

## COMMERCIAL COMMON AGREEMENTS, DEFINITIONS, EXCLUSIONS AND CONDITIONS

Policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. If any of the following Agreements, Definitions, Exclusions or Conditions is also contained in the wordings forming part of this Policy, those Agreements, Definitions, Exclusions and Conditions will take precedence.

### ALL FORMS

The following apply to all Forms and Endorsements attached to this Policy.

### INSURING AGREEMENTS

"We" provide the insurance described in this policy in return for payment of the premium and subject to the term and conditions set out.

It is a condition precedent to our Agreement to insure under this Policy that no part of the premises or any building or other structure on the premises shall be used in whole or in part for any purpose that is prohibited by law.

All amounts of insurance, premiums and other amounts expressed in this Policy are in Canadian currency.

### DEFINITIONS

- (1) "**Data**" means representations of information or concepts in any form.
- (2) "**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.
- (3) "**Pollutants**" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, soot, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (4) "**Spores**" includes, but is not limited to, one or more reproductive particles or microscopic fragment produced by, emitted from or arising out of any "fungi".
- (5) "**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.
- (6) "**We**", "**Us**", "**Our**" means Heartland Farm Mutual Inc
- (7) "**You**", "**Your**" means the Named Insured as shown on the "Declarations Page".
- (8) "**Unmanned Air Vehicle System(s)**" means a power-driven aircraft that is operated without a flight crew member onboard, with its flight controlled either autonomously by onboard computers or by the remote control of an operator. This includes the airframe, motor, propellers, rotors, battery, spare parts, vehicle navigation system or flight controller, and ground control systems. "Unmanned Air Vehicle System(s)" does not include model aircraft.
- (9) "**Dispensable Load**" means cargo configured to be dispensed from and "Unmanned Air Vehicle System" while in flight.
- (10) "**Declarations Page**" means the declarations applicable to this policy for the current policy period, including any attached supplementary pages or schedules.

### ADDITIONAL CONDITIONS

- (1) **Changes**  
This Policy contains all the agreements between "you" and "us" concerning the insurance provided by this Policy. "You" may request changes to this Policy; however, such changes will be effective only upon "our" consent as evidenced by endorsement issued by "us", which will form part of this Policy.
- (2) **Examination Under Oath**  
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.
- (3) **Liberalization Clause**  
During the term of this Policy, if "we" adopt and publish for use any forms, endorsements or rules by 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 of form had been made.
- (4) **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 conditions 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".
- (5) **Cancellation**
  - (a) The first Named Insured shown on the "Declarations Page" may terminate this Policy by mailing or delivering

- to "us" advance written notice of termination.
- (b) "We" may terminate this Policy by mailing or delivering to the first Named Insured written notice of termination at least:
- i. 5 days before the effective date of termination if personally delivered;
  - ii. 15 days before the effective date of termination if "we" terminate for nonpayment of premium; or
  - iii. 30 days before the effective date of termination if "we" terminate for any other reason.
- Except in Quebec, if notice is mailed, termination takes effect 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.
- In Quebec, termination takes effect either 15 or 30 days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.
- (c) "We" will mail or deliver our notice to the first Named Insured's last mailing address known to "us".
- (d) The policy period will end on the date termination takes effect.
- (e) If this Policy is terminated, "we" will send the first Named Insured any premium refund due. If "we" terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if "we" have not made or offered a refund.
- (6) **Verification**  
 "We" or "our" 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 "your" 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 Policy.

## PROPERTY FORMS

The following apply to all Property Forms and Endorsements attached to this Policy.

### INSURING AGREEMENTS

In the event that any of the property insured be lost, destroyed or damaged by Fire, Lightning or Explosion of natural, coal or manufactured gas or such other perils as may be specified in the riders and endorsements attached hereto, at any time while this Policy is in force, "we" will indemnify "you" against the direct loss so caused to an amount not exceeding whichever is the least of:

- (1) the actual cash value of the property at the time of loss, destruction or damage;
- (2) "your" interest in the property;
- (3) the limit of liability provided by this Policy in respect of the property lost, destroyed or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, our total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

### EXTENSIONS OF PROPERTY COVERAGE

The following extensions of coverage, subject to the Policy exclusions, shall not increase the limit(s) of liability or amount(s) of insurance applying under this Policy to the property lost, destroyed or damaged.

