

SECTION 4

PRODUCE - NAMED PERILS

(Words and phrases that appear in quotation marks have special meaning. Refer to Special Definitions of this form and General Definitions of this policy. This coverage must be shown on the "Declaration Page" of "your" policy for it to apply.)

Indemnity Agreement

"We" will indemnify "you" against the direct loss or damage caused by an Insured Perils as described and limited.

"Produce" Insured

"We" insure "your" "produce" for which an amount of insurance is specified on the "Declaration Page".

The "produce" is covered anywhere within the territorial limits of Canada and the Continental United States of America and inland and coastal waterways.

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.

Co-Insurance

"You" are required to maintain a limit of insurance on "produce" equal to at least the amount that is calculated when the Co-insurance percentage designated on the "Declaration Page" (or 80% if not shown) is multiplied against the actual cash value of the insured "produce" at the time of the loss. Failure to do so will result in "you" only being 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.

Insured Perils

"You" are insured against direct loss or damage to insured "Produce" caused by the following perils as described and limited:

1. FIRE.
2. LIGHTING.
3. EXPLOSION: 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.
4. WINDSTORM OR HAIL.
5. RIOT, RIOT ATTENDING A STRIKE.
6. IMPACT BY AIRCRAFT OR LAND VEHICLE.
7. SMOKE: This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the "premises", but not smoke from fireplaces or wood stoves.
8. VANDALISM OR MALICIOUS ACTS
9. COLLISION OR DERAILMENT OR OVERTURN of a vehicle on which insured property is being transported.
10. STRANDING, SINKING, BURNING OR COLLISION of vessels including general average and salvage charges incurred, while waterborne on land vehicles on board any regular ferry while operated on inland or coastal waterways only.
11. THEFT.
12. EARTHQUAKE, COLLAPSE OF BUILDINGS, BRIDGES or CULVERTS.
13. FLOOD: This peril means waves, tide or tidal water, and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, harbours, streams and similar bodies of water, whether driven by wind or not.

Exclusions

PROPERTY EXCLUDED

“We” do not insure loss or damage:

1. to any property illegally acquired or kept;
2. to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
3. to property while undergoing a process involving the application of heat, but resulting damage to property is insured;
4. to marijuana or any product derived from, or containing, marijuana or any other substance falling within the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
5. any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure any, boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for storage of hot water)
 - a. manually portable gas cylinders;
 - b. explosion of natural, coal or manufactured gas;
 - c. explosion of gas or unconsumed fuel with a furnace or within the gas passages therefrom to the atmosphere.

PERILS EXCLUDED

“We” do not insure against loss or damage resulting from, contributed to, directly or indirectly:

1. resulting from intentional or criminal acts or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
2. 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;
3. caused by mysterious disappearance.

Extension of Coverage

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

1. Refrigerated “Produce”

This Coverage includes loss or damage to insured “Produce”, while contained in refrigeration units within building(s) insured under this policy, due to change of temperature as a result of physical damage to these building(s) or equipment in said building(s), caused by a peril insured against, or due to mechanical breakdown of the refrigeration unit or power interruption.

Special Condition

1. If within six months after the expiry or anniversary date of each period of insurance under this policy, “you” file with “us” a Premium Adjustment Form showing, for the said period, the “actual cash value” of “Produce” insured on the last day of each month at each location, subject to verification by “your” accountant, the actual premium for such period will then be calculated at the rate applying to each location for the average amount of the total values declared. If the premium paid by “you” for such coverage exceeds the actual premium calculated above, “we” will refund to “you” any excess paid, subject to a maximum refund of 50% of the premium paid. If any monthly declared values exceed the limit of insurance, the amount of the excess will not be included in the premium adjustment calculations.

Basis of Claim Payment

Unless stated otherwise, “we” will pay the “actual cash value” of insured loss or damage up to “your” financial interest in the “produce” but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence. Where the insurance applies to 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 amount or amounts of insurance specified on the “Declaration Page”.

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

Any loss or damage will not reduce the amounts of insurance provided by this Form.

Special Definitions

“**Actual cash value**” will take into account such things as, the actual cost to replace the “produce” delivered to “your” “premises”, the cost of replacement based on readily available commodity prices, use of the “produce”, quality, and delivery charges from the source to the insured location.

“**Produce**” includes Commercial Feeds, Fertilizers, Herbicides and Pesticides, Milk and Unfertilized Eggs, and anything that is an agricultural product of the soil, excluding seed, Commercial Fertilizers, Herbicides and Pesticides held for resale unless specifically insured, tobacco, lumber and unharvested crops.

**ALL THE STATUTORY AND ADDITIONAL CONDITIONS, GENERAL DEFINITIONS AND
GENERAL LOSS OR DAMAGE NOT INSURED ALSO APPLY TO THIS COVERAGE**