

**Form #CE001** (Rev. January 3, 2013)  
**Contractors' Equipment**

**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. 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.

**3. 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) subject to the deductible shown for that particular type of equipment on the "Declaration Page", with respect to any one loss or series of losses arising out of the same event.

**4. 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.

**5. 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.

**6. 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.

**7. TERRITORIAL LIMITS**

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

**8. INSURED PERILS**

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

**9. 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;
- (k) property while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of the property insured. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion;

- (l) money, notes, securities, accounts, bills, evidence of debt or valuable papers;
- (m) plans, blueprints, designs, or specifications.

**10. 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, rust or corrosion, latent defect, gradual depreciation or deterioration or any quality in property that causes it to damage or destroy itself, inherent vice, faulty or improper material, design, or workmanship, 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, or changes in or extremes of temperature, freezing or heating;
- (g) gnawing, nesting or infestation, or discharge or release of waste products or secretions, by animals, including but not limited to, insects, birds, and rodents. If the gnawing, nesting or infestation, or discharges or release of water product or secretions results in an insured peril, this form will cover the resultant loss or damage.
- (h) shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, contamination, marring, scratching or crushing;
- (i) mysterious disappearance or shortage of equipment disclosed on taking inventory;
- (j) from any dishonest or criminal act, theft or attempted theft committed 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 or when the Insured or any other party or interest, employees or agents of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act, 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;
- (k) directly or indirectly by breaking through ice, or by subsidence into muskeg, swamp, sand, or other surface.
- (l) by civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (m) (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;
- (n) 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.
- (o) (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"

**11. 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.

**12. 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.

- 13. 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".

The rental reimbursement coverage only applies to equipment which is similar is type, capacity, and purpose to that for which it is a replacement.

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.

**14. 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 (7) days only, or for the unexpired term of the Policy if less than seven (7) 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.

**15. DEBRIS REMOVAL**

The following extension of coverage shall not increase the applicable amounts of insurance within this policy.

- (a) **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 which is not otherwise excluded under this policy.

The total amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss, subject to a maximum limit of \$50,000, to property insured plus the amount of the applicable deductible.

- (b) **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 form but which has been blown by windstorm upon a location specified on the "Declaration Page".

Extensions of coverage (a) and (b) do not apply to cost or expenses:

- (i) direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants" from land or water.
- (ii) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluation or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

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

**16. 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.

- (d) **Notice to Authorities**

Where the loss is due to malicious acts, burglary, robbery, theft or attempt thereat, 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**

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.

(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.

**17. 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 contractor's equipment with new equipment of like kind and quality and for like type, capacity and purpose 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".
- (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.