

A.M. FREDERICKS UNDERWRITING MANAGEMENT LTD.

CONTRACTORS EQUIPMENT PROPOSAL FORM (2005)

1. Name of Applicant: _____
2. Address: _____
3. Number of Years in Business: _____
4. Description of Operations: _____
5. General areas of operation, topography _____

6. A) What percentage of total work performed includes the following?

Work Performed	Percentage (%)
Road Construction	
Strip Mining	
Underground Mining	
Land Clearing or Brush Cutting	
Excavation	
Yard Work	
Other	

B) Is any of the equipment licensed? If yes, please list.

- 1) _____ 2) _____
3) _____ 4) _____

7. Is there any contemplated waterborne exposure? Yes ___ No ___

If yes, please give full details: _____

8. Is equipment operated in areas subject to Muskeg of Ice? Yes ___ No ___

If yes, please give full details _____

9. Advise (a) Months or periods when equipment is not normally operating _____

(b) Location to which equipment is returned when not in use

(c) Is equipment housed?

If so, estimate maximum value any one time. \$ _____

(d) Is equipment in open?

If so, estimate maximum value any one time. \$ _____

(e) If equipment is in open, is area fully enclosed by fence? Yes ___ No ___

10. Has this form of insurance, or any other similar insurance ever been cancelled or declined by any Company or Lloyd's? Yes ___ No ___

If yes, state:

(a) By Whom _____

(b) Why _____

11. Has the applicant sustained any losses during the past five years which would have been covered under this form of insurance if the applicant had carried such a policy?

Yes ___ No ___

12. If yes, state when such losses occurred. _____

13. Was insurance carried? _____

14. If so, state agency insuring same. _____

15. State fully circumstances and amount of loss or losses and what steps have been to taken

16. Who has previously insured the applicant's equipment?

17. Condition of equipment Excellent ___ Good ___ Fair ___ Poor ___

18. Is each item of heavy equipment equipped with at least one ABC rated fire extinguisher of the following size and type?

(a) 20 lb dry powder fire extinguisher? Yes ___ No ___

(b) 9 lb Halon fire extinguisher? Yes ___ No ___

19. Will any equipment be hired out? Yes ___ No ___

(a) If yes, is the equipment operated solely by employees of the applicant? _____

(b) Does the applicant obtain Proof of Insurance from Lessee? Yes ___ No ___

20. How often is equipment serviced and by whom? _____

21. Is there any other material fact, within your knowledge, regarding this proposal of insurance, which should be submitted to the Insurers for consideration? _____

22. A

Model/Year & Trade Name	Type of Unit	Model No. Serial No.	Date of Purchase	Original Cost New	Actual Cash Value

22. B Names and experience of all operators:

Name of operator	Date of Birth (if known)	Years experience on type of equipment operated

23. Is the equipment listed in number 22.A above, the only equipment owned and operated by the applicant? _____

If not please give full details of all such other items of equipment and explain why coverage is not required on those items. _____

24. Deductible desired: _____

25. Does any of the equipment listed above carry a mortgage of more than 75% of its current actual cash value. Yes ____ No ____.

If yes, list the mortgage amount for any item where the mortgage exceeds 75% of the current actual cash value?

- 1) _____
- 2) _____

26. Please advise expiry date of your logging contract and provide us with a copy for our records.

LIABILITY SURVEY OF HAZARDS – To be completed if a CGL quote is required.

- (1) Business:
- (1) Describe all operations in detail _____

 - (2) Attach brochure(s) if any. _____
 - (3) Any U.S. exposure? If so, describe _____

 - (4) Any other foreign country exposure? If so, describe _____

- (2) Location of Premises: Fully describe operations at each location
- | | |
|-----------|-----------|
| (a) _____ | (a) _____ |
| (b) _____ | (b) _____ |
| (c) _____ | (c) _____ |

(3) Are any of the above premises leased or rented in their entirety to others who control and operate the premises? _____

(4) (a) Detail fully area(s) in which operations are conducted: _____

- (b) Any U.S. Exposure _____ if yes, extent _____
- (c) Any U.S. Installation, _____ if yes, extent _____

(5) Products manufactured, handled, sold and distributed - indicate type and gross sales and complete the attached Products Liability Insurance Questionnaire.