- (1) **Removal:** If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this form that exceeds the amount of "Our" liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.
- (2) (a) **Debris Removal:** "We" shall indemnify "you" for expenses incurred in the removal from the "premises" of debris of the insured property, 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 sum of:
  - i. the total amount payable for the direct physical loss to insured property, and
  - ii. the amount of the applicable deductible.
- (b) **Removal of Windstorm Debris:** "We" shall indemnify "you" 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 the "premises".

Extensions of coverage (2) (a) and (2) (b) do not apply to costs or expenses:

- i. to "clean up" "pollutants" from land or water; or
- ii. for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Debris removal expenses shall not be considered in the determination of actual cash value for the purpose of applying the Co-insurance Clause.

- (3) **Electric or Magnetic Injury Coverage:** This policy shall insure against loss or damage caused directly or indirectly by disturbance or erasure of electronic readings by electric or magnetic injury

### DEFINITIONS

- (1) **"Building"** means  
 the building(s) described on the "Declarations Page" and includes:
  - i. fixed structures pertaining to the building(s) and located on the "premises";
  - ii. additions and the extensions communicating and in contact with the "building(s)";
  - iii. permanent fittings and fixtures attached to and forming part of the "building(s)";
  - iv. Building glass;

- v. Permanently installed outdoor equipment such as solar panels, antenna, fences and signs located on the "premises";
  - vi. materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
  - vii. growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when "You" are the owner of the "building".
- (2) **"Cash card"** 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.
- (3) **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (4) **"Contents of Every Description"** means: "equipment" and "stock" as defined in this form.
- (5) **"Data Problem"** means:
- i. erasure, destruction, corruption, misappropriation, misinterpretation 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 equipment or any other related component system, process or device.
- (6) **"Equipment"** means:
- i. generally all contents usual to "your" 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 "you" are under obligation to keep insured or for which "you" are legally liable;
  - iii. tenant's improvements which are defined as building improvements, alterations and betterments made at "your" expense to a "building" occupied by "you" and which are not otherwise insured, provided "you" are not the owner of such "building". If "you" purchased the use interest in tenants improvement made by a predecessor tenant, this form applies as though such tenant's improvement had been made at "your" expense.
- (7) **"Fire Protective Equipment"** includes tanks, watermains, hydrants, valves and any other equipment whether used solely 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 watermains 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.
- (8) **"Named Perils"** means:
- (A) **FIRE OR LIGHTNING**
- (B) **EXPLOSION:** Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by "you":
- (i) (a) 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;
  - (b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
  - (c) 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 from them;
  - (d) smelt dissolving tanks;
  - (ii) other vessels and apparatus and connected pipes, 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 connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
  - (v) gas turbines;
- The following are not explosions within the intent or meaning of this section:
- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
  - (b) bursting or rupture caused by hydrostatic pressure or freezing;
  - (c) 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 from them.
- There shall in no event be any liability for cumulative damage or for loss or damage:
- i. caused by land vehicles belonging to or under "your" control or the control of any of "your" 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 a "building".
- (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 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



statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described under Definition (3);

(b) by contamination by radioactive material.

(9) **Pollution**

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 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) 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".

(10) **Terrorism**

This policy does not insure against loss, destruction 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 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.

(11) **Vacant Property**

This policy does not insure against loss, destruction or damage caused directly or indirectly to property at locations which, to "your" knowledge are vacant, unoccupied or shut down for more than 30 consecutive days;

(12) **War**

This policy does not insure against loss, destruction or damage caused directly or indirectly by civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

(13) **Unmanned Air Vehicle System(s)**

This policy does not insure against loss, destruction or damage to "unmanned air vehicle system(s)" and or its "Dispensable Load"

## 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 by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer 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. 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**

(a) This contract may be terminated,

i. by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;

ii. by the Insured at any time on request.

