

Section II - Farm Liability Coverage - Form 2300

DEFINITIONS (Applicable to Section II)

“You” and “your” in this section have the same meaning as in Section I. In addition, the following persons are insured:

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which the insurance under this section applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without your permission;
2. a residence employee while performing duties in connection with the ownership, use or operation of motorized vehicles and trailers for which coverage is provided in this section;
3. your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the insured premises;
4. any person who is insured by this form at the time of your death and who continues residing on the insured premises;
5. if you are a partnership or joint venture, your partners and your members and their spouses, but only with respect to the conduct of your agriculture operations. No person or organization is insured with respect to the conduct of any current or past partnership or joint venture who is not shown as a Named Insured on the Coverage Summary Page;
6. if you are an organization other than a partnership or joint venture:
 - a. any executive officer, director or shareholder of the organization whose principal residence is on the farm premises described on the Coverage Summary Page and, while living in the same household, his or her spouse, the relatives of either or any person under 21 in their care. Spouse means:
 - i. either of two persons who are married to each other, or;
 - either of two persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 2 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.
 - b. any other executive officer, director or shareholder of the organization while acting within the scope of his or her duties as such with respect to the conduct of your farming operations;
7. any person or organization named on the Coverage Summary Page as an “additional Insured”.

“**Bodily Injury**” means bodily injury, sickness or disease or resulting death.

“**Business**” means any activity or pursuit undertaken for financial gain including a trade, profession or occupation, but does not include farming or agricultural activity.

“**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”. “Custom Farming” does not include crop spraying operations for others.

“**Farming**” means the ownership, maintenance or use of premises and machinery for the production of crops or the raising or care of livestock, including all necessary related operations. Farming also includes the operation of roadside stands and farm markets maintained principally for the sale of your own farm products.

“**Farm Employee**” means a person employed by you to perform duties principally connected with your agricultural activities outside of your dwelling.

“**Insured Premises**” means:

1. residential or agricultural premises at the location(s) shown on the Coverage Summary Page;
2. other agricultural land in Canada owned, rented or leased by the person(s) named as the Insured on the Coverage Summary Page, or his or her spouse, and used for agricultural purposes;
3. individual or family cemetery plots or burial vaults;
4. vacant land in Canada you own or rent, excluding agricultural land;
5. land where an independent contractor is building a one or two family residence to be occupied by you;

6. premises you are using or where you are temporarily residing if you do not own such premises; but “Insured Premises” does not include any business property, meaning property on which a business is conducted as long as you are not the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days;
7. premises in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
 - a. 60 consecutive days;
 - b. The date the policy expires or is terminated;
 - c. The date upon which specific liability insurance is arranged for such premises.

“**Jet Propulsion Personal Watercraft**” means jet ski, or other motorized water device, designed as a self-propelled unit used on water. They can be designed to carry the operator only or the operator and one or more passengers.

“**Model Aircraft**” in this Section has the same meaning as in Section 1.

“**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions which result in “bodily injury” or “property damage” neither expected nor intended.

“**Passenger**” means anyone other than the operator, who is in, on, getting onto or alighting from an All-Terrain Vehicle or Jet Propulsion Personal Watercraft.

“**Pollutant**” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapors, soot, fumes, acids, alkalis, chemicals, waste, as well as animal or human bodily fluids. Waste includes materials to be recycled, reconditioned or reclaimed.

“**Pollutant**” in this Section has the same meaning as in Section 1.

“**Processed**” for the purpose of this coverage, includes, but is not limited to one or more mechanical or chemical procedures on farm produce in order to change or preserve it.

“**Products Hazard**” means the consumption, handling or use of goods or products manufactured, sold, handled or distributed by you if the consumption, handling or use occurs away from your premises after you have relinquished possession of the goods or products.

“**Property Damage**” means physical injury to, or destruction of tangible property, including resulting loss of use of this property.

