

**Form #CE801** (Rev. October 9, 2012)  
**Contractors' Equipment Floater**

**THIS FORM ONLY APPLIES IF INDICATED "COVERED" AND LIMITS SHOWN ON THE DECLARATIONS PAGE(S).**

**1. INSURED PROPERTY**

Contractors' tools and equipment as scheduled in the "Declarations Page(s)" being:

- (a) property of the insured;
- (b) property of others used in the insured's contracting business and for which the insured is legally liable.

**2. NEWLY ACQUIRED EQUIPMENT**

This Form also insures additional items of a similar kind to that scheduled in the "Declarations Page" acquired by the Insured during the policy period, subject to notice to the Insurer within ninety (90) days from the date of acquisition and payment of a pro rate additional premium from such date. It is agreed that the Insurer shall cease to insure such items at the end of the said ninety (90) days if they are not reported within that time. This extension of insurance shall be limited to the Newly Acquired Equipment limit shown in the "Declarations Page" or, if no such limit be shown, to a maximum recovery of fifty thousand dollars (\$50,000) with respect to any one loss or series of losses arising out of the same event.

**3. LIMITS OF LIABILITY**

The liability of the Insurer in respect to claims arising from loss or damage to insured property shall not exceed the following limits of insurance specified in the "Declarations Page":

**Catastrophe Limit** is the maximum amount, including Salvage Charges, the Insurer is liable for loss or damage to insured property in any one loss or series of losses arising out of the same event.

**Property of Others Blanket Sub-Limit** is the maximum amount, including Salvage Charges, the Insurer is liable for, for loss or damage to the property of others used in the insured's contracting business and for which the insured is legally liable. Unless specifically scheduled, \$25,000 is the maximum payable for any one item under this coverage section.

**Scheduled Limit(s)** is the total value of the "Schedule of Insured Property". The limit shown opposite each item described in the "Schedule of Insured Property" is the maximum amount the Insurer is liable for.

**4. DEDUCTIBLE**

The Insurer is liable for the amount by which the loss or damage caused by an Insured Peril exceeds the amount of the deductible or the percentage specified in the "Declarations Page", whichever is the greater. Where the deductible is shown as a percentage, it shall mean the specified percentage of the amount insured applicable to the item lost, destroyed or damaged.

Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

**5. CO-INSURANCE**

The Insured shall maintain insurance concurrent with this form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in Clause 10 by the co-insurance percentage specified on the "Declarations Page". If the Insured fails to do so, the Insured shall be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

This provision applies separately to each item insured.

This provision applies only where the total loss exceeds the lesser of 5% of the applicable amount of insurance or \$10,000.

**6. TERRITORIAL LIMITS**

This insurance covers only within the territorial limits of Canada, unless otherwise endorsed hereon.

**7. INSURED PERILS**

This Form, except as otherwise provided, insures against all risks of direct physical loss of or damage to the insured property.

**8. PROPERTY EXCLUDED**

This form does not insure loss or damage to:

- (a) property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- (b) licensed self-propelled land vehicles designed for use on public roads, except their attached equipment if shown on the "Schedule of Insured Property";
- (c) aircraft or watercraft;
- (d) personal belongings or effects;
- (e) property while located underground, in caissons or underwater;
- (f) offshore rigs or property on offshore rigs;
- (g) property which has become a permanent part of any structure;
- (h) property while waterborne from the commencement of loading until the completion of discharge except that this form insures while on a ferry, railway car or transfer barge, all in connection with land transportation;
- (i) property whilst airborne;
- (j) property leased, rented or loaned to others.

**9. PERILS EXCLUDED**

This Form does not insure loss or damage caused:

- (a) by or resulting from the weight of any load, including the load block and all rigging, exceeding the registered maximum lifting or carrying capacity of any machine;
- (b) mechanical breakdown; nor against damage to electrical apparatus caused by artificial generated electrical currents including arcing, unless fire ensues and then only for loss or damage by such ensuing fire;
- (c) by a criminal or wilful act or omission of the insured;
- (d) by wear and tear, latent defect, gradual depreciation or deterioration, inherent vice, faulty material or workmanship, or by processing or any work upon the property unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion;
- (e) delay, loss of use or loss of market;

- (f) by or resulting from dampness or dryness of atmosphere, extremes, or changes of temperature, freezing, heating, rust, corrosion, rodents, insects or vermin, unless such loss or damage to the insured property is caused directly by fire, lightning, windstorm, explosion, strike, riot or civil commotion, collapse of bridges or culverts, collision, upset or overturn, or theft;
- (g) mysterious disappearance or shortage of equipment disclosed on taking inventory;
- (h) from any dishonest or criminal act on the part of the Insured or any other party or interest, employees or agents of the Insured, or anyone to whom the insured property may be entrusted, bailees for hire excepted, but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- (i) directly or indirectly by breaking through ice, or by subsidence into muskeg, swamp, sand, or other surface.

#### 10. BASIS OF VALUATION

The value of the insured property will be the least of the following amounts:

- (a) The Limit of Insurance applying to the damaged property;
- (b) The actual cash value (replacement cost less depreciation) of the property;
- (c) The cost of reasonably restoring that property to its condition immediately before the loss; or
- (d) The cost of replacing that property with used, but substantially identical property.