(b) Where this contract is terminated by the Insurer,

i. 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

ii. 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.

(c) 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.
- (d) The refund may be made by money, postal or express company money order or cheque payable at par.
- (e) The fifteen days mentioned in clause (a) (i) 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**
- (a) 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),
- i. immediately give notice of loss or damage in writing to the Insurer;
  - ii. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
    1. giving a complete inventory of the lost and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
    3. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,
    4. showing the amount of other insurances and the names of other insurers,
    5. showing the interest of the Insured and of all others in the property with particulars of all mortgages liens, encumbrances and other charges upon the property,
    6. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
    7. showing the place where the insured property was located at the time of loss or damage;
  - iii. if required, give a complete inventory of undamaged property and showing in detail quantities, cost, and actual cash value;
  - iv. if required and if practicable, produce account, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- (b) The evidence furnished under clauses (a) (iii) and (iv) of this condition not be considered proofs of loss within the meaning conditions (12) and (13).
- (7) **Fraud**  
Any fraud or wilfully false statement in 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**  
In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given and the proof of loss may be made by a person to whom any part of the insurance money is payable.
- (9) **Salvage**
- (a) The Insured, in the event of an loss or damage to any property insured, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property including, if necessary, removal to a secure location.
  - (b) The Insurer shall contribute proportionately, according to the respective interests of the parties towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-condition (a) of this condition.
- (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. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property to the Insurer without the Insurer's consent.
- (11) **Appraisal**  
In the event of disagreement as to the value of the insured property or the value of 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 for one 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**
- (a) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention to do so within thirty days after receipt of the proofs of loss.
  - (b) In that event the Insurer shall commence to repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall proceed with all due diligence to completion of the work.
- (14) **Action**  
Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one year after the loss or damage occurs, unless legislation provides otherwise.
- (15) **Notice**  
Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency or any office of the

Insurer in the Canada. Written notice may be given to the Insured by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

## **ADDITIONAL CONDITIONS**

- (1) **Basis Of Settlement**  
Unless otherwise provided, "we" shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and 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.
- (2) **No Benefit To Bailee**  
This insurance does not apply directly or indirectly to the benefit of any carrier or other bailee.
- (3) **Notice To Authorities**  
Where the loss is due to malicious acts, burglary, robbery, theft or attempt thereof, or is suspected to be so due, "you" must notify the police or other authority immediately.
- (4) **Pair And Set**  
In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which is a 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.
- (5) **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.
- (6) **Subrogation**  
"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) **"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 effort according to the respective interests of the parties.
- (8) **Reinstatement**  
Loss under any item of this form shall not reduce the applicable amount of insurance
- (9) **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 "Your" business.
- (10) **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 "you" from recovery under this form, the breach shall not disentitle "you" from recovery if "you" establish 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 "you" have no control.

## **GENERAL CONDITIONS**

- (1) **Deductible Clause**  
"We" are liable only for the amount by which the loss or damage caused by any of the perils insured against under this Policy exceeds the amount of deductible stipulated on the "Declarations Page" or on Riders attached to this Policy, whichever is higher, in any one occurrence.
- (2) **Limit of Insurance**  
Subject to General Condition (3) below, "We" shall not be liable:
  - (a) for more than the portion of any loss, destruction or damage covered by this Policy which the applicable limit under this Policy bears to the total amount of insurance covering against the peril of Fire, irrespective of whether or not such other insurance provides insurance in respect to the perils covered by this Policy, whether by endorsement thereto or otherwise;
  - (b) where such other insurance does not insure against loss, destruction or damage by Fire, for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if the insurance under this Policy had not been effected.
- (3) **Other Insurance**  
If you have other insurance on specifically described property, this 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.

## CRIME FORMS

The following apply to all Crime Forms and Endorsements attached to this Policy.