“**Recreational Vehicle**” means any motorized land vehicle, including a motorized snow vehicle, designed for recreational use off public roads and not subject to motor vehicle registration.

“**Residence Employee**” means a person employed by you, other than a Farm Employee, to perform exclusively household or domestic duties in connection with the maintenance or use of your farm dwelling. This does not include, if living in your household, your spouse, whether common law or otherwise, the relatives of either of you or anyone under 21 in your care.

“**Unmanned Air Vehicle**” in this Section has the same meaning as in Section 1.

Declarations

Unless stated on the Coverage Summary Page it is understood and agreed:

1. you own no Residence Premises other than the Principal Residence maintained by you;
2. you own no watercraft:
 - a. equipped with an outboard motor rated more than 25 hp (19kW) or
 - b. equipped with an inboard or inboard/outboard motor rated more than 50 hp (38kW) or
 - c. of any other type over 26 feet (8m) in overall length;
3. you do not engage in custom farming;
4. no business or occupational pursuits are conducted on the premises other than farming or agricultural activity;
5. you have no permanent residence employees.

Coverages E, F and G

This insurance applies only to accidents or occurrences which take place during the term of this policy.

The amounts of insurance are shown on the Coverage Summary Page.

COVERAGE E - LEGAL LIABILITY

We pay all sums which you become legally obligated to pay as compensatory damages because of unintentional bodily injury or property damage to which this insurance applies.

We will not pay for punitive or exemplary damages, meaning that part of an award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you.

The amount of insurance shown on the Coverage Summary Page is the maximum amount we will pay, under one or more Sections of Coverage E, for all compensatory damages in any one occurrence, regardless of the number of:

1. persons injured;
2. claims made or actions brought; or
3. persons or organizations making claims or bringing actions.

With respect to damages arising out of the "Products Hazard", the amount of insurance is also the maximum amount we will pay for all occurrences during any 12 month period commencing with the effective date of this policy and the effective date of each subsequent renewal. If the policy is extended for an additional period of less than 12 months, the additional period will be considered part of the last preceding period for the purposes of determining the amount of insurance.

Legal liability coverage for sudden and accidental discharge, dispersal, release or escape of "pollutants" as described and limited in the Comprehensive Farm Liability section of this policy is limited to a maximum payout of \$2,000,000 in any one policy term or the amount shown on the Coverage Summary Page for Coverage E, whichever is less, regardless of the number of occurrences.

All Bodily Injury and/or Property Damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

In the case of "Products Hazard" all damages arising out of one crop or one prepared or acquired lot of goods or products manufactured, sold, handled or distributed by you shall be considered as arising out of one occurrence.

Property Damage Deductible:

If the Coverage Summary Page indicates an amount for Property Damage Deductible, such amount shown shall be deducted from each and every claim for Property Damage to which this insurance applies.

Subject to all Exclusions and Conditions of this policy, you are insured for "bodily injury" or "property damage" claims made against you arising from:

1. **Personal Liability:** legal liability for bodily injury or property damage arising out of your personal activities anywhere in the world, if you are an individual. However, you are not insured for Personal Liability if you do not reside on the premises described on the Coverage Summary Page. This exclusion does not apply to unnamed students and family members as outlined in the Definition of "You" in Section I – Property Coverages.
2. **Premises Liability:** legal liability for bodily injury or property damage arising out of your ownership, use or occupancy of the insured premises.
3. **Agricultural Operations Liability:** legal liability for bodily injury or property damage arising out of your agriculture operations.
4. **Tenants Legal Liability:** legal liability for property damage to premises, or their contents, which you are using, renting or have in your custody or control provided such property damage is caused by the Insured Perils of this particular policy as described and limited in Section I.

You are not insured for property damage to buildings or structures, including their contents, on the farm premises, other than a residence building you do not own and which you occupy solely for residential purposes.

You are not insured for liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force.

5. **Contractual Liability:** bodily injury or property damage for which you are obligated to pay compensatory damages because, prior to the occurrence for which the claim is made, you assumed liability of others in a written contract or agreement pertaining to the insured premises.