<u>Type of Product</u>	<u>Gross Annual Sales</u>		
	<u>Canada</u>	<u>U.S.</u>	<u>Other</u>
(a) _____	\$ _____	\$ _____	\$ _____
(b) _____	\$ _____	\$ _____	\$ _____
(c) _____	\$ _____	\$ _____	\$ _____

(6) Detail fully and breakdown type(s) of operations and work performed by Insured:

<u>Operation</u> (Including split by country)	<u>Payroll</u>	<u>Gross Annual Receipt</u>
(a) _____	\$ _____	\$ _____
(b) _____	\$ _____	\$ _____
(c) _____	\$ _____	\$ _____

(7) Contractual: List all lease agreements, railway siding agreements etc.
(Obtain copies of agreements where possible)

- (a) _____
- (b) _____
- (c) _____

(8) Contractors Protective: A) Cost of work Sub-Let: \$ _____
B) Type of Work? _____

(9) Are sub-contractors required to carry liability insurance? Yes No
If yes, specify required limits _____

(10) Do you ask sub-contractors to submit liability certificates? Yes No

(11) Do you enter into formal contractual agreements with your sub-contractors? Yes No
If so do you include a "Hold Harmless" clause in your favour? Yes No
Submit copy of usual contract form.

- (12) Are all employees covered by Workmen's Compensation? Yes No
 If No,
 (1) give number and types of employees not covered by Workers Compensation _____
 (2) Actual payroll of these employees \$ _____
- (12B) Is Employers' Liability required? Yes No
 If yes, advise number and occupation of employee: _____
- (12C) Is Voluntary Compensation required? Yes No
- (13) Tenants Legal Liability
 (a) Location of premises: _____
 (b) Amount to be insured: \$ _____
 (c) Is there a lease agreement? Yes No
 If yes, provide copy. _____
- (14) Is there any use of radioactive materials? Yes No
- (16) Do you operate a hospital or employ a physician, surgeon, dentist or healthcare worker? Yes No
 If yes, specify number of employees by their profession: _____
- (17) Do you operate any aircraft or watercraft? Yes No
- (18) Do you charter, rent or lease any aircraft or watercraft? Yes
 No
- (19) Do you engage in any of the following operations?
 (a) Demolition or wrecking Yes No
 (b) Shoring Yes No
 (c) Underpinning Yes No
 (d) Caisson Work Yes No
 (e) Excavation Yes No
 (f) Use of Explosives Yes No
 (g) Raising or moving of buildings and structures Yes No
 (h) Tunneling Yes No
 (i) Welding Yes No

(20) Details of operations involving the use of welding equipment, blowtorches, or other similar equipment away from premises _____

- (21) Does Forest Fires Prevention Act apply? Yes No
 (21A) Do you have special agreements with Dept. of Lands and Forests? Yes No

(22)

STATE LIMITS OF LIABILITY REQUIRED

\$ _____ Inclusive Limit
Each Occurrence & Aggregate Products/Completed Operations

Included in our CGL are the following coverages:

- Non-Owned Automobile-Excluding Long Term Leased Vehicles
- Products & Completed Operations
- Employees as Additional Insureds
- Contingent Employer's Liability
- Broad Form Property Damage
- Blanket Contractual Liability-Non-Reported
- Personal Injury
- Medical Payments Limits- 2,500 each person/25,000 aggregate any one occurrence
- Owners /Contractors Protective
- Occurrence Property Damage
- Separation of Insureds/Cross Liability
- Bodily Injury & Property Damage to Protected Persons & Property
- Broad Form Automobile
- Attached Machinery
- Tenants Legal Liability-Broad Form-\$100,000 Limit
- Pollution Exclusion-Hostile Fire Exception
- Incidental Medical Malpractice

N.B. It is the right of the Insurer to modify or delete any of the above by endorsement.

