

GENERAL INFORMATION

YOU MUST TELL YOUR BROKER/AGENT IF ANY OF THE FOLLOWING OCCUR AFTER YOUR POLICY IS ISSUED:

1. CHANGE IN NAMED INSURED, ADDRESS OR MORTGAGEE.
2. CHANGE IN OCCUPANCY, E.G., RENTING ALL OR PART OF THE DWELLING TO OTHERS INCLUDING ROOMERS OR BOARDERS; CONDUCTING BUSINESS ACTIVITIES ON YOUR PREMISES; IF THE DWELLING IS TO BE VACANT OR UNOCCUPIED FOR OVER 30 DAYS.
3. INSTALLATION OF A WOOD BURNING APPLIANCE.
4. IMPROVEMENTS OR ADDITIONS TO YOUR DWELLING COSTING MORE THAN \$10,000.
5. CHANGE IN COVERAGE OR LIMITS OF INSURANCE THAT REQUIRE ADDITIONS, DELETIONS OR CANCELLATION TO EXISTING INSURANCE, FOR EXAMPLE, PURCHASE OF NEW ITEMS ABOVE THE SPECIAL LIMITS OF INSURANCE, OR DELETION OF A SCHEDULED ITEM.

YOUR BROKER/AGENT WILL BE PLEASED TO ANSWER ANY QUESTIONS YOU MAY HAVE.

WHAT TO DO IF LOSS OR DAMAGE OCCURS:

1. CALL POLICE OR FIRE DEPARTMENT IMMEDIATELY, IF APPROPRIATE.
2. PROTECT YOUR PROPERTY FROM FURTHER DAMAGE WHERE PRACTICAL, BUT DO NOT ENDANGER LIVES.
3. IF YOUR HOME IS BURGLARIZED, DO NOT DISTURB ANYTHING UNTIL POLICE ARRIVE. THEY MAY BE ABLE TO GET CLUES AND FINGERPRINTS.
4. NOTIFY YOUR AGENT OR BROKER AS SOON AS POSSIBLE.

As a Sandbox Mutual Insurance policyholder, you have the right to attend meetings of the policyholders of the Company, and to vote in person or by proxy, at these meetings. If you wish to appoint someone to attend and vote at meetings on your behalf, you may request a Proxy Form by writing to: Sandbox Mutual Insurance Company, 250 Willis Cres., Saskatoon, Sask. S7T 0V2.

If you wish to receive a notice of all policyholders' meetings during the next three years, please complete and return the "Request for Notice of Meetings" form below.

REQUEST FOR NOTICE OF MEETINGS

The undersigned, a policyholder of Sandbox Mutual Insurance Company, hereby requests that notice of each meeting of policyholders which may be held within three years from the date shown below, be sent to me at the address shown below.

Dated: _____

Policy Number: _____

Signature: _____

Please Print Name and Address:

