

PEEL MUTUAL INSURANCE COMPANY
SECTION 4
COVERAGE MPF072005 - MISCELLANEOUS PROPERTY FLOATER ALL RISKS FORM

INSURING AGREEMENTS

The Insurer, in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part of this policy and subject to all the terms and conditions of this policy and the riders and endorsement attached, agrees with the Named Insured as follows:

In the event that any of the property insured be lost, destroyed or damaged by the Perils Insured in the riders and endorsements attached hereto, at any time while this policy is in force, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding the lesser of:

- (a) the actual cash value of the property at the time of loss, destruction or damage;
- (b) the interest of the Insured in the property;
- (c) the limit of liability provided by the policy in respect of the property lost, destroyed or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

The following extensions of coverage, subject to the policy exclusions, shall not increase the limit(s) of liability or amount(s) of insurance applying under this policy to the property lost, destroyed or damaged.

Removal: If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this policy that exceeds the amount of the insurer's liability for any loss already incurred shall, for seven days only, or for the unexpired term of the policy if less than seven days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

- (i) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this policy.

The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.

- (ii) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this policy but which has been blown by windstorm upon a location specified on the "Declaration Page".

Extensions of coverage (i) and (ii) do not apply to costs or expenses:

- (a) to "clean up" "pollutants" from land or water; or
- (b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Debris removal expenses shall not be considered in the determination of actual cash value for the purpose of applying the Co-insurance Clause.

DEFINITIONS

All definitions of Property Coverages - Section 1 apply to this coverage.

PROPERTY INSURED

This coverage insures the property of the Insured or the property of others for which the Insured may be liable as described on the Declaration Page or attached hereto, including appurtenances thereof attached thereto or contained thereon. Each item scheduled is to be deemed separately insured.

LIMIT OF LIABILITY

It is agreed that the Insurer's limit of liability, including salvage charges, sue and labour, or other expenses, or all combined, shall not exceed the amount of insurance for each item as stipulated on the Declaration Page or contained on any endorsement attached hereto, in respect of any one loss, disaster or casualty.

PERILS INSURED

This coverage insures (except as herein excluded):

- (a) WHILE ON LAND, against all risks of direct physical loss of or damage to the insured property from any external cause, except as herein excluded.
- (b) WHILE WATERBORNE on board any regular ferry while operating on inland or coastal waterways only, against loss or damage to the insured property directly caused by the stranding, sinking, burning or collision of the ferry, including general average and salvage charges only.

EXCLUSIONS

This coverage does not insure loss or damage to:

- (a) buildings and/or structures, and their contents, 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 Substances Act, whether or not the insured is aware of such use of the property.

This coverage does not insure against:

- (a) Loss or damage caused by wear and tear, gradual deterioration, inherent vice, latent defect or mechanical breakdown or derangement;
- (b) Loss or damage caused by or resulting from corrosion, rust, rodents, insects, vermin, dampness of atmosphere, wet or dry rot, fungi or spore(s), contamination, staining or freezing unless such damage is the result of other loss covered by this Policy;
- (c) Loss caused by unexplained or mysterious disappearance of property (except property in the custody of carriers for hire);
- (d) Loss or damage caused by or resulting from artificially generated electrical currents to electrical appliances or devices, (including wiring), unless fire ensues and then only for loss or damage by such ensuing fire;
- (e) Loss or damage (unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion) sustained while the property insured is actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of the property insured;
- (f) Loss or damage resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or her or their employees or agents or any person or persons to whom the property may be entrusted (bailees or carriers for hire excepted);
- (g) Loss or damage occasioned by neglect of the Insured to use all reasonable means to save and preserve the property at and after any disaster insured against or when the Insured has notice of an impending disaster;
- (h) Breakage of glass or similar fragile materials, marring or scratching unless such loss or damage to the insured property is caused directly by fire or the combating thereof, lightning, flood, earthquake, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles other than transporting conveyances, rupture of pipes or breakage of apparatus; sprinkler leakage, vandalism, malicious acts, theft, attempted theft or accident to transporting conveyance;
- (i) Loss or damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) Loss or damaged caused by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (k) Loss or damage caused by contamination of radioactive material.

DATA EXCLUSION

This coverage does not insure:

- (a) "Data";
 - (b) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".
- However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Specified Perils" as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

TERRITORIAL LIMITS

This coverage insures only within the territorial limits of Canada and the Continental United States of America.

DEDUCTIBLE CLAUSE

Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim or the applicable limit of liability, whichever is less, the sum shown on the Declaration Page shall be deducted.

COINSURANCE

The Insurer shall be liable in the event of loss for no greater proportion thereof than the amount insured hereunder bears to an amount equal to the percentage shown on the Declaration Page applied to the actual cash value of the property insured hereunder at the time and place such loss or damage shall happen.

REINSTATEMENT

The amount of insurance provided by this coverage shall not be reduced as a consequence of loss payment except in the event the full amount of insurance under this coverage (or under a specific item of this coverage) becomes payable.

PROPERTY OF OTHERS

In case of loss or damage to property of others held by the Insured for which claim is made upon the Insurer with the consent of the Insured, the right to adjust such loss or damage with the owner or owners of the property is reserved to the Insurer and the receipt of such owner or owners in satisfaction thereof shall be in full satisfaction of any claim of the Insured for which such payment has been made. If legal proceedings be taken to enforce a claim against the Insured as respects any such loss or damage the Insurer reserves the right at its option without expense to the Insured, to conduct and control the defence on behalf of and in the name of the Insured. No action of the Insurer in such regard shall increase the liability of the Insurer under this coverage, nor increase the limits of liability provided herein.

MINIMUM PREMIUM

The actual premium consideration for this coverage shall in no event be less than the minimum premium shown on the Declaration Page. Should this coverage be cancelled by the Insured the earned premium, howsoever computed, shall not be less than the prescribed minimum premium.

OTHER INSURANCE

If at the time of loss or damage there is available to a named or unnamed Insured or any other interested party any other insurance which would apply in the absence of this coverage, the insurance under this coverage shall apply only as excess insurance over such other insurance.

OTHER MATTERS

All matters not provided for herein or by endorsement hereon, shall be governed by the terms and conditions of the Insurer's printed policy form to which these provisions are attached and which have been issued in conjunction herewith. The foregoing clauses shall, however, be considered to supersede and annul any clause or clauses therein which may be of the same or similar effect.