



June 1, 2010

TO: ALBERTA BROKERS

RE: FARM MANUAL AND FARM INSURANCE POLICY

We have made a change to page FG-8 in our farm manual with respect to Sewer Back-Up coverage (End #10). The additional flat premium for this coverage has been increased from \$20.00 to \$25.00. Please find a reprint of this page for your manual.

Under our Farm Insurance Policy, we are amending the wording for the Fire Fighting Expense Limitation (applicable to E – Legal Liability). The wording in the Farm Insurance Policy on page 5 is deleted and replaced by FAP 94 (05/10). A copy of the endorsement is attached. The new wording will be attached to all applicable farm policy declaration pages. This change will be incorporated into our policy booklet on the next revision.

Both of these changes are effective immediately on new business and August 1, 2010 on renewals.

Yours truly,

**Crista Wiebe, CIP
Underwriting Supervisor**

Encl.

This does not apply in the case of loss or damage to private structures or outbuildings insured under Coverage B which are used in whole or in part for residential purposes or designed or intended for residential use, whether occupied, unoccupied or vacant.

This endorsement is automatically included, at NO ADDITIONAL CHARGE, on all Homeowners Riders which have the Guaranteed Replacement Cost Endorsement. It is NOT available without the Guaranteed Replacement Cost Endorsement.

B. FIRE DEPARTMENT CHARGES – End. #23

\$1,000 Coverage is automatically included for liability for fire department charges. This coverage may be increased for an additional premium.

To increase beyond \$1,000 limit - Rate \$1.00 per \$100 of insurance.

C. GLASS DEDUCTIBLE BUY-DOWN (End. #17)

The deductible amount for glass breakage may be reduced to **\$100** for an additional premium of \$20.

D. GUARANTEED REPLACEMENT COST (G.R.C.) - End. #15 – (HOMEOWNERS)

Applies to:

1. Farmowners policies,
2. One and two family rented dwellings not over 25 years old,

These risks are eligible for GRC, if the amount of insurance is selected according to the Replacement Cost calculations, as determined by a Home Evaluator Estimator. Please note that the endorsement warrants notice must be given within 90 days after commencement of any addition, extension, or improvement to the dwelling building which increases its replacement value by \$10,000 or more.

With Guaranteed Replacement Cost, we agree to pay the actual costs reasonably incurred to rebuild, repair, or replace the building on the same site, with materials of similar quality and no deduction for depreciation, even if the cost exceeds the amount of insurance.

Bylaws coverage is included.

NOTE:

1. **FARMOWNERS - HOMES BUILT PRIOR TO 1950 MUST BE REFERRED TO THE COMPANY FOR APPROVAL OF THE GRC. PHOTOGRAPH REQUIRED.**
2. **FARMOWNERS - DUPLEXES ARE ELIGIBLE FOR THE GRC.**
3. **LOG OR PANABODE CONSTRUCTION - INELIGIBLE.**
4. **MOBILE FARMOWNERS – INELIGIBLE**

E. RESIDENCE GLASS

1. Unscheduled (End. #25) - \$500 limit per glass unit.
- \$ 200 Deductible - \$7
2. Scheduled (Rider RGF) - Installed cost, description and location of each unit must be shown.

Rate: 2% per \$100 of installed cost.

F. SEWER BACK-UP (End. #10) – NOT AVAILABLE MID-TERM

This coverage may be added to homeowners, seasonal homeowners, tenants, condominiums or rented dwellings for an additional premium of \$25.00.

G. SPECIAL LIMITS ENHANCEMENT – End. #28

This endorsement can be added to all Homeowner, Mobile Homeowner, Tenant and Condominium forms for a flat premium of \$20.

With this endorsement, certain Limits of Insurance contained in this policy are increased, as follows:

1. Under the “Special Limits of Insurance”, the limit for:
 - a) books, tools, instruments, office furniture and office equipment pertaining to a business, profession, trade or occupation including farming, but only while on your premises in a fully enclosed building is increased to \$7,500. in all.
 - b) computer hardware pertaining to a business, trade, profession or occupation , but only while on your premises in a fully enclosed building is increased to \$10,000. in all.
 - c) computer software is increased to \$10,000. in all.
 - d) securities is increased to \$10,000. in all.
 - e) watercraft, their furnishings, equipment, accessories, motors and boat trailers not required to be licensed, is increased to \$5,000. in all.
 - f) animals, birds and fish kept as household pets is increased to \$2,500. in all.
 - g) cemetery property anywhere in Canada up to \$10,000. in all.
 - h) student property is increased up to \$20,000. for each such student.
 - i) nursing or special care home extension is increased to \$15,000. in all.
 - j) jewelry, watches, gems, is increased to \$15,000. in all.
 - k) fur garments and garments trimmed with fur is increased to \$15,000. in all.
 - l) numismatic property such as coin collections) is increased to \$1,000. in all.
 - m) stamps and philatelic property (such as stamp collections) is increased to \$5,000. in all.
 - n) bicycle, tricycle or unicycle, including their equipment and accessories, is removed.
2. Under Section I, Additional Coverages:
 - a) The limit for any one tree, shrub, plant or lawn on your premises as stated in the Additional Coverage for “Outdoor Trees, Shrubs and Plants” is increased to \$1,500. including debris removal expense.
 - b) The limit for “Conviction Reward” is increased to \$2,500.
 - c) The limit for “Fire Department Charges” is increased to \$5,000.
 - d) The limit for “Lock Replacement” is increased to \$2,000.

This endorsement changes only amounts of insurance. All other limitations, conditions and exclusions stated in the policy remain unchanged.

3. Under Section II, Liability Coverage

Coverage F, Voluntary Medical Payments - limit is increased to \$7,500.

Coverage G, Voluntary Property Damage Payments - limit is increased to \$7,500.

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER
SECTION II – LIABILITY COVERAGE OF THE FARM INSURANCE POLICY**

FIRE FIGHTING EXPENSE LIMITATION (Applicable to Coverage E – Legal Liability) is deleted and replaced by the following wording:

The limit shown on the Coverage Summary page for “Fire Fighting Expense Limitation” is the most we will pay during each twelve month term of this policy for third party expenses that “you” become legally obligated to pay, as imposed under any forest and/or prairie fire prevention act or equivalent legislation of any Province or Territory of Canada, for the costs or expenses for or associated with fighting, suppressing, controlling or extinguishing a fire that commences during the policy period..

This limit applies regardless of the number of:

1. persons insured;
2. claims made or actions brought; or
3. persons or organizations making claims or bringing actions.

This insurance does not apply to:

1. any fire fighting expenses of the “Insured”, its employees or agents;
2. any fines and penalties imposed upon the Insured;
3. any fire fighting expenses of contractors or subcontractors engaged by “you” at the time the fire occurs;
4. any fire fighting expense if it is found that in the circumstances giving rise to the costs, “you” had deliberately and knowingly contravened any of the sections or subsections in any forest and/or prairie fire prevention act or equivalent legislation of any Province or Territory of Canada in respect of the lighting, controlling or extinguishing of fires.