TABLE OF CONTENTS

	<u>Page</u>
Section I - Homeowners, Seasonal Homeowners, Tenants and Condominium Unit Owners	6
Property Coverages	
Coverages	
- Coverage A - Dwelling	6
- Coverage B - Detached Private Structures	6
- Coverage C - Personal Property	6
- Coverage D - Additional Living Expenses	7
Additional Coverages	
- Outdoor Trees, Shrubs & Plants	7
- Conviction Reward	8
- Fire Department Charges	8
- Lock Replacement	8
- Automatic New Dwelling Coverage	8
- Inflation Protection	8
- Emergency Removal Expense (Mobile Home)	8
- Emergency Entry Damage	8
- Evacuation	8
- Temperature Change (Personal Property)	8
- Damage to Tenant Occupied Dwelling	8
- Home Freezer and Food Spoilage	8
- Tear Out	8
- Glass Breakage	8
- Tenant's and Condominium Unit Owner's Improvements and Betterments	8
- Condominium Unit Owner's Loss Assessment Coverage	8
- Condominium Unit Owner's Contingent Coverage	9
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money	9
Basis of Claim Payment	9
Homeowners, Seasonals, Tenants, Condominiums Named Perils	9
Homeowners, Seasonals, Tenants, Condominiums Comprehensive	10
Homeowners Form B	13
Homeowners Form K/Broad Form	13
Section II - Liability Coverage	13
Coverage E - Legal Liability	14
Coverage F - Voluntary Medical Payments	14
Coverage G - Voluntary Payment for Damage to Property	14
End. #14 - Loss Assessment Coverage	17
Jet Propulsion Personal Watercraft Liability	17
Conditions	17
Section III - Secondary, Seasonal and Rental Dwelling	
Property Coverages and Dwellings Under Construction	18
Basis of Claim Payment	18
Fire & Extended Coverage (Riders FEC & SDW)	18
All Risk Building (Rider ARB)	22
All Risk Contents (Rider ARC)	24
Dwelling Under Construction (Rider DCR)	27
Section IV - Optional Floaters	29
Basis of Claim Payment	29
Boat & Motor Floater - BMF	29
Fine Arts Floater - FAF	30
Livestock Floater - LSF	30
Miscellaneous Property Floater - MNF	31
Miscellaneous Property Floater - MRF	32
Outbuilding Floater - OBF	32
Personal Articles Floater - PAF	32
Personal Computer Floater - PCF	33
Residence Glass Floater - RGF	34
Sports Equipment Floater - SEF	34
Tool Floater - TLF	34
Travel Trailer Floater - TTF	35

Section V - Endorsements	35
Declaration of Emergency – Extension of Termination or Expiry Date	35
End. #1 – Vacancy Permit	36
End. #5 – Rental Value	36
End. #7 – Vandalism	36
End. #9 – Limited Sewer Back-Up Coverage	36
End. #10 – Sewer Back-up Coverage	36
End. #11 – Comprehensive Water Coverage	37
End. #12 – Condominium Unit Owners Contingent Protection Endorsement	38
End. #13 – Loss Assessment Cover – Section I	38
End. #14 – Loss Assessment Coverage – Condominium Unit Owners	38
End. #15 – Guaranteed Replacement Cost (Building)	39
End. #16 – Improvements and Betterments	39
End. #17 – Reduced Glass Deductible	39
End. #18 – Burglary and Robbery Extension	39
End. #19 – Extended Cover Deleted	39
End. #21 – Optional Loss Settlement Clause Included	39
End. #24 – Seasonal Homeowners Coverage	39
End. #25 – Residence Glass – Unscheduled	40
End. #26 – Roof Damage Limitation	40
End. #27 – Combined Single Limit	40
End. #28 – Special Limits Enhancement	40
End. #29 – By-Laws Coverage	40
End. #30 – Central Burglary Alarm Warranty	40
End. #31 – Co-Insurance Clause	40
End. #32 – Chip and Fracture Exclusion (Jewellery)	41
End. #33 – Day Care Coverage – Section II Extension	41
End. #34 – Deferred Loss Settlement Clause	41
End. #35 – Dent Clause	41
End. #36 – Limited Theft Cover	41
End. #37 – Limited Theft Cover & Mysterious Disappearance Exclusion	41
End. #38 – Wreckage Value Clause	41
End. #39 – Home Business Extension Endorsement - Property	41
End. #40 – Home Business Extension Endorsement - Liability	42
End. #41 – Actual Cash Value Settlement (Rider ARB)	44
End. #42 – Replacement Cost Plus	44
End. #43 – Deductible Assessment Coverage - Condominiums	45
End. #44 – Additional Named Insured - Day Care Liability	45
End. #46 – Locked Vehicle Warranty	45
End. #47 – Wood Stove Limitation	45
End. #48 – Wood Stove Warranty	45
End. #49 – Identity Theft Expense Endorsement	45
End. #50 – Limited Coverage	46
Section VI – Conditions	46
Policy Conditions	46
Statutory Conditions	46
Additional Conditions	47

PERSONAL INSURANCE POLICY

Your complete policy is made up of this booklet and the Coverage Summary page(s) provided to you.

