

# CONTRACTORS TOOLS AND EQUIPMENT COVERAGE FORM – BROAD FORM

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DEFINED IN DEFINITIONS

## 1. Indemnity Agreement

In the event that any of the property insured be lost or damage by an insured peril, the Insurer will Indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- a. The actual cash value of the property at the time of loss or damage;
- b. The interest of the Insured in the property;
- c. The amount of insurance specified on the "Declaration Page" in respect to the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than 1 person or interest, the insurer's total liability for loss sustained by all such persons and interest shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declaration Page".

## 2. Property Insured

This Coverage Form insures Contractors Tools and Equipment usual to the business of the Insured being the property of the Insured and listed on the "Declaration Page" or on the schedule known to the Insurer or the property of others for which the Insured is legally liable all to be used in, or incidental to, the operations of the Insured anywhere in Canada or the continental United States of America (excluding Alaska).

## 3. Acquisition Clause

This Coverage Form covers to a maximum of \$10,000 additional items of contractor's tools & equipment acquired by the Insured as owner, subject to notice to this Insurer within 30 days from date of acquisition and payment of pro rata premium hereunder from such date.

## 4. Rental Reimbursement Coverage

This Coverage Form is extended to respond, in the event that property insured by this 'Contractors Tool and Equipment Coverage Form' is damaged or destroyed by an insured peril, to include the reimbursement of the expense necessarily incurred by the Insured to rent tools or equipment to continue normal business services and operations which are interrupted as the result of such direct damage to insured tools and/or equipment by an insured peril. This extension applies only for the period of time required with the exercise of due diligence and dispatch to restore normal business service and operations or when the lost or damaged tool or equipment is replaced whichever occurs first.

This extension of coverage shall be limited to a maximum limit of \$1,000 per day and shall not exceed the limit of insurance for this 'Contractors Tools and Equipment Coverage Form'.

## 5. Deductible

The insurer is liable for the amount by which the loss or damage caused by an of the perils insured against exceed the amount of the deductible specified on the "Declaration Page" in any 1 occurrence. If 1 occurrence could lead to the application of more than 1 deductible only the largest deductible will apply.

## 6. Co-Insurance

The Insurer shall not be liable for a greater proportion of any loss or damage to the property described herein than the sum hereby insured bears to 80% of the actual cash value of said property at the time such loss shall happen, nor for more than the proportion which this policy bears to the total insurance thereon.

## 7. Perils Insured

This Coverage Form insures against direct physical loss or damage to the property insured from any external cause except as hereinafter excluded.

## 8. Exclusions

### a. Property Excluded

This Coverage Form does not insure:

- i. property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- ii. automobiles or similar vehicles subject to registration in the jurisdiction in which the insured conducts business, aircraft, watercraft;

- iii. money, notes, securities, accounts, bills, evidence of debt or valuable papers, plans, blueprints, designs or specifications;
- iv. property insured which is regularly rented to others;
- v. tires or tubes unless the loss or damage is caused by fire or theft or is coincident with other loss or damage insured by this Coverage Form;
- vi. crane or derrick boom(s) while being operated unless directly caused by fire, lightning, explosion, impact by aircraft or other vehicles, or the overturning of the unit to which it is a part;
- vii. property while located underground, in caissons or underwater;
- viii. property which has become a permanent part of any structure;
- ix. property while waterborne from the commencement of loading until the completion of discharge except that this Coverage Form insures, while on a ferry, railway car or transfer barge, all in connection with land transportation.

