

FARM BUILDING AND CONTENTS COVERAGE FORM – FIRE
WORDS AND PHRASES IN BOLD HAVE SPECIAL MEANING AS DEFINED

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:

- a) the **actual cash value** of the property at the time of loss or damage;
- b) the interest of the Insured in the property;
- c) the amount of insurance specified on the **Declaration 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 **Declaration Page**.

DEFINITIONS – Applicable to F100 and F200

"You" or **"your"** means the person(s) named as insured on the **Declaration Page** and, while living in the same household, his or her **spouse**, the relatives of either or any person under the age of twenty-one (21) in their care.

"Spouse" means a person of the same or opposite sex who is legally married to you or a **domestic partner** who has been living with you for at least twelve (12) consecutive months. **"Domestic Partner"** means an unmarried opposite sex or same sex partner with whom you live in a committed relationship.

Only the person(s) named on the **Declaration Page** may take legal action against us.

"We" or **"us"** mean the Company or Insurer providing this insurance.

"Actual Cash Value" means the cost, at the time of loss or damage to property, which takes into account such things as the cost of replacement, less any depreciation and market value. In determining depreciation, we will consider the condition immediately before damage, the resale value and normal life expectancy of the property and obsolescence.

"Buildings" means only those described for which a limit of insurance is specified on the **Declaration Page** including additions in contact therewith, all permanent fittings and fixtures, permanent appliances for lighting, heating or ventilating the **building**, fuel used for heating the **building**, and interior penning attached to the **building** or structure but excluding computer equipment and electronic data equipment, milk coolers, milking equipment, stable cleaners, electronic scales or silo unloaders unless specifically insured. Silos, whether or not attached to any **building** or structure, are not covered unless insured specifically.

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

"Data Problem" means:

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

"Declaration Page" means the Declaration Page applicable to this Form.

"Exterior Wiring Systems" means all owned poles (and any attached lighting units), wires, transformers switches that are supplying hydro to the Insured **premises**.

"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.

"Leakage" means the accidental entry, escape or release of water or other fluid through a gap, flaw or other opening.

"Livestock" includes such classes of livestock usual to the Insured's business with each class insured separately.

"Machinery and Equipment" includes farm tools, machinery and implements usual to the operation of a farm, only while in use for agricultural purposes, and materials and supplies on **premises** insured under this policy intended for use in construction, alteration or repair of a building insured under this policy. Vehicles subject to registration under any government authority are not included.

"Occurrence" means an accident or event, occurring within the policy period, to which coverage under this policy applies.

"Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including vapour, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

“**Premises**” means **Buildings** as named on the **Declaration Page** including the land immediately surrounding and belonging to it.

“**Spore(s)**” includes, but is not limited to, any reproductive particle of microscopic fragment produced by, emitted from or arising out of any **fungi**.

“**Tenants’ Improvements**” means building improvements, alterations and betterments made at your expense to a barn or implement shed occupied by you and which are not otherwise insured, provided that you are not the owner of such barn or implement shed. If you purchased the use interest in tenant’s improvements made by a previous tenant, this coverage applies as though such tenants’ improvements had been made at your expense.

“**Terrorism**” means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public; however, if an act of **terrorism** results in a fire and the *Insurance Act* or similar statute applicable to the location of the **building** insured requires coverage for losses resulting from fire, then such fire damage shall be insured by this policy.

“**Vacant**” means that regardless of the presence of furnishings, the occupants have moved out with no intention of returning, or in the case of a newly constructed **dwelling**, no occupant has yet taken up residence.

PROPERTY INSURED

This form insures the following property but only those items for which an amount of insurance is specified on the **Declaration Page**:

- **Buildings**
- **Contents**
- **Livestock**
- **Machinery & Equipment**
- **Tenants’ Improvements**

The insurance in this clause applies only while at the location(s) specified on the **Declaration Page**.

INSURED PERILS

This form insures against direct physical loss or damage resulting from:

- Fire;
- Lightning; or
- Explosion, meaning the explosion of coal, natural or manufactured gas. (Limited to **Buildings**) This peril does not include loss or damage caused by explosion of steam pressure vessels when their normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure.

