

PERSONAL & FARM COMMON DEFINITIONS, EXCLUSIONS AND CONDITIONS FORM

AGREEMENT

We provide the insurance described in this Policy in return for payment of the premium and subject to the terms and conditions set out.

It is a condition precedent to the Insurer's 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.

COMMON DEFINITIONS

"Business" means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation except farming.

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

"Data Problem" means:

- (1) erasure, destruction, corruption, misappropriation, misinterpretation of Data;
- (2) error in creating, amending, entering, deleting or using Data;
- (3) inability to receive, transmit or use Data; or
- (4) damage to electronic data processing equipment or other related component system, process or device.

"Declaration Page" means the section of your insurance policy containing basic information such as your name and address, the description and location of the insured property, the policy term, the amount of coverage, and premium amounts.

"Residence Employee" means a person employed by you to perform duties in connection with the maintenance or use of the insured premises. This includes persons who perform household or domestic services or duties of a similar nature for you. This does not include persons while performing duties in connection with your farming or business operations.

"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.

"Vacant" means the occupant(s) has/have moved out with no intent to return, even if partially or fully furnished. A newly constructed dwelling is vacant after it is completed and before the occupant(s) move(s) in. Furthermore, the dwelling is also vacant when the occupant(s) move(s) out and before any new occupant(s) move(s) in.

"We", "Our" or "Us" means the Company (the Insurer) providing this insurance.

"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 and the relatives of either or any person under the age of 21 in their care. "Spouse" includes either of two persons who are married to each other or who have together entered into a marriage that is voidable or void; or living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 3 years or, if they are the natural or adoptive parents of a child, for a period of one year; or considered "spouses" under the Family Law Act, or its' equivalent, in the jurisdiction in which the policy was issued.

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

DEFINITIONS APPLICABLE TO PROPERTY COVERAGE(S) ONLY

"Domestic Fuel Tank" means a permanently installed, above-ground domestic fuel tank(s) that is part of a heating unit for the insured dwelling or for the insured detached private structure(s). The domestic fuel tank includes equipment, apparatus or piping which forms part of the permanent domestic fuel tank installation. A permanently installed domestic fuel tank(s) located in the basement of an insured dwelling or an insured detached private structure(s) is to be deemed to be above-ground.

"Domestic Water Container" means a device or apparatus for personal use on the premises for containing, heating, chilling, or dispensing water.

"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 spore(s) 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.

“**Pollutants**” means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. Pollutants do not mean fuel oil that is contained in a domestic fuel tank, apparatus or pipes used to heat the dwelling and detached private structures.

“**Seepage**” means the slow movement or oozing of water or other fluid through small openings, cracks or pores.

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

COMMON EXCLUSIONS

Property Exclusions

The following exclusions apply to all Property Forms and Endorsements attached to this Policy. If any of the following exclusions are also contained in the wordings forming part of this Policy, those exclusions will take precedence.

This Policy does not insure against loss, destruction or damage caused directly or indirectly:

- (1) by war, invasion, act of a foreign enemy, hostilities (whether war be declared or not), civil war, civil commotion, rebellion, revolution, insurrection or military power;
- (2) by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- (3) by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants;
- (4) 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 regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results directly from fire or explosion;
- (5) to buildings and/or structures, and their contents, used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marihuana or any product derived from, or containing, marihuana 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; or
- (6) 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.

Liability Exclusions

The following exclusions apply to all Liability Forms and Endorsements attached to this Policy. If any of the following exclusions are also contained in the wordings forming part of this Policy, those exclusions will take precedence.

This Policy does not insure claims arising from:

- (1) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (2) “bodily injury” or “property damage” which is also insured under a nuclear energy liability Policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of Insurers regardless of exhaustion of such policy limits or its termination;
- (3) “bodily Injury” or “property damage” arising directly or indirectly, in whole or in part, from Terrorism or from 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” or “property damage”; or
- (4) “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.

COMMON CONDITIONS

With respect to Liability Coverage, including Voluntary Compensation for Residence Employees and other than Farmer's Limited Pollution Liability, when added – Statutory Conditions 1, 3, 4, 5 and 15 only apply.

All of the Conditions set forth and under the titles Statutory 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 included herein or attached.

- (1) **AUTOMOTIVE FUELS.** Any fuels used for automotive purposes must be stored in accordance with government regulations.

- (2) **CONSENT TO THE COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION.** You consent to our collection, use and disclosure of your personal information (including to and from our affiliates and / or subsidiaries, brokers, suppliers, vendors, third party contractors, repairers and repair facilities) for the purposes of investigating, adjusting and/or settling claims, and for other purposes as permitted or required by law.

Refer to "our" Privacy Policy for more details: <https://www.heartlandfarmmutual.com/privacy-policy>

- (3) **CO-PAYABLE.** Any covered loss will be adjusted with you, and in our discretion, we may make any indemnity payment for repair to the insured property co-payable to you and a third party contractor, repairer or repair facility effecting the repairs to the insured property, without further liability us.
- (4) **EXAMINATION UNDER OATH.** After a loss which may be insured under this Policy, you shall, as often as we reasonably require at such reasonable place and time as is designated by us or our representative:
- (a) submit to examinations under oath and subscribe the same; and
 - (b) produce employees, members of your household or others for examinations under oath to the extent it is within your power to do so; and
 - (c) produce for examination, all documents in your possession or control that relate to the matters in question, and permit extracts and copies thereof to be made.
- (5) **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.
- (6) **LIMITS OF LIABILITY, TWO OR MORE POLICIES OR RIDERS.** The following Condition applies to all Property and 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 you, the maximum limit of liability that will be paid by us 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.

Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

This 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. No term or condition of this Policy shall 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.

- (7) **NOTICE TO AUTHORITIES.** Where the loss is, or is suspected to be, due to malicious acts, burglary, robbery, theft or attempted theft, you must give immediate notice to the police or other law enforcement agency having jurisdiction.
- (8) **NO BENEFIT TO BAILEE.** This insurance does not apply directly or indirectly to the benefit of any carrier or other Bailee.
- (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 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.
- (10) **PAIR AND SET.** In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are 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 set.
- (11) **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.
- (12) **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.
- (13) **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 the 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.

- (14) **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.

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 he desires the contract to continue in force, he 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 pro rata premium for the expired time, but, in no event, shall the pro rata 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 the 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 THE 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, cost, 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 pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph (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 therefor 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 any 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.