contents"** means "Equipment" and "Stock" as defined herein.
- f **"Data"** means representations of information or concepts in any form.
- g **"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.
- h **"Data Processing Media"** means active data processing "Media" being all forms of converted data and/or programs and/or instruction vehicles employed in the Insured's data processing or production operation.
- i **"Data Processing System and Equipment"** means electronic data processing systems including equipment and component parts thereof, the "Property" of the Insured or the property of others, leased, rented or under the control of the Insured and for which the Insured is liable.
- j **"Declarations Page"** means the Declarations Page applicable to this policy.
- k **"Earthquake"** means: snowslide, ice slide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock. More than one earthquake shock occurring within any consecutive one-hundred-and-sixty-eight (168) hours during the term of this policy will be deemed a single "Earthquake" within the meaning in this definition.
- l **"Equipment"** means:
 - (i) generally all "Contents" usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "Building" or "Stock" as herein defined;
 - (ii) similar "Property" belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;

- (iii) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "Building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "Building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured.
- m **"Fire Protective Equipment"** includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any water mains or appurtenances located outside of the described "Premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- n **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "Fungi" or "Spores" or resultant mycotoxins, allergens or pathogens.
- o **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- p **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location(s) described on the "Declarations Page" and in or on vehicles within 100 metres (324 feet) of such locations.
- q **"Property"** or **"Property of Every Description"** means "Building", "Equipment", "Stock" and "Blanket Agricultural Property" as defined herein.
- r **"Replacement"** or **"Replacement Cost"** means:
 - 1. the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the "Property" on the same site with new "Property" of like kind and quality and for like occupancy without deduction for depreciation; and
 - 2. "Replacement" includes repair, construction or re-construction with new "Property" of like kind and quality.
- s **"Robbery"** means:
 - (i) the felonious and forcible taking of "Property":
 - 1. by violence inflicted upon the custodian;
 - 2. by putting the custodian in fear of violence; or
 - 3. by any other overt act committed in the presence of the custodian and of which he was cognizant provided such act is not committed by an officer or employee of the Insured.
 - (ii) the felonious taking of "Property" from the custodian who, while having custody of the "Property" insured under this policy, has been killed or physically disabled by injuries inflicted maliciously or sustained accidentally.
- t **"Services"** means electricity, water, gas or steam.
- u **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "Fungi".
- v **"Stock"** means:
 - (i) merchandise of every description usual to the Insured's business;
 - (ii) packing, wrapping and advertising materials; and
 - (iii) similar "Property" belonging to others which the Insured is under obligation to keep insured or for which he is legally liable
- w **"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.
- x **"Theft"** means the wrongful abstraction of "Property".
- y **"Vacant" or "Vacancy"**:
 - (i) as it pertains to a farm building insured under this Form means any farm building where the occupancy or operations of the building, as described in the "Declaration Page", have ceased or been reduced to the point of less than 25% of the

operating capacity of the building, regardless of the presence of equipment. This does not apply to temporary depopulation due to disease control or temporary unoccupancy due to normal operating cycles.

- (ii) means: the occupant(s) has (have) moved out with no intent to return regardless of the presence of furnishings, "Stock" or "Equipment". Furthermore, the "Building" is also vacant when the occupant(s) move(s) out and before any new occupant(s) move in, or if the business is unoccupied or shut down for more than 30 consecutive days.
- (iii) A newly constructed "Building" is considered "Vacant" after it is completed and before the occupant(s) move(s) in.

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