This policy consists of six Sections:

SECTION I describes the insurance for your property which applies if the Coverage Summary page specifies any of the following riders:

Homeowners Form A, Homeowners Named Perils Form, Homeowners Form B, Homeowners Form D, Homeowners Comprehensive Form, Homeowners Form K, Homeowners Broad Form, Tenants Form E, Tenants Named Perils Form, Tenants Form F, Tenants Comprehensive Form, Condominium Form E, Condominium Named Perils Form, Condominium Form F, Condominium Comprehensive Form, Rented Condominium Form E, Rented Condominium Named Perils Form, Rented Condominium Form F, Rented Condominium Comprehensive Form, Seasonal Condominium Form E, Seasonal Condominium Named Perils Form, Seasonal Condominium Form F, Seasonal Condominium Comprehensive Form, Seasonal Homeowners Form A, Seasonal Homeowners Named Perils Form, Seasonal Homeowners Form B, Seasonal Homeowners Form D, Seasonal Homeowners Comprehensive Form, Seasonal Homeowners Form K, or Seasonal Homeowners Broad Form.

SECTION II describes the insurance for your legal liability to others because of bodily injury or property damage. This applies only if amounts of insurance and a premium for this section are shown on the Coverage Summary page.

SECTION III describes the insurance for your property that applies if the Coverage Summary page specifies Riders FEC, SDW, ARB, ARC, or DCR.

SECTION IV describes Optional Floaters if specified on the Coverage Summary page.

SECTION V describes Endorsements that may apply to your insurance coverage. These may extend or limit your coverage.

SECTION VI contains the Policy Conditions, Statutory Conditions and Additional Conditions that apply to all sections of this policy.

AGREEMENT

We provide the insurance described in this policy, only if indicated on the Coverage Summary page, in return for payment of the premium and subject to the exclusions, limitations, terms and conditions set out.

DEFINITIONS

As used throughout this policy:

"Named Insured" means the person(s) named as Insured on the Coverage Summary page.

"You" and "your" means the Named Insured and the following unnamed persons living in the same household:

- Spouse of the Named Insured. "Spouse" means husband or wife and includes either of two persons of the same or opposite sex who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 2 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.
- the relatives of any of the above
- anyone in the care of any of the above
- any spouse, mother, father, grandmother, grandfather or child of the person(s) named on the Coverage Summary page, while residing away from your dwelling in an approved nursing or care home and any other relative of the person(s) named on the Coverage Summary page who was living in the household immediately before moving to the nursing or care home.
- unmarried students while attending school and residing away from your dwelling.

All claims will be settled directly with the person(s) named on the Coverage Summary page.

Only the person(s) named on the Coverage Summary page may take legal action against us.

Claims presented for loss or damage by any person(s) as defined above, shall be considered to be made by all named or unnamed insured person(s) jointly. Action(s) of any person either individually or jointly shall be considered action(s) by all for the purpose of investigation and settlement of losses.

"We", "us" and "the Insurer" means Sandbox Mutual Insurance Company.

"Computer System" means any computer, hardware, software, communication system, electronic device (including but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or backup facility.

"Condominium Corporation" means a condominium or strata corporation established under Provincial Legislation.

"Condominium Unit Owner" means an owner of a dwelling unit forming part of property owned by a condominium or strata corporation.

"Data" means information, facts, concepts, code or any other information of any kind that is transmitted or stored by a computer system.

"Data Problem" means:

- 1) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
- 2) error in creating, amending, entering, deleting or using "data"; or
- 3) inability to receive, transmit or use "data".

"Flood" includes but is not limited to waves, tide, tidal wave, tsunami, dam break, seiche, or the rising of, the breaking out or the overflow of any body of water or watercourse, whether natural or man-made.

