

Contractors Equipment Floater – Broad Form

1 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.

2 PERILS INSURED

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

3 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.

4 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".

5 DEDUCTIBLE CLAUSE

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.

6 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 100% of the Actual Cash Value of said property at the time of the loss. If the insurance under this Policy 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 \$5,000.

7 PROPERTY EXCLUDED

This Policy does not insure:

- a 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;
- b automobiles, aircraft, watercraft, motorcycles or similar conveyances;
- c money, notes, securities, accounts, bills, evidence of debt or valuable papers, plans, blueprints, designs or specifications;
- d property while located underground, in caissons or underwater;
- e property while waterborne from the commencement of loading until the completion of discharge except that this Form insures while on a ferry, railway car or transfer barge, all in connection with land transportation;
- f cranes or derrick boom(s) while being operated unless directly caused by fire, lightning, hail, windstorm and explosion.

8 PERILS EXCLUDED

This policy does not insure against:

- a mechanical breakdown, latent defect, faulty materials or workmanship, inherent vice, gradual deterioration, wear and tear, error in design;
- b 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;
- c loss or damaged caused by or resulting from exceeding the manufacturer's rated capacity of the equipment;
- d loss or damage 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;
- e loss by explosion to any pressure vessel or internal combustion engine in which the explosion originates;
- f loss or damage caused by or resulting from corrosion, rust, wet or dry rot, mould, dampness or dryness of atmosphere, freezing or extremes of temperature, unless coincident with and the direct result of other direct loss or damage covered by this Form;

- g loss or damage 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 loss or damage occasioned by the neglect of the Insured to use all reasonable means to save and preserve the insured property;
- j loss or damage 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).

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.