### DEFINITIONS

- (1) **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- (2) **"Custodian"** means "you" or "your" partner or any employee authorized by "you" to have the care and custody of insured property.
- (3) **"Money"** means currency and coins, bank notes and bullion; travelers' cheques, register cheques and money orders held for sale to the public.
- (4) **"Premises"** means the interior of that portion of any building "you" occupy in conducting "your" business at the address designated on the "Declaration Page" including the space immediately surrounding such building occupied solely by "you" in conducting "your" business but shall not include:
  - (a) showcases or show windows not opening directly into the interior of the premises, or
  - (b) public entrances, halls or stairways.If insurance is provided by a Church Theft Rider, the definition of "premises" is extended to include: the rectory, parish-house, parsonage, manse, or residence occupied by a duly constituted financial or administrative officer of "yours"; that portion of any other building which is owned by or leased to "you" and used for the religious, educational, recreational or social activities of "your" congregation; and the grounds and out-buildings incidental to the above.  
If insurance is provided by a Damage to Building by Burglary or Robbery Rider the definition of "premises" is extended to include the building and permanent fittings and fixtures attached thereto and forming part thereof.
- (5) **"Property"** means any property usual to "your" business other than "money" and "securities", that has intrinsic value but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them or any property that is excluded under any Rider.
- (6) **"Securities"** means all negotiable and non-negotiable instruments or contracts representing either "money" or other property, and includes revenue and other stamps in current use, tokens, and tickets but does not include "money"

### GENERAL CONDITIONS

- (1) **Discovery Period For Loss**

"We" will pay only for an insured loss discovered no later than one year from the end of the policy period.
- (2) **Inspection**

"We" will be permitted to inspect "your" "premises" at any reasonable time.
- (3) **Legal Action Against Us**

"You" may not bring any legal action against "us":
  - (a) unless "you" have complied with all the terms of this insurance; and
  - (b) until 90 days after "you" have filed proof of loss with "us"; and
  - (c) unless brought within 2 years from the date "You" discover the loss.
- (4) **Loss Sustained During Prior Insurance**

If "you" had similar insurance, consisting of one or more policies providing continuous insurance, which terminated with the beginning of this policy period, loss, to the extent that if is not insured by such prior insurance solely because of late discovery, shall be deemed to have occurred on the first day of this policy period.
- (5) **Ownership Of Property; Interest Covered**

The insured property may be owned by "you" or held by "you" in any capacity. However, the insurance applies only to "your" interest in such property, or "your" legal liability for such property and does not apply to the interest of any other person or organization in any of said property unless included in "your" proof of loss.
- (6) **Policy Period, Territory**

This Policy applies only to loss which occurs during the policy period shown on the "Declarations Page" and within Canada or the United States of America.
- (7) **Records**

"You" must keep records of all insured property so "we" can verify the amount of any loss.
- (8) **Recoveries**

If "you" sustain any loss covered by this Rider which exceeds the applicable amount of insurance hereunder, "you" shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for "our" benefit) by whomsoever made, on account of such loss under this Policy until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement to "us".
- (9) **Representations**

By accepting this Policy, "you" agree:
  - (a) that the statements on the "Declarations Page" are accurate and complete;
  - (b) those statements are based upon representations "you" made to "us"; and
  - (c) "We" have issued this Policy in reliance upon "your" representations.
- (10) **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".
- (11) **Valuation**

With respect to "securities", "we" will not be liable for more than their actual cash value at the close of business

on the business day immediately preceding discovery of the loss. "We" may, at "our" election pay such actual cash or secure the replacement of the "securities" by arranging for the issuance of a lost "securities" bond.

With respect to other property "we" will not be liable for more than the actual cash value thereof at the time of loss. However, the actual cash value of such other property "you" hold as a pledge, or as collateral for an advance or a loan, will be deemed not to exceed the value of the property as determined and recorded by "you" when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

With "your" consent, "we" may settle any claim for loss of property, with the owner of that property. Any property for which "we" have made indemnification will become "our" property.

In case of damage to the "premises", "we" will not be liable for more than the actual cost of repairing such "premises", or of replacing same with property or material of like quality and value.

"We" may, at "our" election, pay the actual cash value, or pay for such repair or replacement. If "you" cannot agree with "us" upon the cash value or the cost of repair or replacement, the cash value or the cost will be determined by arbitration.