You are not insured for liability assumed in any contract or agreement:

- a. where you assume liability for the sole negligence of the other party or parties to the contract or agreement; or
- b. in connection with any business or business use of the premises.

6. Employers Liability: legal liability for bodily injury to:

- a. residence employees, and
- b. farm employees arising out of and in the course of their employment by you if the annual payroll for all farm employees does not exceed \$10,000. If the annual payroll exceeds \$10,000, this coverage applies only if the Coverage Summary Page indicates that Employers Liability is included.

You are not insured for claims made against you resulting from the ownership, use or operation of any aircraft or air cushion vehicle while being operated or maintained by your employee.

You are not insured for any liability imposed upon or assumed by you under any workers' compensation statute, or assumed by you under any contract or agreement with an employee.

You are not insured for claims made against you for bodily injury to a person employed by you in violation of any law relating to age.

7. Watercraft Liability: legal liability for bodily injury or property damage arising out of:

Watercraft you own: the ownership, maintenance, use or operation of watercraft equipped with an outboard motor or motors of not more than 19kW (25 HP) in total when used with or on a single watercraft. You are also insured if your watercraft has an inboard or inboard-outboard motor of not more than 38kW (50 HP) or for any other type of watercraft not more than 8 meters (26 feet) in length.

If you own any motor(s) or watercraft larger than those stated above, you are insured only if they are shown on the Coverage Summary Page. If they are acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of their acquisition.

Jet Propulsion Watercraft Extension

If the Coverage Summary Page indicates that this Extension applies, you are insured as follows:

The limit of insurance for this extension is the maximum amount we will pay in any one accident or occurrence.

Exclusions applicable to Jet Propulsion Watercraft Extension:

You are not insured for claims arising from bodily injury or property damage:

- a. when the personal watercraft is being operated or controlled by anyone under the age of 16 years;
- b. to passengers when the seating capacity, as established by the manufacturer, has been exceeded;
- c. resulting from carrying passengers for a fee;
- d. when the personal watercraft is being used in a race, speed test or any illicit or prohibited trade or transportation;
- e. when the personal watercraft is rented or leased to others;
- f. when the personal watercraft is being used or operated in an area where the operation of a jet propelled personal watercraft is restricted or prohibited. This includes designated areas within a lake or at any park.
- g. when a personal watercraft is not operated in accordance with Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements.

Watercraft you do not own: you are insured against claims arising out of your use or operation of watercraft which you do not own, provided:

- a. the watercraft is being used or operated with the owner's consent;
- b. the watercraft is not owned by anyone included in the definition of "you" or "your" in Section II of this form.

You are not insured for damage to the watercraft itself.

Watercraft Uses We Do Not Insure

We do not insure claims made against you arising from the use or operation of any watercraft (including Jet Propulsion Personal Watercraft if a liability extension is shown on the Coverage Summary Page), whether owned by you or not, while it is:

- a. being used for carrying passengers for compensation;
- b. being used in any race or speed test;
- c. rented to others;
- d. being operated or controlled by you while you are under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper operation or control of the watercraft;

- e. being operated or controlled by you while your alcohol-blood ratio exceeds 50 milligrams of alcohol in 100 milliliters of blood.
- f. not being operated in accordance with Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements;

8. Motorized Vehicle Liability: legal liability for bodily injury or property damage arising out of:

Vehicles You Own: the ownership, maintenance, use or operation of the following motorized vehicles provided they are not subject to motor vehicle registration or used for compensation or hire:

- a. Self-propelled wheelchairs;
- b. lawn mowers, snow blowers, farm or garden tractors, trailers or farm implements if these are used or operated mainly on the insured premises;
- c. all terrain or recreational vehicles while on your farm premises but not while being used in any organized race or contest;
- d. motorized golf carts:
 - i. while in use on your “premises” or at a golf course;
 - ii. while in use on private property such as campgrounds or recreational parks, mobile home communities, retirement communities and gated communities where:
 - the community by-laws permit the use of golf carts, and
 - the roadways within that community are privately maintained and controlled;
 - iii. while in use on any municipal roadways when permitted by municipal law.
 - iv. You are not insured for “bodily injury” or “property damage” when the golf cart is:
 - used on any public roads or highways unless permitted by municipal law;
 - used for the purposes of carrying passengers for compensation;
 - operated by any person under the influence of alcohol or any illegal substance;
- e. toys or hobby items such as “Model Aircraft”, or children’s battery powered vehicles using no more than a 12 volt battery or that can attain speeds of no more than 8 kph (5 mph);
- f. any other motorized vehicles while on the insured premises and which are not subject to motor vehicle registration because they are used exclusively on the insured premises or kept in dead storage on the insured premises.

You are not insured against claims arising out of your use or operation of any “Unmanned Air Vehicle”, unless otherwise indicated on the Coverage Summary Page.

All-Terrain Vehicle Liability Extension - Saskatchewan only

If you own an All-Terrain Vehicle, you are insured only if a liability extension is shown on the Coverage Summary Page. The limit of insurance indicated on the Coverage Summary Page for this extension is the maximum amount we will pay in any one accident or occurrence.

“**All-Terrain Vehicle**” means a self-propelled vehicle that:

- a. is designed primarily for the movement of people or goods on unprepared surfaces; and
- b. has wheels in contact with the ground; and includes:
- c. restricted use motorcycle;
- d. a mini-bike; and
- e. an all-terrain cycle;

but does not include:

- f. a golf cart;
- g. a snowmobile as defined in The Snowmobile Act;
- h. an agricultural implement or special mobile machine as defined in The Highway Traffic Act; or
- i. any vehicle that is required to be registered pursuant to The Highway Traffic Act.

Exclusions applicable to All Terrain Vehicle Liability Extension:

You are not insured for claims arising from bodily injury or property damage while the All-Terrain Vehicle is:

- a. being operated in a manner contrary to the provisions of the All-Terrain Vehicles Act (Sask.)
- b. being operated or controlled by you while you are under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of proper operation or control of the All-Terrain Vehicle;
- c. being operated or controlled by you while your alcohol-blood ratio exceeds 80 milligrams of alcohol in 100 milliliters of blood;
- d. carrying passengers for a fee;
- e. being used in a race or speed test;
- f. rented or leased by you to others;
- g. being used for any illicit or prohibited trade or transportation;

Vehicles You Do Not Own: Your use or operation of any self-propelled land vehicle or amphibious vehicle which you do not own, provided that:

- a. the vehicle is not subject to motor vehicle registration and is designed primarily for use off public roads;
- b. you are not using it for business or organized racing.
- c. the vehicle is being used or operated with the owner's consent
- d. the vehicle is not owned by anyone included in the definition of "you" or "your" in Section II of this form.

You are not insured for damage to the vehicle itself.

You are not insured against claims arising out of your use or operation of any "Unmanned Air Vehicle", unless otherwise indicated on the Coverage Summary Page.

Attached Machinery: the functional use or operation for your farming purposes of machinery or apparatus mounted on or attached to a motorized vehicle, while at the site of the use or operation of such machinery or apparatus. This insurance does not apply, either as primary or excess coverage, to bodily injury or property damage with respect to which any motor vehicle liability insurance is in effect or required by law to be in effect.

9. Trailer Liability: legal liability for bodily injury or property damage arising out of your ownership, maintenance, use or operation of any utility, boat, camp or home trailer or its equipment, provided that such trailer is not being towed by, attached to or carried on a motorized vehicle.

