

# Farm Machinery and Equipment Floater (Broad) - Form 2165

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If the Coverage Summary Page indicates Form 2165 applies, you are insured as described below:

## 1. Property Insured

- a. **Scheduled Cover** - We insure the Farm Machinery described on the Coverage Summary Page for which an amount of insurance and premium are shown, excluding repair parts. You may apply up to 10% of the total limit of insurance under this section to property of others used in your farming operations and for which you are legally liable.
- b. **Blanket Cover** - If the Coverage Summary Page indicates an amount of insurance and premium for "Blanket Cover", we insure mobile farm implements usual to a farming operation, including all equipment therefore attached or otherwise, excluding repair parts.  
  
This insurance applies to property you own or property of others used in your farming operations and for which you are legally liable.
- c. **Tools, Equipment and Repair Supplies** - If the Coverage Summary Page indicates an amount of insurance and premium for these items, we insure tools, portable equipment and repair supplies, (including lawn and garden equipment), owned by you which are usual to your farming operation.

## 2. Property Not Insured

- a. Automobiles, motor trucks, motorcycles, midget automobiles, all terrain three or four wheel vehicles, snowmobiles, watercraft, aircraft, "Unmanned Air Vehicles", or any other vehicles which are licensed or are subject to motor vehicle registration, including equipment or appurtenances of any of the foregoing;
- b. Property used away from the insured premises for logging, forestry, brush cutting, land clearing or sawmill operations;
- c. Harness, saddlery, feed, hay, grain or crops of any nature;
- d. Tools, equipment and repair supplies unless indicated on the Coverage Summary Page;
- e. Grain dryers or irrigation equipment unless specifically scheduled on the policy;
- f. Property engaged in custom farming or while in transit in connection with custom farming, unless permission for custom farming is stated on the Coverage Summary Page;
- g. Property used commercially for any purpose other than your farming operation, unless permission for such use is stated on the Coverage Summary Page;
- h. Brooders, barn cleaners, boilers, bulk feed tanks or bins, bulk milk tanks, pasteurizers or any permanent fixtures attached to or within a building;
- i. Windchargers, windmills or their towers, outdoor radio or television equipment or wiring; private power and light poles.

## 3. Insured Perils

You are insured against all risks of direct physical loss or damage, except as follows:

### Loss or Damage Not Insured

We do not insure loss or damage:

- a. Caused by or arising from mechanical or electrical breakdown or failure, adjusting or failure to adjust, improper set-up or failure to set-up, repairing, servicing, fueling or maintenance operations unless fire or explosion ensues and then only for the resulting loss or damage caused by such ensuing fire or explosion;
- b. To tires, tubes or rubber tracks unless the loss or damage is caused by fire, windstorm, theft or is coincident with other loss or damage insured by this Rider;
- c. Caused by clogging, compacting, plugging or piling up of material(s) intended to be ingested into a combine, baler or forage harvest equipment;

**The exclusions on the General Conditions apply to Form 2165.**

## 4. Territorial Limits

We insure the described property while on your premises and while temporarily away from your premises anywhere in Canada or the Continental United States.

## 5. Co-Insurance Clause

We shall be liable in the event of loss for no greater proportion thereof than the amount herein insured bears to 80% of the Actual Cash Value of the property insured hereunder at the time such loss shall happen. If this Rider covers two or more items, this condition applies to each item separately.

We agree to waive this clause if the amount of loss in any one occurrence does not exceed \$5,000 or 2% of the limit of insurance, whichever is greater.

## 6. Optional Extensions

At the option of the Insured the following extension may be held to apply.

### Newly Acquired Machinery & Equipment:

Twenty five percent (25%) of the total amount of insurance on specifically scheduled farm machinery and equipment may be extended to apply to additional farm machinery and equipment which has been acquired subsequent to the effective date and during the term of the policy and for which the insured is legally liable. It is agreed that the Insured shall report such additions within thirty (30) days from the date acquired and to pay premiums thereon from the date acquired at pro-rata of the coverage rate. The Insurer shall not be liable under this extension if such additions are not reported within the said thirty days.

## 7. Deductible

- a. With respect to any claim arising out of internal damage caused by ingestion of foreign object(s) such as stones, stumps, roots and the like, to insured combines, balers or forage harvest equipment, the deductible for each occurrence shall be as shown in the Ingestion Loss Deductible Endorsement - Form 2166 on the Coverage Summary Page.

All ingestion losses will be settled on an Actual Cash Value basis.

- b. With respect to claims arising out of damage(s) caused by any other of the perils insured against under this Rider, the deductible for each occurrence shall be as shown on the Coverage Summary Page.

## 8. Replacement Cost / Limited Depreciation Clause:

If the Coverage Summary Page indicates that this Clause applies, we agree to pay as follows:

- a. **Replacement Cost** - We will pay on the basis of "Replacement Cost" (up to the limit of insurance) provided that:
  - i. you are the original purchaser/lessee of the property, exclusive of the selling dealer;
  - ii. the loss or damage occurs within 36 months of the date on which the property was delivered to you;
  - iii. you repair or replace the property within a reasonable period of time after the loss.

Otherwise, we will pay the loss on the basis of the Actual Cash Value of the damaged or destroyed property at the time of loss.

Subsections (i) and (ii) do not apply to any loss of Tools, Equipment or Repair Supplies.

"Replacement Cost" means the cost, at the time of loss, of repair or replacement (whichever is less) with new property of similar kind and quality, without deduction for depreciation.

- b. **Limited Depreciation** - If the property does not qualify for "Replacement Cost" coverage as defined above, we agree to pay for the cost of repair without deduction for depreciation, with respect to repair costs only, however we will not pay more than the Actual

Cash Value of the property.

**Loss or damage caused by ingestion of foreign objects into combines, balers or forage harvest equipment shall be settled on an Actual Cash Value basis in all situations.**

### Co-Insurance Clause (Applicable to section 8 only)

We shall be liable in the event of loss for no greater proportion thereof than the amount herein insured bears to 80% of the combined:

1. Replacement cost of eligible property as defined in 8. a. above, and
2. Actual Cash Value of all other property insured hereunder at the time such loss shall occur.

If this Rider covers two or more items, this condition applies to each item separately.

## Definitions

**"Custom Farming"** means the use of your farm machinery or equipment for others away from your farm premises for a charge under any agreement(s) or contract(s) where your annual receipts equal or exceed \$10,000. Occasional farm work you do for others in return

for their work for you will not be considered Custom Farming.

**“Limited Custom Use”** means the use of your farm machinery or equipment for others away from your farm premises for a charge up to a maximum of 50% of the actual time usage of the machinery or equipment.