EXCLUSIONS

1. Property Excluded

This Form does not insure loss or damage to:

- a) **buildings, contents, livestock, machinery or equipment** or **tenants improvements** occurring after an insured **building** has, to your knowledge, been **vacant** for more than thirty (30) consecutive days;
- b) **buildings** or structures in the course of construction or demolition, unless permission for construction or demolition is stated on the **Declaration Page**;
- c) **buildings** or structures used in whole or in part or designed for business purposes other than farming unless declared on the **Declaration Page**;
- d) any property illegally acquired, kept, stored, imported or transported or any property subject to forfeiture;
- e) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- f) property because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
- g) lawns, and outdoor trees, shrubs or plants;
- h) books of account and evidences of debt or title;
- i) property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;

- j) automobiles, trucks, motorcycles or similar equipment designed or licensed for highway use or any other vehicle subject to motor vehicle registration, aircraft, portable saw mills, or machinery and equipment used in logging and forestry operations or the equipment and attachments of all of them, unless specifically listed;
- k) watercraft and aircraft, including any aircushion vehicle and their equipment and appurtenances;
- l) household property or property usual to a dwelling;
- m) silos, fences or corrals, whether or not attached to any building or structure, unless specifically described on the **Declaration Page**;
- n) liquefied petroleum gas, manufactured gas, gasoline or other fuels;
- o) money, securities, accounts, bills, stamps, tokens, deeds or evidences of debt;
- p) **buildings** and/or structures, and their contents, where the loss or damage arises directly or indirectly from the growing, manufacturing, processing, storing, possession or distribution by anyone of any drug, narcotic or illegal substances or items of any kind. This includes any alteration of the **premises** to facilitate such activity, whether or not you have any knowledge of such activity.

2. Perils Excluded

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

- a) by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- b) by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
- c) by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- d) by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or **pollutants**;
- e) by wear, tear, scratching, marring, gradual deterioration, inherent vice, latent defect or mechanical breakdown, rust corrosion, extremes of temperature, wet or dry rot, **fungi** or **spore(s)**, or contamination;
- f) by birds, moths, vermin (such as raccoons, bats and skunks), rodents (such as squirrels and rats), insects or household pets;
- g) because of increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
- h) from intentional or criminal acts or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
- i) by mysterious disappearance;
- j) by the cost of making good, faulty material, workmanship or design;
- k) because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretences;
- l) accumulative damage however caused or any loss or damage not due to a sudden unexpected event.

3. Data Exclusion

This Form does not insure:

- a) **data**;
- b) loss or damage 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, lightning, explosion and in the event that the Extended Coverage Endorsement F200 applies, damage that is directly caused by smoke, falling object, impact by aircraft or land vehicle, riot, artificial electricity or windstorm or hail, this exclusion (b) shall not apply to such resulting loss or damage.

EXTENSIONS OF COVERAGE

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

- a) **Exterior Wiring Systems**
Up to \$2,000 of the insurance provided on all **buildings** may be applied to **Exterior Wiring Systems** for damage caused by the perils insured against in the coverage applicable to insured **buildings**.
- b) **Pollution Damage - Insured Premises**

If a sudden and unintentional event occurs during the policy term resulting in pollution or contamination of property of the insured **premises**, which is required to be reported to any provincial authority, we will pay up to \$2,000, in any one policy year, subject to the policy deductible, for costs to remove and restore property of the insured **premises**.

c) **Removal:**

If you must remove insured property from your **premises** to protect it from loss or damage, it is insured by this policy for thirty (30) 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 loss.

Removal of Debris: Limit up to \$25,000.

The following extension of coverage shall increase the amount of insurance applying under this Form and is subject to all conditions of this Form. When the damage to the property plus the cost of cleaning and removal of debris exceeds the actual cash value of the damaged property an additional limit of up to \$25,000 will be available to cover debris removal expenses.

This coverage pays for the cost of removal of debris of the property as a result of an insured peril.

Exclusions:

This coverage does not insure against loss or damage arising directly or indirectly from:

- a) the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, **leakage**, migration, release or escape of **pollutants**;
- b) 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**.

BASIS OF CLAIM PAYMENT

When coverage applies, we will pay the **Actual Cash Value** of insured loss or damage up to your financial interest in the property but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one **occurrence**.

Any loss or damage shall not reduce the amounts of insurance provided by this policy.