#### REPLACEMENT COST

If "Replacement Cost" is indicated on the "Declarations Page", then the following extension changes the policy.

- (i) The Insurer agrees to amend the basis of settlement from actual cash value to "Replacement Cost" subject to the following provisions:
  - (a) settlement on a "Replacement Cost" basis shall only apply to those items insured being less than three (3) years old at the time of loss or damage;
  - (b) replacement shall be effected by the Insured with due diligence and dispatch;
  - (c) settlement on a "Replacement Cost" basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
  - (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension has not been in effect;
  - (e) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Form on the equipment to which this extension is applicable shall be on the basis of "Replacement Cost" as defined herein;
  - (f) this extension applies separately to each item(s) to which it is applicable.
  - (g) this extension shall not apply to:
    - any equipment in connection with logging or forestry; and
    - any property of others.

Actual cash value basis of valuation shall apply regardless of the age of such equipment.

- (ii). In the event that new equipment of like kind and quality is not obtainable, new equipment which is as similar as possible to that damaged or destroyed and which is capable of performing the same function, shall be deemed to be new equipment of like kind and quality for the purposes of this extension.
- (iii). Any reference to actual cash value in a co-insurance clause in this Form is deemed to be a reference to "Replacement Cost" of the equipment insured.

#### 11. PREMIUM ADJUSTMENT

This clause applies if Premium Adjustment is indicated on the "Declarations Page"

The Newly Acquired Equipment clause is deleted and replaced by:

This Form also insures additional items of a similar kind to that scheduled in the "Declarations Page" acquired by the Insured during the policy period. This extension of insurance shall be limited to the Newly Acquired Equipment limit shown in the "Declarations Page" or, if no such limit be shown, to a maximum recovery of fifty thousand dollars (\$50,000) with respect to any one loss, or series of losses arising out of the same event.

The premium applicable to this Form is provisional only. The actual premium for the liability assumed hereunder shall be determined at the expiration of the policy as follows:

The Co-Insurance Clause forming part of the Contractors' Equipment Form does not apply to Newly Acquired Property subsequent to policy inception.

The Insured agrees to report to the Insurer, within thirty (30) days following the expiration date of the policy, the average of the total values insured from the policy inception date to the policy expiration date, and if the premium on such average values calculated at the rate specified in the "Declarations Page" exceeds the provisional premium the Insured shall pay the additional premium for such excess. If such premium is less than the provisional premium, the Insurer shall refund to the Insured any excess paid subject to the minimum premium stated in the "Declarations Page".

No adjustment shall be necessary with respect to the property unless the expiring values are more than 5% different than the value declared at inception of this policy.

The Insurer, or its duly appointed representative, shall be permitted during the term of this Form, or within a year after its expiration, to inspect the property insured hereunder and to examine the Insured's books, records and such policies as may be relate to any property insured hereunder.

- 12. **RENTAL REIMBURSEMENT:** The Insurer agrees to reimburse the Insured for expenses actually incurred for the rental of equipment to replace equipment insured by this policy provided it is necessary that such equipment be withdrawn from normal use as a result of loss or damage from a peril insured hereunder. The Insurer will pay for expenses so incurred whether the equipment be rented with or without an operator.

The Insurer's liability for rental reimbursement is limited to expenses actually incurred commencing 72 hours after the date of loss or damage to the insured equipment, and shall continue, regardless of the expiration of the policy period, to the date which would be required to repair the equipment so damaged. In no event however, shall the Insurer's liability exceed twenty five hundred dollars (\$2,500) per day, nor ten thousand dollars (\$10,000) per policy year, regardless of the number of items affected, unless higher limits on indicated on the "Declarations Page".

It is a requirement of this Form that the Insured shall use due diligence and dispatch to repair or replace such part of the insured equipment as has been destroyed or damaged.

There shall be no claim hereunder if there be surplus or reserve equipment which may be owned, controlled, or used by the Insured that can be used for continuing or resuming the Insured's operations, nor for rental of equipment other than the type and purpose equivalent to the replaced equipment.

**13. SPECIAL CONDITIONS**

(a) **Other Insurance**

If at the time of loss or damage there is available to the Insured any other insurance which would apply in the absence of this policy, the insurance under this Form shall apply only as excess insurance over such other insurance.

(b) **Reinstatement**

Loss under any item of this Form shall not reduce the applicable amount of insurance.

(c) **Locked Vehicle Warranty**

With respect to small portable equipment, it is warranted by the Insured that any vehicle in which the insured property is carried is equipped with a fully enclosed metal body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment, the doors of which are securely locked and the windows closed.

This clause shall not apply to property which is under the control of a common carrier.

**14. DEFINITIONS**

(a) **"Declarations Page"** means the Declarations Page applicable to this Form.

(b) **"Replacement cost"** means the cost of replacing or repairing, (whichever is the least) the equipment with new equipment of like kind and quality without deduction for depreciation.

(c) **"Schedule of Insured Property"** means either the schedule attached to this policy or the schedule supplied by the Insured as of the date on the "Declarations Page".

**EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, PROVISIONS AND CONDITIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT.**

SAMPLE