

## SECTION 5

### LOSS OF INCOME – STANDARD COVERAGE

(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” agree to pay “your” loss of “farm income”, less any operating expenses which do not necessarily continue, during the necessary interruption of business, when the interruption of business was caused by an insured peril damaging or destroying building(s) or “livestock” which are shown on the “Declaration Page”.

“We” will pay only for:

- a) loss during the “indemnity period”; and
- b) such “additional expenses” as are necessarily incurred for the purpose of reducing any loss under this coverage not exceeding however, the amount by which the loss under this coverage is reduced.

#### Special Limit of This Coverage

“We” will not pay more than 25% of the amount of insurance shown on the “Declaration Page” for this coverage in any 30 consecutive calendar days.

#### Loss or Damage not Insured

“We” will not pay for:

- a) any increase of loss due to interference at the described “premises” by strikers or other persons with rebuilding repairing or replacing the property or with the resumption or continuation of business;
- b) loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- c) loss due to the suspension lapse or cancellation of any lease or license contract or order which may affect “your” “farm income” after the period following any loss payable under this policy;
- d) the cost of compiling books of account, abstracts drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing;
- e) any other consequential loss or remote loss;

#### Determination of Payment

1. In determining loss under this coverage the following factors will be considered:
  - (a) the “farm income” before the date of damage or destruction, and the probable “farm income” after such damage or destruction, had no loss occurred;
  - (b) the continuation of operating expenses, including payroll expense which is necessary to resume operations during the “indemnity period” with the same quality of service which existed immediately before the loss;
  - (c) the reduction of loss which could be made possible by resuming complete or partial operation of the described property, or by making use of other property.
2. If “you” decide not to resume normal farm operations, this Loss of Income coverage shall be limited to the period of time that would normally have been required, with the exercise of due diligence and dispatch, to rebuild, repair or replace the damaged building(s) or “livestock”.

#### Special Conditions

1. “You” will make all reasonable and practical efforts to minimize or stop any interruption of, or interference with, “your” operation to avoid or reduce the loss payable by this coverage.
2. “We” reserve the right to inspect “your” books and records, which relate to this coverage, for verification of any claim under this coverage.
3. If during the “Indemnity Period” goods shall be sold or services shall be rendered elsewhere than the “premises” for the benefit of the business, either by “you” or by others on “your” behalf, the money paid or payable in respect of such sales or service shall be brought into account in arriving at the “Revenue” during the “Indemnity Period”.

## Extensions of this Coverage

### 1. Extra Expenses:

- (a) "We" will pay the extra expenses "you" incur in order to continue, as nearly as possible, "your" normal business operation. Extra expenses are those expenses which would not have been incurred had there been no insured loss in the first place.
- (b) "We" will only pay for extra expenses incurred during the "indemnity period".
- (c) The extra expenses covered in this clause are in excess of those which are necessary to reduce any loss under this coverage.
- (d) The amount payable under this clause will not exceed \$5,000 (or other amount shown on the "Declaration Page" for extra expenses.)

### 2. Interruption by a Civil Authority:

"We" will pay the loss of "farm income" suffered by "you" while access to "your" "premises" is prohibited by order of a civil authority, subject to the following:

- a) the order is given as a direct result of damage to a neighbouring premises; and
- b) the damage to the neighbouring premises was caused by a peril insured against on this policy;

The period of time "we" will provide coverage for is limited to two weeks.

### 3. Professional Fees:

"We" will pay the reasonable fees to professionals whom "you" may hire to produce and certify particulars or details of the "business" "you" require to arrive at the loss payable. The amount payable under this clause will not exceed \$5,000 (or other amount shown on the "Declaration Page" for professional fees.)

## Special Definitions

"Additional Expense(s)" means:

- a) the excess of the total cost of conducting business activities during the "indemnity period", over and above the cost of such activities, during the same period, had no loss occurred; and
- b) the necessary additional cost for repair or replacement of building(s) or "livestock" for the purpose of reducing loss under this insurance.

"Farm Income" means the amount by which "revenue" exceeds expenses in a given period of time.

"Indemnity Period" means the reasonable period of time, starting with the date of the damage or destruction, as would be required to:

- a) rebuild, repair or replace the damaged or destroyed building(s) with comparable buildings;
- b) replace the destroyed livestock with comparable livestock;

The "indemnity period" is not limited by the expiry date of this policy however, it does not extend beyond 12 months from the date of the insured loss.

"Revenue" means the value of all goods produced and/or sold and all services rendered during the fiscal period from the operation of the business. "Revenue" may include amounts earned from investments. "Revenue" realizes increases in equity like the gain on a sale of a fixed asset.

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