## LIABILITY FORMS

The following apply to all Liability Forms and Endorsements attached to this Policy.

### DEFINITIONS

- (1) **"Abuse"** means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
- (2) **"Action"** means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
  - (a) An arbitration proceeding in which such "compensatory damages" are claimed and to which "You" must submit or do submit with our consent; or
  - (b) Any other alternative dispute resolution proceeding in which such "compensatory damages" is claimed and to which "You" submit with our consent.
- (3) **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about "your" goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - (a) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - (b) Regarding web-sites, only that part of a web-site that is about "your" goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- (4) **"Automobile"** means a land motor vehicle, trailer or semi-trailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
- (5) **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- (6) **"Compensatory damages"** means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
- (7) **"Coverage territory"** means:
  - (a) Canada and the United States of America (including its territories and possessions).
  - (b) International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in (a) above; or
  - (c) All other parts of the world if the injury or damage arises out of:
    - i. Goods or products made or sold by "you" in the territory described in (a) above;
    - ii. The activities of an insured person whose home is in the territory described in (a) above, but is away for a short time on "your" business; or
    - iii. "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication provided "your" responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in (a) above or in a settlement "we" agree to.
- (8) **"Employee"** includes a "leased worker" and a "temporary worker".
- (9) **"Executive officer"** means a person holding any of the officer positions created by "your" charter, constitution, by-laws or any other similar governing document.
- (10) **"Fissionable substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- (11) **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
- (12) **"Impaired property"** means tangible property, other than "your" product" or "your" work", that cannot be used or is less useful because:
  - (a) It incorporates "your" product" or "your" work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - (b) "You" have failed to fulfill the terms of a contract or agreement;  
if such property can be restored to use by:
    - i. the repair, replacement, adjustment or removal of "your" product" or "your" work"; or
    - ii. "Your" fulfilling the terms of the contract or agreement.
- (13) **"Incidental medical malpractice injury"** means "bodily injury" arising out of the rendering of or failure to render, during the policy period, the following services:
  - (a) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in

- connection therewith; or
- (b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; by "you" or any indemnitee causing the "incidental medical malpractice injury" who is not engaged in the business or occupation of providing any of the services described in (a) and (b) above.
- (14) **"Insured contract"** means:
- (a) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to "you" or temporarily occupied by "you" with permission of the owner is not an "insured contract";
- (b) A sidetrack agreement;
- (c) An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- (d) Any other easement agreement;
- (e) An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
- (f) An elevator maintenance agreement;
- (g) That part of any other contract or agreement pertaining to "your" business (including an indemnification of a municipality in connection with work performed for a municipality) under which "you" assume the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by "you" or by those acting on "your" behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph (g) does not include that part of any contract or agreement:
- i. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
1. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  2. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- ii. Under which "you", if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of "your" rendering or failure to render "professional services", including those listed in (i) above and supervisory, inspection, architectural or engineering activities.
- (15) **"Leased worker"** means a person leased to "you" by a labour leasing firm under an agreement between "you" and the labour leasing firm, to perform duties related to the conduct of "your" business. "Leased worker" does not include a "temporary worker".
- (16) **"Loading or unloading"** means the handling of property:
- (a) After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";
- (b) While it is in or on an aircraft, watercraft or "automobile"; or
- (c) While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered; but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".
- (17) **"Nuclear energy hazard"** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
- (18) **"Nuclear facility"** means:
- (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
- (b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;
- (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in "your" custody at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;
- and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
- (19) **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- (20) **"Personal and advertising injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- (a) false arrest, detention or imprisonment;
- (b) malicious prosecution;
- (c) the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- (d) oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- (e) oral or written publication, in any manner, of material that violates a person's right of privacy;
- (f) the use of another's advertising idea in "your" "advertisement"; or
- (g) infringing upon another's copyright, trade dress or slogan in "your" "advertisement".
- (21) **"Products-completed operations hazard"**:
- (a) Includes all "bodily injury" and "property damage" occurring away from premises "you" own or rent and arising out of "your" product" or "your" work" except:
- i. Products that are still in "your" physical possession; or