"Fungi" means, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapor or gas produced by, emitted from or arising out of any Fungi or Spores or resultant mycotoxins, allergens, or pathogens.

"Ground Water" means water in the soil beneath the surface of the ground, including but not limited to water in wells underground streams and percolating water.

"Homeowner" means an owner of the "dwelling."

"Insured Peril" means a cause of loss or damage as described and limited for which you are insured by this policy.

"Residence Employee" means a person employed by you to perform household or domestic duties in connection with the maintenance or use of the premises. This does not include persons while performing duties in connection with your business. "Business" includes farming operations.

"Seiche" means standing wave in an enclosed body of water producing fluctuations in the water level and caused by wind, earthquakes, changes in barometric pressure, etc.

"Spores" means, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any Fungi.

"Surface water" means water on the surface of the ground where water

does not accumulate in ordinary circumstances resulting from the unusual or rapid accumulation or run off of water from any source including torrential rainfall.

"Tenant" means one who rents property from another for dwelling purposes.

"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

"Unit" means the condominium unit, strata lot or exclusive portion described in the Condominium Declaration or Co-ownership Declaration occupied by you as a private residence.

"Unoccupied" means when to your knowledge, a dwelling or unit is not used as a residence or is not being used for the accustomed and ordinary purposes of a dwelling for more than 12 consecutive months.

"Vacant" means the dwelling is not occupied, and regardless of the presence of personal property, including furnishings:

- a) all occupants have moved out with no intention of returning and no new occupant has taken up residence in the dwelling or building;
- b) no occupant has yet taken residence, however a newly acquired dwelling which is to be your principal residence will not be deemed vacant for the first 30 days from the date title is registered to you;
- c) following the death of the insured, the dwelling will not be deemed to be vacant or subject to vacancy restrictions or exclusions for the first 90 consecutive days.

"Water Escape" means accidental discharge or overflow of water or steam from a plumbing, heating, fire sprinkler or air conditioning system, household appliance, aquarium, waterbed, swimming pool or hot tub or their equipment, or watermain.

"Watermain" means a pipe forming part of a water distribution system which conveys consumable water but not waste water.

"Wreckage Value" is the market value of the used materials in the building immediately prior to the loss.

The abbreviation "END." means "Endorsement".

SECTION I - HOMEOWNERS, SEASONAL HOMEOWNERS, TENANTS AND CONDOMINIUM UNIT OWNERS PROPERTY COVERAGES

DEFINITIONS (applicable to Section I)

"Dwelling" means the building or mobile home described on the Coverage Summary page and occupied by you as a private residence, or, if you are a tenant, that portion of the building or mobile home described on the Coverage Summary page which is occupied by you as a private residence.

"Premises" means the Dwelling or Unit and the land on which the Dwelling or Unit is located at the location described in the Coverage Summary page.

COVERAGES

The amounts of insurance are shown under the heading "Limit(s)" on the Coverage Summary page. These amounts include the cost of removing debris of the property insured by this policy as a result of an Insured Peril.

If you must remove insured property from your premises to protect it from loss or damage, it is insured by this policy for 30 days or until your policy term ends - whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property at each location bears to the value of all property at the time of loss.

COVERAGE A - Dwelling (applicable to a homeowner, mobile homeowner or seasonal homeowner only)

We insure:

1. The dwelling and attached structures.
2. Permanently installed outdoor equipment on the premises. This includes fences, but not fences used in connection with business or farming activities.
3. Outdoor swimming pools, outdoor hot tubs and attached equipment on the premises.
4. Materials and supplies located on or adjacent to the premises or while being transported to the premises and which are intended for use in construction, alteration or repair of the dwelling or private structures on the premises, other than private structures to be used in whole or in part for business or farming purposes.
5. Building Fixtures and Fittings pertaining to the dwelling while temporarily removed from the premises for repair or seasonal storage.

