

**Form #TF801** (Rev. December 14, 2012)  
**Tool Floater**

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

**PROPERTY INSURED AND LIMITS OF LIABILITY**

1. 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 any one tool or set not to exceed one thousand dollars (\$1,000).

**DEDUCTIBLE**

2. 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.

**CO-INSURANCE**

3. 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.

**PERILS INSURED**

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

**PROPERTY EXCLUDED**

5. 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.

**PERILS EXCLUDED**

6. 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.

**SPECIAL CONDITIONS**

7.
  - (a) **Locked Vehicle Warranty**  
It is warranted by the insured that any vehicle in which the property insured 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 and windows of which shall have been securely locked.  
This clause shall not apply to property which is in the custody of a common carrier.
  - (b) **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 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.
  - (c) **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.
  - (d) **Other Insurance**  
Where there is any other valid and collectible insurance providing indemnity for loss for which this Form provides indemnity, the Insurer shall be liable only for its rateable proportion of the loss.
  - (e) **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.
  - (f) **Territorial Limits**

This Form insures only within the territorial limits of Canada.

#### DEFINITIONS

8. Whenever used in this Form:
- (a) **"Declarations"** means the Declaration 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) **"Unschedule Tools"** means tools and equipment, all the property of the Insured, or similar property of others for which the Insured is responsible.

#### BASIS OF VALUATION

9. 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

10. If "Replacement Cost" is indicated on the "Declarations", 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.

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