- ii. Work that has not yet been completed or abandoned. However, "your" work" will be deemed completed at the earliest of the following times:
  1. When all of the work called for in "your" contract has been completed.
  2. When all of the work to be done at the job site has been completed if "your" contract calls for work at more than one job site.
  3. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- (b) Does not include "bodily injury" or "property damage" arising out of:
  - i. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by "you", and that condition was created by the "loading or unloading" of that vehicle by any Insured; or
  - ii. The existence of tools, uninstalled equipment or abandoned or unused materials.
- (22) **"Professional services"** shall include but not be limited to:
  - (a) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
  - (b) Any professional service or treatment conducive to health;
  - (c) Veterinary services or treatments;
  - (d) Professional services of a pharmacist;
  - (e) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
  - (f) The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
  - (g) Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometric services or treatments;
  - (h) The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
  - (i) Supervisory, inspection, architectural, design or engineering services;
  - (j) Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
  - (k) Financial or management consulting;
  - (l) Employment related services including career counselling, employee benefits administration or personnel relocation
  - (m) Any computer programming or re-programming, consulting, advisory or related services; or
  - (n) Claim, investigation, adjustment, appraisal, survey or audit services.
- (23) **"Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alalis, chemicals and wast. Waste includes materials to be recycled, reconditioned or reclaimed.
- (24) **"Property damage"** means:
  - (a) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - (b) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.  
As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- (25) **"Radioactive material"** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
- (26) **"Silica"** means silicon dioxide (occurring to crystalline, amorphous and impure forms, silica particles, silica dust or silica compounds.
- (27) **"Silica-related dust"** means a mixture or combination of silica and other dust or particles.
- (28) **"Subcontractor"** means a person or organization that agrees or contracts with a principal to perform specific work in accordance with the requirements of the agreement or contract. "Subcontractor" does not include an "employee" or a "volunteer worker".
- (29) **"Temporary worker"** means a person who is furnished to "you" to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- (30) **"Volunteer worker"** means a person who is not "your" "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by "you", and is not paid a fee, salary or other compensation by "you" or anyone else for their work performed for "you".
- (31) **"Your" product"**
  - (a) Means:
    - i. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      1. "You";
      2. others trading under "your" name; or
      3. a person or organization whose business or assets "you" have acquired; and
    - ii. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- (b) Includes:
    - i. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your" product"; and
    - ii. the providing of or failure to provide warnings or instructions.
  - (c) Does not include vending machines or other property rented to or located for the use of others but not sold.
- (32) **"Your" work"**
- (a) Means:
    - i. work or operations performed by "you" or on "your" behalf; and
    - ii. materials, parts or equipment furnished in connection with such work or operations.
  - (b) Includes:
    - i. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use "your" work", and
    - ii. the providing of or failure to provide warnings or instructions.

### COMMON LIABILITY EXCLUSIONS

This insurance does not apply to:

- (1) **Asbestos**  
 "Bodily injury", "property damage" or "personal and advertising injury" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".
- (2) **Data**  
 This insurance does not apply to:
  - (a) "Bodily injury" or "property damage" arising out of erasure, destruction, corruption, misappropriation or misinterpretation of "data".
  - (b) "Bodily injury" or "property damage" arising out of erroneously creating, amending, entering, deleting or using "data".
- (3) **Disease, Illness or Infection**  
 "bodily injury" or "property damage" arising from the actual or suspected presence or threat of any virus, organism or like substance that is capable of inducing disease, illness, physical distress or death, whether infectious or otherwise, including but not limited to an epidemic, pandemic, influenza, plague or flu of any kind.
- (4) **Fungi or Spores**
  - (a) "Bodily injury", "property damage" or "personal and advertising injury" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores";
  - (b) Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
  - (c) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.
 This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".  
 For the purpose of the following exception:
  - i. "Property damage" means physical injury to animals.
  - ii. "Products and completed operations hazard" means all "bodily injury" and "property damage" that arises out of "Your product" provided the "bodily injury" or "property damage" occurs after "you" have relinquished physical possession of "Your product".
 This exclusion does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" arising directly or indirectly from "fungi" or "spores" that is found in or on, or are, "your product", and "you" intend "your product" to be:
  - (1) Applied topically to; or
  - (2) Ingested by; humans or animals.
- (4) **Nuclear Energy Liability**
  - (a) Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
  - (b) "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
  - (c) "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
    - i. the ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an Insured;
    - ii. the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
    - iii. the possession, consumption, use, handling, disposal or transportation of "fissionable substances",

