

## SECTION 4

### FARM BUILDING - ALL RISK

(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 loss or damage to "farm buildings" caused by the Insured Perils as described and limited.

#### Farm Buildings Insured

"We" insure "your" "farm building(s)" for which an amount of insurance is specified on the "Declaration Page".

#### 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 "farm building(s)" equal to at least the amount that is calculated when the coinsurance percentage designated on the "Declaration Page" (or 80%, if not shown) is multiplied against the "actual cash value" of the insured "farm building(s)" 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.

If the "Declaration Page" shows that Replacement Cost applies, "you" are required to maintain a limit of insurance on "farm building(s)" equal to at least the amount that is calculated when the Coinsurance percentage designated on the "Declaration Page" (or 80%, if not shown) is multiplied against the "replacement cost" of the insured "farm building(s)" 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.

This clause will apply only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

#### Insured Perils

If the "Declaration Page" shows Farm Building All Risk Form applies, "your" "farm building" is insured against all risks of direct physical loss of or damage to the property insured, subject to the following:

#### Exclusions

##### PROPERTY EXCLUDED

"You" are not insured for loss or damage to:

- a. property at locations which to "your" knowledge, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- b. buildings or structures used in whole or in part or designed for "business" purposes other than farming unless declared on the "Declaration Page";
- c. property used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any other substance falling within the Schedules of the Controlled Drugs and Substance Act, whether or not "you" are aware of such use of the property.
- d. 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

“You” are not insured for loss or damage resulting from, contributed to, or caused directly or indirectly:

- a. occurring after an insured “farm building” has, to “your” knowledge, been “vacant” for more than 30 consecutive days; however “farm buildings” which are in a seasonal state of vacancy due to normal farming operations are not considered “vacant”, shut down or unoccupied;
- b. caused by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or “pollutants”;
- c. caused by freezing or extremes of temperature;
- d. proximately or remotely, arising in
- e. consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

## Reinstatement

Loss under any item of this Form shall not reduce the applicable amount of insurance.

## Basis of Settlement

Unless stated otherwise, “we” will pay the “Actual Cash Value” of the insured loss or damage up to “your” financial interest in the “farm building” but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence.

If the “declaration page” shows Replacement Cost applies, “we” will pay for insured loss or damage, on a “replacement cost” basis, if “you” repair or replace the damaged or destroyed “farm building” on the same location with materials of similar quality using current building techniques within a reasonable amount of time after the damage.

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.

## Special Definitions

“**Actual Cash Value**” will consider the cost to repair or replace the lost or damaged property, whichever is less, with new materials of similar kind, quality, and usefulness, but with proper deduction for depreciation.

In determining the proper deduction for depreciation, “we” will consider:

1. the condition of the property immediately before the loss or damage;
2. the use of the property and its obsolescence;
3. its resale value; and
4. its normal life expectancy.

“**Replacement Cost**” means the cost of repairs or replacement (whichever is less) without deduction for depreciation, up to the applicable amount of insurance shown on the “Declaration Page”.

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