CHECK (✓) ADDITIONAL COVERAGE REQUIRED

_____ Broad Form Vendors	
_____ Employee Benefits E&O	Limit:\$ _____
_____ SEF/OEF/QEF #94 - PP & LC only	Limit:\$ _____
_____ Employers Liability	Limit:\$ _____
_____ Voluntary Compensation	
_____ Forest Fire Fighting Expense	Limit: \$ _____
_____ Other (specify) _____	
Previous Insurer: _____	Expiring Premium \$ _____
Policy No. _____	Expiry Date: _____
Will they renew? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If no, give reason for non-renewal _____	

Provide claims experience or details of events that may give rise to a claim for last five (5) years: (give details on any claims including expenses, exceeding \$500.)

Date	BI or PD	Description	Amount Paid	Expenses Paid	Amount O/S
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

When was above loss information updated with the Insurer(s)?

***COVERAGE SUBJECT TO THE FOLLOWING ENDORSEMENTS AND WARRANTIES:
(additional conditions may also be applied upon underwriting review)

**ATTACHED TO AND FORMING PART OF POLICY NO.
TAW TRASH & SAFEGUARD WARRANTY (1986)**

In consideration of the premium charged it is hereby understood and agreed by the Assured that the following warranties apply in respect of the peril of fire and that this insurance is null and void if any of the warranties contained herein are violated.

It is warranted by the Insured that:-

1. Each piece of equipment insured hereunder shall have located on it at all times at least one fire extinguisher with a minimum rating of either:-
 - (a) 20 lb Dry Powder ABC rating;
 - or
 - (b) 9 lb Halon ABC rating;
 and furthermore that all such fire extinguishers shall be maintained in good working order in accordance with the manufacturers instructions and recharged when necessary;
2. The insured equipment will not be used to push burning piles of material such as brush, logs or trash;
3. The insured equipment will not be used on top of burning piles of material such as brush, logs or trash;
4. The engine compartment, brake, fuel and oil tank compartments of all insured equipment be cleaned at least once a month;
5. At frequent intervals during the working day and at the end of the working day the engine compartments and the area between the engine compartments and protective belly pans of all insured equipment be cleaned, removing trash, fuel and lubricant accumulation;

6. **At the end of each working day all the insured equipment if left on site will be at least 50 feet away from other equipment;**
7. **An operator will remain with the insured equipment for at least 30 to 45 minutes until it cools after use.**

ATTACHED TO AND FORMING PART OF POLICY NO.

TAW ICE AND MUSKEG EXCLUSION CLAUSE

It is hereby understood and agreed that this Policy of insurance excludes all loss of or damage to the insured property arising and/or resulting from the said property:

A. Passing over or breaking through ice.

B. Passing over or sinking into muskeg and/or soft soil.

The Policy may be deemed to be void and claims may be deemed not covered where:

1. **An applicant for a contract:**
 - a) **gives false or erroneous information to the prejudice of the Insurer, or**
 - b) **knowingly misrepresents or fails to disclose in the Application any fact required to be stated therein: or**
2. **The Insured contravenes a term of the Contract or commits a fraud; or**
3. **The Insured willfully makes a false statement in respect of a claim under the Contract.**

Policy Language Request: (applicable to Quebec applicants only):

In connection with this application for insurance coverage, we hereby request and consent that all insurance policy documents be prepared and executed in the English language.

Language de la police d'assurance (pour les résidents du Québec seulement):

Considérant la demande de protection d'assurance, par la présente nous demandons et consentons que tous les documents d'assurance soient préparés et rédigés en anglais.