**b. Perils Excluded**

This Coverage Form does not insure against loss or damage resulting from, contributed to or caused directly or indirectly by:

- i. mechanical or electrical breakdown, wear and tear, rust or corrosion, gradual deterioration, hidden or latent defect or any quality in the insured property that causes it to destroy itself, unless the loss or damage is caused directly by a resultant peril not otherwise excluded in this form;
- ii. electrical currents, other than lightning, to electrical appliances of any kind including wiring, unless fire ensues and then for loss by fire only;
- iii. work being done on the insured tool or equipment unless fire or explosion ensues and then only for loss or damage caused by such ensuing fire or explosion;
- iv. misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents or any person or persons to whom the property may be entrusted (bailees for hire excepted);
- v. subsidence or breaking through ice, or by sinking in muskeg, swamp, sand or other soft ground;
- vi. explosion to any pressure vessel or internal combustion engine in which the explosion originates;
- vii. the weight of load imposed on any machine exceeding the rated lifting capacity for which the machine was designed;
- viii. blasting or dynamiting operation conducted by or under the control of the Insured.

NOR will we insure:

- ix. the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design unless the loss or damage is caused directly by a resultant peril not otherwise excluded in this form;
- x. mysterious disappearance, or shortage of contractors tools or equipment disclosed on taking inventory or while conducting an appraisal;
- xi. loss or damage occasioned by the neglect of the insured to use all reasonable means to save and preserve the insured property;
- xii. loss or damage to the insured property while waterborne, except while being transported on any regular ferry or in or on railway cars or transfers in connection therewith;
- xiii. loss, if at the time of loss or damage, there is any other insurance which would attach if this insurance had not been effected, except that this insurance shall apply only as excess and in no event as contributing insurance and then only after all other insurance has been exhausted.

**c. War Exclusion**

This Coverage Form does not insure against loss or damage resulting from contributed to or caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

**d. Terrorism Exclusion**

This Coverage Form does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, except for ensuring loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

**e. Nuclear Exclusion**

This Coverage Form does not insure against loss or damage resulting from, contributed to or caused directly or indirectly by:

- i. 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;
- ii. contamination by radioactive material.

**f. By-Law Exclusion**

This Coverage Form does not insure against loss or damage proximately or remotely, arising in 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;

**g. Pollution Exclusion**

This Coverage Form does not insure against:

- i. loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply;
  1. If the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Form;
  2. to loss or damage caused directly by a peril not otherwise excluded under this Form;
- ii. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

**h. Data & Data Problem Exclusion**

This Coverage Form:

- i. does not insure "Data"
- ii. does not insure loss or damage caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire or lightning, explosion, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, windstorm or hail, this exclusion (ii) shall not apply to such resulting loss or damage.

**i. Fungi and Spore Exclusion**

This Coverage Form does not insure:

- i. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores". This exclusion does not apply:
  1. if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
  2. to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- ii. the cost or expense for any testing, monitoring, evaluation or assessing of "fungi" or "spores".

**9. Conditions**

**a. Territorial Limits**

The insured property is covered while in transit or otherwise within the territorial limits of Canada or the continental United States of America (excluding Alaska)

**b. Catastrophe Limit**

The Insurer shall not be liable for more than the limit of insurance specified as a catastrophe limit on the "Declaration Page" of the policy to which this Coverage Form is attached in any one loss, casualty or disaster either in the case of partial or total loss or any other costs and expenses or all combined.

**c. Basis of Settlement**

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss of damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material or like kind and quality.

**d. Verification of Values**

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this policy, or within a year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Coverage Form.

**10. Definitions**

- a. **"Clean Up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- b. **"Data"** means representations of information or concepts in any form.
- c. **"Data Problem"** means:
  - (i) erasure, destruction, corruption, misappropriation of "Data";
  - (ii) error in creating, amending, entering, deleting or using "Data"; or
  - (iii) inability to receive, transmit or use "Data";
  - (iv) damage to electronic data processing equipment or any other related component system, process or device
- d. **"Declaration Page"** means the Declaration Page applicable to this Coverage Form.
- e. **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spore(s)" or resultant mycotoxins, allergens, or pathogens.
- f. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- g. **"Spore(s)"** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- h. **"Temporary Premises"** means any premises other than at the location specified on the "Declaration Page" of this Policy.
- i. **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

ALL STANDARD CONDITIONS AND EXCLUSIONS OF THE STANDARD CONDITIONS AND EXCLUSIONS FORM (EO-0895-1218) APPLY.