

COVERAGE ME - MACHINERY AND EQUIPMENT FLOATER

PROPERTY NOT INSURED UNDER COVERAGE ME

This Floater does not cover:

automobiles, motorcycles, mobile homes, house trailers, vehicles designed or licensed for road use (except tractors or implements), motorized snow vehicles, aircraft or any vehicle subject to registration under any government authority, including equipment and appurtenances of any of the foregoing;

- (1) described property if used for brush cutting (other than brush cutting on land owned, leased or used by the Insured), logging, forestry or sawmill operations;
- (2) machinery used principally for custom work (coverage is provided on machinery used principally on the Insured's own property with only incidental custom use).

PERILS INSURED

The insurance provided by this Coverage is against direct loss or damage caused by the perils listed for the applicable ME Form No.

Coverage **E300 or CE300** includes perils (1) to (12)

Coverage **E200 or CE200** includes perils (1) to (11)

Coverage **E100 or CE100** includes perils (1) to (3)

- (1) Fire.
- (2) Lightning.
- (3) Explosion.
- (4) Windstorm or Hail.
- (5) Earthquake.
- (6) Theft or attempted theft.
- (7) Riot.
- (8) Impact by aircraft or parts of aircraft.
- (9) Rising Water.
- (10) Stranding, sinking, burning, derailment or collision of any conveyance in or upon which the insured machinery is being transported.
- (11) Collision with another object or upset. There is no liability under this peril for internal damage to harvesting machines caused by material or objects passing through the machine.
- (12) All risks of direct physical loss or damage from any external cause subject to the terms and conditions below.

LOSS OR DAMAGE NOT INSURED BY COVERAGE ME

Coverage ME does not insure against loss or damage:

- (1) to tires 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 Coverage;
- (2) internal damage to combines, balers, forage harvesters or other harvesting equipment caused by clogging, compacting, plugging or piling up of straw, hay or other material intended to be ingested into the machine;
- (3) caused by or resulting from breaking or falling through ice.

LIMIT OF COVERAGE ME

Unless specifically insured, coverage shall be limited to not more than \$1000 on any individual item. Unless specifically scheduled, coverage on repair parts shall be limited to an aggregate of \$1000 per occurrence. Tractors and combines must be specifically insured

ADDITIONAL AGREEMENTS OF COVERAGE ME

1. Newly Acquired Machinery & Equipment

The insurance provided by this coverage with respect to machinery and equipment is extended to apply to additional items of a similar nature to those scheduled and described in the Declaration Page of this policy, which are your property and have been acquired during the term of this policy. In consideration of this additional agreement you agree to report such additions within 30 days from the date acquired, and to pay premiums thereon from the date acquired at pro rata of the coverage rate. It is specifically understood and agreed, however, that this coverage shall cease to cover such items if they are not reported to us within the said 30 day period. We shall not be liable under the provisions of this agreement for more than 25% of the limit of insurance under this coverage on machinery and equipment.

2. Damage to Non-Owned Equipment (Excluding Rented or Leased Equipment)

At your option up to 10% of the limit of insurance on machinery and equipment may be applied to indemnify you for loss or damage to non-

owned machinery and equipment while in your care, custody or control caused by the perils insured against in this coverage.

3. Limited Waiver of Depreciation

In the event loss or damage to machinery exceeds the deductible amount shown on the Declaration Page, we agree to waive our right under basis of claim payment subject to the terms and conditions below:

CONDITIONS

- (a) The limit of insurance on the damaged item must be maintained at 100% of its Replacement Cost Value. Failing to do so, you will 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) The owner/lessee must be the first owner/lessee of the machinery and the machinery was of the current model year at the time of delivery to the owner/lessee.
- (c) The damage must occur within 36 months of the date on which the machinery was first delivered to the owner/lessee.
- (d) This coverage will not apply with respect to
 - (1) tires and batteries or
 - (2) betterment resulting from the necessary repair or replacement of parts having prior unrepaired damage.
- (e) Settlement will be made on this basis only when replacement has been made by you. In no event will we pay more than the actual purchase price of the machinery and its equipment to the owner/lessee or the manufacturer's suggested list price at the original date of purchase (or list price since then), or the actual replacement cost of the machinery and its equipment, whichever is the lesser amount.

OPTIONAL COVERAGES FOR MACHINERY AND EQUIPMENT

(These endorsements apply only if shown on the Declaration Page)

Loss of Use Endorsement

If this coverage is shown as included for specified machinery we will pay for the necessary extra expense which you incur for rental of a substitute machine to continue normal operations which are interrupted because of loss or damage to the machine caused by perils for which the damaged or destroyed machine is insured.

LIMITS

Payment is limited to:

- (a) the limit of insurance stated on the Declaration Page;
- (b) only the reasonable time required to repair or replace the damaged or destroyed machine, but we will not pay for the first 72 hours of rental of the substitute machine.

LOSS OR DAMAGE NOT INSURED

We will not pay for:

- (a) costs of transporting the substitute machine; or
- (b) any rental costs unless damage to the insured's own machinery and equipment, which necessitated the rental, is covered under this policy.

CONDITIONS

It is a condition of this coverage that you agree:

- (a) to notify us of rental of substitute machinery and equipment within 72 hours of the rental;
- (b) we will not pay for more than the cost to rent machinery and equipment comparable to the damaged machinery and equipment in size, power, usefulness and purpose, whether or not such machinery is available.

Borrowed or Short Term Rental Endorsement

This endorsement insures unscheduled machinery and equipment, including self propelled equipment, which you borrow or are legally responsible for under rental agreement. We shall not be liable for loss or damage beyond the limit of insurance stated on the Declaration Page in any one occurrence.

LOSS OR DAMAGE NOT INSURED:

This endorsement shall not apply to machinery and equipment:

- (a) subject to a rental agreement extending beyond 60 days; or
- (b) used for any custom work.