Permission is granted to make alterations, additions, and repairs to your dwelling.

COVERAGE B - Detached Private Structures (applicable to a homeowner, mobile homeowner or seasonal homeowner only)

We insure detached private structures on your premises, separated from the dwelling by a clear space but not insured under Coverage A. If they are connected to the dwelling by a fence, utility line or similar connection only, they are considered to be detached structures. We do not insure detached private structures used in whole or in part or designed for business or farming purposes.

We also insure boathouses, boatlifts, docks, piers, wharves and swimming rafts not on your premises but located elsewhere in the same resort area as the dwelling.

You may rent them to someone else, as long as they are not used in whole or in part for any business, residential or farming purpose.

Permission is granted to make alterations, additions, and repairs to your detached private structures.

Property not insured (Coverages A and B)

We do not insure:

1. buildings, units or structures used in whole or in part or designed for business or farming purposes unless such use is declared on the Coverage Summary page;
2. any building or structure that has been condemned by any authority;
3. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
4. wind turbine systems including all related equipment and structures manufactured for a rated power generation exceeding 1kw.

COVERAGE C - Personal Property

1. We insure the contents of your dwelling or unit and other personal property you own, wear or use (including personal property of others) which is usual to the ownership or maintenance of a dwelling, while on your premises.

We do not insure property of roomers or boarders who are not related to you.

2. We insure your personal property you normally keep throughout the year at your premises while it is temporarily away from your premises anywhere in the world. Personal property usually kept throughout the year at any location you own, rent or occupy, other than at the location(s) specified on the Coverage Summary page, is not insured, but personal property in storage is insured as long as it is not in a vacant private dwelling, vacant private garage, or vacant farm detached private structure. Personal Property stored in a commercial building you rent or own is also insured but personal property in a vacant commercial storage building is not insured.

If you wish, you may apply up to **\$10,000** of the amount of insurance on your personal property to property of others while in your possession anywhere in the world.

3. We insure golf carts kept year round at a golf course.

Moving to New Premises If, during the term of this Policy, you remove from your premises personal property insured under Coverage C to another location within Canada which is to be occupied by you as your principal dwelling, we will insure your personal property at the location from which you are moving, while in transit and at the new location, for a period of thirty days from the date you commence moving or until your policy term ends, whichever occurs first.

Property not insured

We do not insure:

1. property illegally imported, acquired, used, kept or transported; property away from your premises for the purpose of exhibition or display, or any time your property is being held for sale by others; books of account and evidences of debt or title and documents or other evidence to establish ownership or the right or claim to a benefit or thing;
2. business property including samples or goods held for sale except as provided under Special Limits of Insurance;
3. property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
4. sporting or hobby equipment where the loss or damage is due to its use;
5. contact lens unless the loss or damage is caused by a "Specified Peril", theft or attempted theft.
6. a) motorized vehicles or their equipment, except for watercraft, motorized lawn mowers and other gardening equipment, snow blowers, golf carts, motorized wheel chairs or scooters having more than two wheels and specifically designed for carrying a person who has a physical disability; electric bicycles with pedals, not more than 500 watts and not exceeding 32 km per hour, electric or battery powered children's toys with a maximum speed of 8 km per hour, and personal transporters;
- b) trailers, (except unlicensed boat trailers) camper units, truck caps or their equipment;
- c) aircraft or their equipment.

Equipment includes audio, visual, recording, or transmitting equipment powered by the electrical system of a motor vehicle or aircraft, but does not include spare automobile parts.

