

Tool Floater**1. INDEMNITY AGREEMENT**

In the event that any of the property insured be lost or damaged by the perils insured against, 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 in the "Declarations Page" in respect of the property lost 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 amount or amounts of insurance specified in the "Declarations Page".

2. PROPERTY INSURED AND LIMITS OF LIABILITY

This Form insures:

- (a) Tools and Equipment as described in the Declarations and for which an amount of insurance is specified for each item;
- (b) Unscheduled Tools up to a maximum amount of insurance as stated in the Declarations and the amount of insurance per tool not to exceed two thousand five hundred dollars (\$2,500).

3. DEDUCTIBLE

Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim the Deductible Amount specified in the Declarations shall be deducted.

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

4. CO-INSURANCE

The Insurer shall be liable in the event of loss for no greater proportion thereof than the amount insured bears to the actual cash value of the property insured hereunder at the time when such loss or damage shall happen. If this Form insures two or more items, this condition shall apply to each item separately.

5. TERRITORIAL LIMITS

This Form insures only within the territorial limits of Canada.

6. INSURED PERILS

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

7. PROPERTY EXCLUDED

This Form does not insure:

- (a) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (b) electrical appliances, devices or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- (c) loss or damage to insured property while waterborne, unless caused by the stranding, sinking, burning or collision of any regular ferry including general average and salvage charges;
- (d) property at locations which to the knowledge of the insured are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (e) property on loan or on rental or sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the custody of the Insured, but this exclusion shall not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured.

8. PERILS EXCLUDED

This Form does not insure against:

- (a) centrifugal force, mechanical breakdown or derangement, obsolescence, gradual deterioration, wear and tear, latent defect, inherent vice, or the cost of making good faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form resultant damage to the property is insured;
- (b) mysterious disappearance, unaccountable loss, or loss or shortage disclosed on taking inventory;
- (c) loss or damage 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, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- (d) dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure of light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing;
- (e) loss or damage resulting from misappropriation, secretion, conversion, infidelity or any dishonest or criminal act on the part of the Insured or other party of interest, employees or agents of the Insured, or any person to whom the insured property may be entrusted (bailees for hire excepted);
- (f) electrical devices, appliances or wiring caused by natural or artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- (g) loss or damage caused by or resulting from theft or attempted theft of the property insured, when left unattended, unless the loss be a direct result of violent forcible entry, of which there shall be visible evidence, into a locked building, room or locker;
- (h) loss or damage resulting from loss of use.
- (i) by civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) (1) 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;
- (2) by contamination by radioactive material;
- (k) proximately or remotely, arising in consequence of or contributed to by 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.
- (l) (1) 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:
 - (i) 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;
 - (ii) to loss or damage caused directly by a peril not otherwise excluded under this form;

- (2) 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"

9. 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

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.

(d) Notice to Authorities

Where the loss is due to malicious acts, burglary, robbery, theft or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice to the police or other authorities having jurisdiction.

(e) No Benefit to Bailee

It is warranted by the Insured that this insurance shall in no wise enure directly or indirectly to the benefit of any carrier or other bailee.

(f) Pair and Set

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

(g) Parts

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

(h) Sue And Labour

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

(i) Basis Of Settlement

The Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or 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 of like kind and quality.

(j) Subrogation

The Insurer, upon making any payment or assuming liability therefor under this Policy, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this Policy. Where the net amount recovered, after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively. Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

(k) Termination Of Insurance

(1) This contract may be terminated,

(a) by the Insurer giving to the Insured written notice of termination at least:

(i) five days before the effective date of termination if personally delivered;

(ii) fifteen days before the effective date of termination if the contract is terminated by registered mail for non-payment of premium; or

(iii) thirty days before the effective date of termination if the contract is terminated by registered mail for any other reason.

(b) by the Insured at any time on request.

(2) If the contract is terminated by the Insurer,

(a) the Insurer must refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

(b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

(c) the written notice will be mailed or delivered to the Insured's last known mailing address.

(3) If the contract is terminated by the Insured, the Insurer must refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

(4) The fifteen and thirty days referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

(l) Contribution

If on the happening of any loss or damage to property in consequence of which a claim is or may be made under this policy there is in force more than one contract covering the same interest, the liability of the Insurer hereunder shall be limited to its rateable proportion of such claim.

(m) Breach of Conditions

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the project over which the Insured has no control.

(n) Property of Others

At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or owner of the property.

10. DEFINITIONS

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

- (b) **“Tools and Equipment”** means tools and equipment usual to the business of the Insured, all the property of the Insured, or similar property of others for which the Insured is responsible;
- (c) **“Unscheduled Tools”** means tools and equipment, all the property of the Insured, or similar property of others for which the Insured is responsible.
- (d) **“Clean up”** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “pollutants,” including testing which is integral to the aforementioned processes.
- (e) **“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.

SAMPLE