10. Business and Business Property Liability: legal liability for bodily injury or property damage arising out of: your work for someone else as a sales representative, collector, messenger or clerk, provided that the claim does not involve injury to a fellow employee;

- a. your work for someone else as a sales representative, collector, messenger, clerk or teacher, provided the claim does not involve physical disciplinary action to a student or injury to a fellow employee;
- b. the occasional rental of your residence to others; rental to others of a one or two family dwelling usually occupied in part by you as a residence, provided no family unit includes more than 2 roomers or boarders;
- c. the rental of space in your residence to others for incidental office, school or studio occupancy;
- d. the rental to others, or holding for rent, of not more than three car spaces or stalls in garages or stables;
- e. activities during the course of your trade, profession or occupation which are ordinarily considered to be non-business pursuits;
- f. the temporary or part time business pursuits of an insured person under the age of 21 years.

You are insured for claims made against you arising from the following business pursuits, only if the properties or operations are declared on the Coverage Summary Page:

- a. the rental of residential buildings containing not more than six dwelling units;
- b. the use of part of your residence by you for incidental office, school, day care or studio occupancy.

DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

We will defend you against any suit which makes claims against you for which you are insured under Coverage E and which alleges

bodily injury or property damage and seeks compensatory damages, even if groundless, false or fraudulent. We reserve the right to investigate, negotiate and settle any claim or suit if we decide this is appropriate.

In addition to the amount of insurance under Coverage E, we will pay:

1. all expenses which we incur;
2. all costs charged against you in any suit insured under Coverage E;
3. any interest accruing after judgment on that part of the judgment which is within the amount of insurance of Coverage E;
4. premiums for appeal bonds required in any insured law suit involving you and bonds to release any property that is being held as security, up to the amount of insurance, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this form;
6. reasonable expenses, including up to \$50 a day for your actual loss of wages or salary up to a maximum of \$250 in any one claim or suit, which you incur at our request.

COVERAGE F - VOLUNTARY MEDICAL PAYMENTS

We will pay reasonable medical expenses, incurred within one year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured on your premises even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses.

The amount of insurance shown on the Coverage Summary Page is the maximum amount we will pay for each person in respect of one accident.

We will not pay expenses covered by any medical, dental, surgical, or hospitalization plan or law, or under any other insurance contract.

We will not pay your medical expenses or those of persons residing with you, other than employees.

We will not pay the medical expenses of any person covered by any workers' compensation, disability benefits, unemployment compensation or any similar law.

We will not pay the medical expenses of any person engaged in work for you or on your behalf. This exclusion does not apply to your employees, or to other persons on your premises in a neighbourly exchange of labour for which you are not obligated to pay any monetary compensation, either expressed or implied.

We will not pay the medical expenses for bodily injury excluded under Coverage E.

If requested by us, you shall arrange for the injured person to:

1. give us, as soon as possible, written proof of claim, under oath if required;
2. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
3. authorize us to obtain medical and other records.

Proofs and authorizations may be given by someone acting on behalf of the injured person.

COVERAGE G - VOLUNTARY PROPERTY DAMAGE

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by anyone included in the definition of "You" or "Your" in Section II of this form, 12 years of age or under.

You are not insured for claims:

1. resulting from ownership, use or operation of any motorized vehicle, farm machinery or equipment, aircraft, trailer or watercraft;
2. for property you or your tenants own or rent;
3. which are insured under any other section of this policy;
4. caused by the loss of use, disappearance or theft of property;
5. arising out of your business or any business use of your premises.

Basis of Payment

We will pay whichever is the least of the following:

1. the actual cash value of the property at the time of loss;
2. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
3. the amount shown on the Coverage Summary Page.

We pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with you or the owner of the property. We may take over any salvage if we wish.

Within 60 days after the loss, you must submit to us (under oath if required) a PROOF OF LOSS FORM containing the following information;

1. the amount, place, time and cause of loss;
2. the interest of all persons in the property affected;
3. the actual cash value of the property at the time of loss.

If necessary, you must help us verify the damage.