Special Limits of Insurance

We will not pay more than the stated amounts for the following types of property or such other amount as may be specified on the Coverage Summary page. We insure:

1. Books, tools, instruments, office furniture and office equipment pertaining to a business, profession, trade or occupation including farming for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building. Other business property, including samples, supplies and goods held for sale, is not insured.
 2. Computer hardware pertaining to a business, profession, trade or occupation including farming, for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building.
 3. Computer software pertaining to a business, profession, trade or occupation including farming for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building. We do not insure the cost of gathering or assembling or recreating information or data.
 4. Securities up to **\$5,000** in all.
 5. Money or bullion up to **\$500** in all. Money includes gift cards, cash cards and gift certificates.
 6. Watercraft, their furnishings, equipment, accessories, motors, jet propulsion personal watercraft and boat trailers that are not required to be licensed, up to **\$2,500** in all. These are insured only for "Specified Perils" and theft or attempted theft.
 7. Animals, birds and fish up to **\$1,500** in all for the death or destruction made necessary within 30 days of injury caused by fire, lightning or smoke.
 8. Spare automobile parts up to **\$1,000** in all.
 9. Motorized lawn mowers, other motorized gardening equipment or snow blowers, including attachments and accessories, up to **\$10,000** on any one item.
 10. Trading and collectible cards (including, but not limited to, sports cards), comic books and sports memorabilia, up to **\$2,500** in all, but not exceeding **\$200** on any one item.
 11. Cemetery property anywhere in Canada up to **\$5,000** in all.
 12. Belongings of each unmarried student while going to school and residing away from your dwelling up to **\$10,000** in all.
 13. Belongings of an unnamed person as defined under "you" and "your" while residing away from your dwelling in an approved nursing or care home up to **\$10,000** in all.
- The following special limits of insurance do not apply to loss or damage caused by a "Specified Peril". We insure:
14. Jewellery, watches, gems, up to **\$10,000** in all.
 15. Fur garments and garments trimmed with fur, up to **\$10,000** in all.
 16. Numismatic property (such as coin collections) up to **\$500** in all.
 17. Manuscripts, stamps and philatelic property (such as stamp collections) up to **\$2,500** in all.
 18. Up to **\$1,500** on any one bicycle, tricycle or unicycle including its equipment and accessories.

Specified Perils

Specified Perils means the following, all as defined and limited under the Insured Perils of Homeowners Form A, Seasonal Homeowners Form A, Tenants Form E, Condominium Form E, Rented Condominium Form E, Seasonal Condominium Form E, Homeowners Named Perils Form, Tenants Named Perils Form, Condominium Named Perils Form, Rented Condominium Named Perils Form or Seasonal Condominium Named Perils Form

1. Fire or Lightning;
2. Explosion or Implosion;
3. Smoke;
4. Falling Object;
5. Impact by Aircraft or Spacecraft;
6. Impact by Land Vehicle;
7. Riot;
8. Vandalism or Malicious Acts, excluding theft or attempted theft;
9. Water Escape, Rupture or Freezing;
10. Windstorm or Hail;
11. Weight of Ice, Snow or Sleet;
12. Transportation;
13. Electricity.

COVERAGE D - Additional Living Expenses

The amount of insurance for Coverage D is the total amount for any one or a combination of the following coverages. The periods of time stated below are not limited by the expiration of the policy.

1. **Additional Living Expense:** If an Insured Peril makes your dwelling, mobile home or unit unfit for occupancy, or you have to move out while repairs are being made, we insure any necessary increase in living expenses incurred by you, including moving expenses, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or to rebuild your dwelling or unit or, if you permanently relocate, the reasonable time required for your household to settle elsewhere.
2. **Fair Rental Value:** If an Insured Peril makes that part of the dwelling, mobile home, detached private structures, or unit rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or to replace that part of the dwelling, mobile home, detached private structures, or unit rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the dwelling, detached private structures, or unit rented or held for rental is unfit for occupancy.

If a civil authority prohibits access to your dwelling or unit, we insure any resulting Additional Living Expense and Fair Rental Value for a period not exceeding two weeks, if such prohibited access is a result of an Insured Peril causing damage to your or neighbouring premises.

We do not insure loss, damage or expense caused by the cancellation of a lease or agreement.