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

Deductible: In any one **occurrence**, we are responsible only for the amount by which the Insured loss or damage exceeds the amount of the deductible shown on the **Declaration Page**.

If one **occurrence** could lead to the application of more than one deductible, only the largest deductible will apply.

Insurance Under More Than One Policy: If you have other insurance on specifically described property, our policy will be considered excess insurance, and we 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 **rateable proportion** of an insured loss.

CONDITIONS

CONDITIONS REQUIRED BY LAW

With respect to Section 2-Liability Coverage, Statutory Conditions 1, 3, 4, 5 and 15 only apply. Otherwise, all of the Conditions set forth under the titles Statutory Conditions and Additional Conditions apply with respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Forms or Endorsements attached.

STATUTORY CONDITIONS

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 Act (Canada) or 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 avoids 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 fifteen 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 of premium actually paid by the Insured over the proportionate premium for the expired time, but, in no event, shall the proportionate 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 determination 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 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 the 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, costs, **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 willful 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 (1) (c) and (d) 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 any of the above particulars vitiates 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**
- 1) 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.
- 2) The Insurer shall contribute proportionately towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub condition (1) 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 an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of 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 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.
12. **WHEN LOSS PAYABLE.** The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.
13. **REPLACEMENT**
- 1) 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 proofs of loss.
- 2) In that event, the Insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.
14. **ACTION.** Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.
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 may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression registered means registered in or outside Canada.

ADDITIONAL CONDITIONS

1. **NOTICE TO AUTHORITIES.** Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereof, or is suspected to be so due, you must notify the police or other authority immediately.
2. **NO BENEFIT TO BAILEE.** This insurance does not apply directly or indirectly to the benefit of any carrier or other bailee.
3. **PAIR AND SET.** In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which is (are) part of a set, we 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.
4. **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, we will not pay for more than the insured value of the part lost or damaged, including the cost of installation.

5. **YOUR DUTY AFTER LOSS.** It is your duty in the event that any property insured by this policy is lost to take all reasonable steps to recover such property. We will contribute pro rata towards any reasonable and proper expenses in connection with such efforts according to the respective interests of the parties.
6. **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US.** Your rights to recover any part of your loss, for which we have made or agreed to make payment under this policy, are transferred to us. You must not impair those rights and must help us enforce them. When the net amount recovered after deducting the costs of recovery is not enough to provide a complete indemnity for the loss or damage suffered, that amount will be divided between you and us in the proportion in which the loss or damage has been borne by you and us.
7. **AUTOMOTIVE FUELS.** Any fuels used for automotive purposes must be stored in accordance with government regulations.
8. **LIBERALIZATION CLAUSE.** During the term of this policy, if we adopt and publish for use any forms, endorsements or rules which would extend or broaden the insurance provided by this policy, without additional premium charge, either by endorsement or substitution, then such extended or broadened insurance will apply to loss occurring after the effective date of such adoption and publication as though such endorsement or substitution had been made.
9. **NON-WAIVER.** This policy is subject to the terms and conditions set forth in it together with such other terms and conditions as may be endorsed or added to it. No terms or condition of this policy will be deemed to be waived in whole or in part by us unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by us.
10. **EXAMINATION OF INSURED.** In the event of a claim under this policy, you must submit to examination under oath, at our request, 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 you must permit extracts and copies of such documents to be made.

STANDARD MORTGAGE CLAUSE

Mortgage Conditions: It is hereby provided and agreed that subject to the terms of this mortgage condition (and these shall supersede any policy conditions in conflict therewith but only as to the interest of the mortgagee), loss under this policy is made payable to the Mortgagee specified on the **Declaration Page**.

- a) **Breach of Conditions by Mortgagor Owner or Occupant** - This insurance and every documented renewal thereof - as to the Interest of the Mortgagee only therein - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy or the occupation of the property for purposes more hazardous than specified in the description of the risk;

Provided always that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard that shall come to his knowledge; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
- b) **Right of Subrogation** - Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as the Mortgagor or Owner - no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may as its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
- c) **Other Insurance** - If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.

- d) **Who May Give Proof Of Loss** - In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
- e) **Termination** - The term of this mortgage clause coincides with the term of the policy:

Provided always that the Insurer reserves the right to cancel the policy as provided by Statutory Condition but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory Condition.

- f) **Foreclosure** - Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.