or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

**(5) Pollution**

- (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
- i. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this subparagraph does not apply to:
    1. "Bodily injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    2. "Bodily injury" or "property damage" for which "you" may be held liable, if "you" are a contractor and the owner or lessee of such premises, site or location has been added to "your" Policy as an Additional Insured with respect to "your" ongoing operations performed for that Additional Insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that Additional Insured; or
    3. "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - ii. At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
  - iii. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    1. Any Insured; or
    2. Any person or organization for whom "you" may be legally responsible; or
  - iv. At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor. However, this subparagraph does not apply to:
    1. "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such Insured, contractor or subcontractor;
    2. "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by "you" or on "your" behalf by a contractor or subcontractor; or
    3. "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - v. At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (b) Any loss, cost or expense arising out of any:
- i. Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - ii. Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".  
However, this Section (ii) does not apply to liability for "compensatory damages" because of "property damage" that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

**(7) Terrorism**

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

**(8) War Risks**

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

(9) **Silica or Silica-Related Dust**

"Bodily injury", "property damage" or "personal and advertising injury" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, "silica-related dust" or any materials containing "silica" or "silica-related dust" in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "silica" or "silica-related dust" or any materials containing "silica" or "silica-related dust" in whatever form or quantity.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

(10) **Unmanned Air Vehicle System(s)**

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part from the ownership, maintenance, operation, use, loading or unloading of, or entrustment to others of any "unmanned air vehicle system(s)"

**GENERAL CONDITIONS**

(1) **Bankruptcy**

"Your" bankruptcy or insolvency or of "your" estate will not relieve "us" of our obligations under this Policy.

(2) **Changes.**

This Policy contains all the agreements between "you" and "us" concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this Policy with "our" consent.

This Policy's terms can be amended or waived only by endorsement issued by "us" and made a part of this Policy.

(3) **Duties In The Event Of Occurrence, Offense, Claim or Action**

(a) "You" must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- i. How, when and where the "occurrence" or offense took place;
- ii. The names and addresses of any injured persons and witnesses; and
- iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.

(b) If a claim is made or "action" is brought against any Insured, "you" must:

- i. Immediately record the specifics of the claim or "action" and the date received; and
- ii. Notify "us" as soon as practicable.

"You" must see to it that "we" receive written notice of the claim or "action" as soon as practicable.

(c) "You" and any other involved Insured must:

- i. immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
- ii. authorize "us" to obtain records and other information;
- iii. cooperate with "us" in the investigation or settlement of the claim or defense against the "action"; and
- iv. assist "us", upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.

(d) No Insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

(4) **Examination of "Your" Books and Records.**

"We" may examine and audit "your" books and records as they relate to this Policy at any time during the policy period and up to three years afterward.

(5) **Inspections and Surveys**

(a) "We" have the right to:

- i. Make inspections and surveys at any time;
- ii. Give "You" reports on the conditions "we" find; and
- iii. Recommend changes.

(b) "We" are not obligated to make any inspections, surveys, reports or recommendations and any such actions "we" do undertake relate only to insurability and the premiums to be charged. "We" do not make safety inspections. "We" do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And "we" do not warrant that conditions:

- i. Are safe or healthful; or
- ii. Comply with laws, regulations, codes or standards.

(c) Paragraphs (a) and (b) of this condition apply not only to "us", but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

(d) Paragraph (b) of this condition does not apply to any inspections, surveys, reports or recommendations "We" may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

(6) **Legal Action Against Us**

No person or organization has a right under this Policy:

- (a) To join "us" as a party or otherwise bring "us" into an "action" asking for "compensatory damages" from an Insured; or
  - (b) To sue "us" on this Policy unless all of its terms have been fully complied with.
- A person or organization may sue "us" to recover on an agreed settlement or on a final judgment against an Insured; but "we" will not be liable for "compensatory damages" that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by "us", "you" and the claimant or the claimant's legal representative.