EXCLUSIONS (Coverages E, F and G)

You are not insured for claims made or actions brought against you for:

1. bodily injury or property damage arising out of the ownership, maintenance, use, operation or entrustment to others of any motor vehicle, trailer, amphibious vehicle, aircushion vehicle or watercraft, except those for which coverage is provided in this form.
2. the use or operation of all-terrain vehicles which are not being operated in accordance with The Off Road Vehicles Act (Manitoba) or The All-Terrain Vehicles Act (Saskatchewan).
3. property damage to:
 - a. property you own;
 - b. property you use, occupy, lease or in your care, custody or control. This exclusion does not apply to Tenants' Legal Liability;
 - c. property you sell, give away or abandon;
 - d. personal property or fixtures as a result of work done on them by you or anyone on your behalf.
4. bodily injury to you or to any person residing in your household other than a residence employee;
5. bodily injury, if you are an organization, to any executive officer, partner, director or shareholder of the organization or the spouse or relative of any of them, if such person resides on the farm premises;
6. bodily injury or property damage due to war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
7. 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 amounts or its termination;
8. bodily injury or property damage arising out of your business or any business use of the insured premises except as specified on the Coverage Summary Page;
9. bodily injury or property damage arising out of the rendering of or failure to render any professional service;
10. bodily injury or property damage caused by an intentional or criminal act or failure to act by:
 - a. any person insured by this policy; or
 - b. any other person at the direction of any person insured by this policy;
11. bodily injury or property damage which arises out of the transmission of or the failure to take steps to prevent the transmission of communicable or sexually transmitted disease by any person insured by this policy;
12. bodily injury or property damage arising out of the ownership, maintenance, use or operation or entrustment to others of any aircraft. This exclusion does not apply to Employers Liability;
13. the ownership, use or operation of any "Model Aircraft", unless used in full accordance with current Transport Canada regulations and guidelines;

14. the use or operation of any "Unmanned Air Vehicle", unless otherwise indicated on the Coverage Summary Page;
15. bodily injury or property damage arising out of the ownership, existence, maintenance, use or operation by you or on your behalf, of any premises for the purpose of an airport or aircraft landing strip;
16. bodily injury or property damage arising or resulting from any substance released or discharged from any aircraft;
17. "Custom Farming" operations performed for others for charge under any agreement or contract unless stated on the Coverage Summary Page. Crop spraying for others is excluded in all cases;
18. property damage to products manufactured, sold, handled or distributed by you arising out of such products or any part of the products;
19. property damage to work performed by you or on your behalf arising out of such work or any part of the work;
20. bodily injury or property damage arising out of the "products hazard", but this exclusion does not apply to farm products other than:
 - a. farm products used for reproduction including seed, semen, breeding stock and embryos;
 - b. blended, processed or treated feed or produce;
 - c. manufactured products including fertilizers, herbicides, pesticides or other chemicals.
21. sickness, disease or death of animals arising from your feedlot operations, if any;
22.
 - a. bodily injury or property damage arising out of the discharge, dispersal, release or escape of pollutants, into or upon land, the atmosphere or any water of any description no matter where located or how contained, or into any watercourse, drainage or sewage system, but this exclusion does not apply if such discharge, dispersal or release or escape is sudden or accidental. The words "sudden or accidental" mean an unexpected and unintentional discharge, dispersal, release or escape which is detected by any person within 120 hours after the commencement of the discharge, dispersal, release or escape;
 - b. the cost of removing, nullifying, containing, treating, detoxifying, neutralizing or cleaning up pollutants, except such cost as may be incurred as part of claims not excluded under 22 a. above.

"Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion (22) does not apply to smoke or fumes from a "hostile fire" meaning a fire which becomes uncontrollable or breaks out from where it was intended to be.

This exclusion (22) does not apply to accidental chemical drift from spraying operations on your own crops, other than by means of an aircraft, which results in damage to growing crops or other vegetation on neighbouring land belonging to others, provided you could not reasonably have expected such drift to occur. Crop spraying for others is excluded in all cases.