Our Privacy Policy and Commitment to Protecting Your Privacy

A.M. Fredericks Underwriting Management Ltd. values you as a customer and we thank you for your confidence in choosing our company to place your insurance with one of our approved insurance companies. As a policyholder, you trust us with your personal information. We respect that trust and want you to be aware of our commitment to protect the information you share with us in the course of doing business with us.

How We Use and Disclose Your Information

When you purchase insurance from us, you share personal information so that we may provide you with the products and services that best meet your needs and provide the insurance protection you have requested. In order to do this, we may use and disclose your personal information to:

- Communicate with you.
- Assess your application for insurance including underwriting and pricing your policies.
- Evaluate claims.
- Detect and prevent fraud.
- Analyze business results.

- Act as required or authorized by law.

We assume your consent for our company to use this information in an appropriate manner.

All personal information is safeguarded with appropriate security measures.

What We Will NOT Do With Your Information

We do not sell customer information to anyone. Nor do we share customer information with organizations outside of our associated companies.

We Strive to Protect Your Personal Information

All employees, agents, independent brokers and suppliers who are granted access to customer records understand the need to keep this information protected and confidential. They know they are to use the information only for the purposes intended. This expectation is clearly communicated and reinforced.

We have also established physical and systems safeguards, along with the proper processes, to protect customer information from unauthorized access or use.

Your Privacy Choices

You may withdraw your implied consent at any time (subject to legal or contractual obligation and on providing us reasonable notice) by contacting our Privacy Officer. Please be aware that withdrawing your consent may prevent us from providing you with the requested product or service.

If You Need More Information

For more information about our privacy policies and procedures, please contact our Privacy Officer, Anthony Fredericks at:

A.M. Fredericks Underwriting Management Ltd.
 201-339 Westney Rd. S.
 Ajax, Ontario
 L1S 7J6
 Tel: 905-428-1269 Ext 109
 Fax: 905-428-3977

Our Insurers privacy contacts are as follows:

Privacy Officer Temple Insurance Company Munich Re Centre 390 Bay Street, 22 nd Floor Toronto, Ontario M5H 2Y2 Tel No: 416-366-9206 or 1-800-444-5321 Fax No.: 416-361-1163	Director of Compliance Echelon General Insurance Company 1550 Enterprise Road, Suite 310 Mississauga, Ontario L4W 4P4 Tel No: 905-564-9215 Ext. 7912 <i>Fax No: 905-565-7992</i>
Corporate Compliance Officer Kingsway General Insurance Company 5310 Explorer Drive, Suite 200 Mississauga, Ontario L4W 5H8 Tel No: 905-629-7888 Ext. 8843 Fax No: 905-629-5008	Privacy Officer The Economical Insurance Group 20 York Mills Road, Suite 500 North York, Ontario M2P 2C2 Tel No: 1-800-265-9996 Ext. 8582 Fax No: 416-733-2873
Privacy Officer AXA Insurance (Canada) 5700 Yonge Street, Ste 1400 North York, Ontario M2M 4K2 Tel No: 1-800-268-0008 Fax No: 416-218-5715	

Applicant acknowledges receipt of and agrees to the Privacy Disclosure and Consent provisions contained in this form.

I CERTIFY THAT ALL STATEMENTS MADE IN THIS APPLICATION ARE COMPLETE AND ACCURATE AND APPLY FOR A CONTRACT OF INSURANCE BASED UPON THE TRUTH OF THE STATEMENTS.

Signature of Applicant or Authorized Representative

Print Name and Title

Date

QUESTIONS TO BE ANSWERED BY BROKER

1. Do you know the Applicant personally?

If so, for how long? _____

3. Source of this Submission

New to your office	Yes _____	No _____
Remarketing existing account	Yes _____	No _____
Sub-Brokered	Yes _____	No _____

If no, from whom and why? _____

3. Do you handle other Insurance for Applicant? _____

4. Do you recommend this risk in every respect? _____

5. Is this risk a renewal to your Office? Yes _____ No _____

If so, how long have you placed insurance on this risk? _____

DATE: _____

BROKER'S SIGNATURE: _____