(7) **Other Insurance**

If other valid and collectible insurance is available to "you" for a loss "we" cover under "bodily injury", "property damage", "personal and advertising injury" or "tenants' legal" of this Policy, our obligations are limited as follows:

(a) **Primary Insurance**

This insurance is primary except when (b) below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, "we" will share with all that other insurance by the method described in (c) below.

(b) **Excess Insurance**

This insurance is excess over:

- i. Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - 1. That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your" work";
  - 2. That is Fire insurance for premises rented to "you" or temporarily occupied by "you" with permission of the owner;
  - 3. If the loss arises out of the maintenance or use of watercraft or "automobile" to the extent not subject to Exclusion (e) or (f) of Commercial General Liability form, Section I — Coverage A — Bodily Injury and Property Damage Liability.
- ii. Any other primary insurance available to "you" covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which "you" have been added as an Additional Insured by attachment of an endorsement.

When this insurance is excess, "we" will have no duty under "bodily injury", "property damage", "personal and advertising injury" or "tenants' legal" to defend "you: against any "action" if any other insurer has a duty to defend "you" against that "action". If no other insurer defends, "we" will undertake to do so, but "we" will be entitled to "your" rights against all those other insurers.

When this insurance is excess over other insurance, "we" will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- 1. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- 2. The total of all deductible and self-insured amounts under all that other insurance.

"We" will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown on the "Declarations Page" of this Policy.

(c) **Method Of Sharing**

If all of the other insurance permits contribution by equal shares, "We" will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, "We" will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

(8) **Premium Audit**

- (a) "We" will compute all premiums for this Policy in accordance with our rules and rates.
- (b) Premium shown in this Policy as advance premium is a deposit premium only. At the close of each audit period "we" will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, "we" will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown on the "Declarations Page" of this Policy.
- (c) The first Named Insured must keep records of the information "we" need for premium computation, and send "us" copies at such times as "we" may request.

(9) **Premiums**

The first Named Insured shown on the "Declarations Page":

- (a) Is responsible for the payment of all premiums; and
- (b) Will be the payee for any return premiums "we" pay.

(10) **Representations**

By accepting this Policy, "you" agree:

- (a) The statements on the "Declarations Page" are accurate and complete;
- (b) Those statements are based upon representations "you" made to "us"; and
- (c) "We" have issued this Policy in reliance upon "your" representations.

(11) **Separation Of Insureds, Cross Liability**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- (a) As if each Named Insured were the only Named Insured; and

- (b) Separately to each Insured against whom claim is made or "action" is brought.
- (12) **Transfer Of Rights Of Recovery Against Others To Us**  
If "you" have rights to recover all or part of any payment "we" have made under this Policy, those rights are transferred to "us". "You" must do nothing after loss to impair them. At our request, "you" will bring "action" or transfer those rights to "us" and help "us" enforce them.
- (13) **Transfer Of "Your" Rights and Duties Under This Policy**  
"Your" rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual Named Insured.  
If "you" die, "your" rights and duties will be transferred to "your" legal representative but only while acting within the scope of duties as "your" legal representative. Until "your" legal representative is appointed, anyone having proper temporary custody of "your" property will have "your" rights and duties but only with respect to that property.

### **SPECIAL LIABILITY CONDITION**

1. **Limits Of Liability – Two Or More Policies Or Riders**

The following Condition applies to all Liability Forms and Endorsements attached to this Policy.

In the event that injury, loss or damage occurs, which is covered by this Policy and also by any other Policy, Rider or Endorsement of liability issued by Heartland Farm Mutual Inc. to the Named Insured, the maximum limit of liability that will be paid by the Insurer under all such Policies, Riders or Endorsements combined for such injury, loss or damage is the highest applicable limit of liability of any one of such policies