Notwithstanding the Reinstatement Clause elsewhere in this policy, following a loss under this section, the amount of insurance indicated on the Coverage Summary Page will be reduced by the amount payable.

Where the total of all compensatory damages due to bodily injury, property damage and all clean-up costs exceed the amount of insurance indicated on the Coverage Summary Page, the proceeds of this coverage shall be applied in the following order of priority:

- a. clean-up costs;
 - b. bodily injury;
 - c. property damage.
23. property damage you cause while you are unlawfully on the premises of others, or any obligation to share compensatory damages with or repay someone else who must pay compensatory damages for property damage arising out of acts committed by you or such other person while unlawfully on the premises of others;
 24. liability you have assumed under contract or agreement except those for which coverage is provided under "Contractual Liability" in this section of the policy. This exclusion does not apply to bodily injury or property damage for which you would have been legally liable in the absence of the contract or agreement;
 25. bodily injury to any employee if the bodily injury arises out of and in the course of his or her employment by you, except as provided for under "Employers Liability" in this section of the policy;
 26. bodily injury or property damage arising from premises you own, rent, use or occupy, other than the insured premises, but this exclusion does not apply to the grazing of your livestock on other premises;

27. bodily injury or property damage arising out of the ownership, use or operation of any draft or saddle animal or attached conveyance while being used for any purpose for which you are paid, including riding instruction, renting of horses to others, trail rides and wagon and sleigh rides unless indicated on the Coverage Summary Page;
28. the use of your premises for rodeos, draft or saddle animal races, gymkhana events or similar equestrian activities;
29. bodily injury or property damage caused by an animal you own or for which you are responsible which has been declared under any law, by-law or municipal ordinance to be a dangerous animal;
30. claims made or actions brought against you for bodily injury or property damage arising out of:
 - a. sexual, physical, psychological or emotional abuse, assault, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or
 - b. failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, assault, molestation or harassment or corporal punishment.
31. the erasure, destruction, corruption, misappropriation or misinterpretation of "data";
32. erroneously creating, amending, entering, deleting or using "data";
33. the distribution or display of "data" by means of an Internet website, the internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data";
34. bodily injury or property damage arising out of: the actual, alleged, or threatened discharge, dispersal, release or escape of pollutants from an outdoor hot water heating unit(s). This policy also excludes the cost of removing, nullifying, containing, treating, detoxifying, neutralizing or cleaning up of the pollutant.
35. bodily injury or property damage arising out of any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses, damage, cost or expenses directly or indirectly caused by, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other cause that contributes concurrently or in any sequence to the loss, damages, cost or expense.

CONDITIONS (APPLICABLE TO ALL SECTION II COVERAGES)

Notice of Accident or Occurrence

When an accident or occurrence takes place, you must promptly give us notice (in writing if required). The notice must include:

1. your name and policy number;
2. the time, place and circumstances of the accident;
3. the names and addresses of witnesses and potential claimants.

Co-operation

You are required to:

1. help us obtain witnesses, information and evidence about the accident and co-operate with us in any legal action if we ask you;
2. immediately send us everything received in writing concerning the claim including legal documents.

Unauthorized Settlements - Coverage E and Forms 2320, 2340 and 2345

You shall not, except at your cost, voluntarily make any payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of the accident.

Action Against Us - Coverage E and Forms 2320, 2340 and 2345

You shall not bring action against us until you have fully complied with all the terms of this policy, nor until the amount of your obligation to pay has been finally determined, either by judgment against you or by an agreement which has our consent.

Payment of Claim - Coverages F and G

Payment by us under either of these coverages is not an admission of liability by you or us.

Action Against Us - Coverages F and G

You shall not bring action against us until you have fully complied with all the terms of this policy, nor until 60 days after the required Proof of Loss Form has been filed with us.

Insurance Under More Than One Policy

If other insurance applies to a loss or claim, or would have applied if this policy did not exist, this insurance will be considered excess insurance and will not pay any loss or claim until the amount of such other insurance is used up.