ADDITIONAL COVERAGES

Outdoor Trees, Shrubs and Plants: You may apply up to 5%, in all, of the amount of insurance on your dwelling (if you are a homeowner, mobile homeowner or seasonal homeowner) as shown on the Coverage Summary page or personal property (if you are a condominium unit owner) as shown on the Coverage Summary page to trees, shrubs, plants, or lawns on your premises. We will not pay more than **\$1,000** for any one tree, shrub, plant, or lawn, including debris removal expenses. We insure these items against loss caused by fire, lightning, explosion or implosion, impact by aircraft, spacecraft or land vehicle, riot, vandalism and malicious acts, all as described and limited under the Insured Perils of Homeowners Form A, Seasonal Homeowners Form A, Condominium Form E, Rented Condominium Form E, Seasonal Condominium Form E, Homeowners Named Perils Form, Condominium Named Perils Form, Rented Condominium Named Perils Form or Seasonal Condominium Named Perils Form

We do not insure:

1. lawns or items grown for commercial purposes;
2. lawns or items located more than 65 meters (200 feet) from the dwelling or unit.

Tree Removal Expense

We will pay up to **\$2,500** incurred by you for the removal of tree(s) which have fallen on to or are leaning against property insured under this policy, and which must be removed to properly assess the damage or to effect repairs to such property as a result of the peril windstorm.

This includes, but is not limited to de-limbing, blocking and/or stacking wood and hauling the debris away to a dump site.

This coverage is subject to your policy deductible as stated on the Coverage Summary page.

Conviction Reward: We will pay **\$1,000** for information which leads directly to the conviction of any person or persons who rob from any person insured by this policy, or steal, vandalize, burglarize or commit arson to any property insured by this policy. The **\$1,000** limit applies regardless of the number of people providing the information. This coverage does not apply to information given by law enforcement officers or agencies. No deductible applies to this coverage.

Fire Department Charges: We will pay up to **\$1,000** or such other amount as may be specified on the Coverage Summary page for End. #23 for your liability for Fire Department charges incurred when a Fire Department is called to save or protect your premises. No deductible applies to this coverage.

Lock Replacement: We will pay up to **\$1,000** per unit to replace or re-key, at your option, locks on the dwelling or detached private structures, if your keys are stolen. No deductible applies to this coverage.

Automatic New Dwelling Coverage: If you purchase a new dwelling building in Canada to replace your dwelling building insured under Coverage A, we will insure both dwelling buildings for a period of thirty (30) days from the date you take possession of the new dwelling, provided you notify us within that thirty (30) day period. The amount of insurance shown for Coverage A will apply to each dwelling building. If you purchase a new condominium unit in Canada to replace your condominium unit insured under End. #12, we will insure both units for a period of thirty (30) days from the date you take possession of the new unit, provided you notify us within that thirty (30) day period. The amount of insurance shown for Endorsement #12 will apply to each unit.

This coverage ceases if the policy expires or is cancelled during the thirty (30) day period referred to above.

Inflation Protection: During the term of this policy, we will increase the limits of insurance stated on the Coverage Summary page as applicable to Coverages A, B, C and D, by a portion of the Inflation Protection Rate percentage (IPR), as follows:

- 2 months after inception - 25% of the IPR
- 5 months after inception - 50% of the IPR
- 8 months after inception - 75% of the IPR
- 11 months after inception - 100% of the IPR.

"Inception" means the effective date of the policy or, if the policy has been in force for more than one year, its last anniversary date. If you request a change in the amount of insurance during the policy term, the effective date of that change will be the "inception", until the next policy anniversary date.

This protection does not apply to vacant dwellings.

Emergency Removal Expense (Mobile Home): If the dwelling is a mobile home and must be moved because it is endangered by an insured peril, we will reimburse you for all reasonable expenses you incur to move the mobile home to safety and return it to its original site. This coverage is part of and not in addition to the amount of insurance on the insured dwelling (mobile home) and is not subject to any deductible. We do not consider your mobile home to be "in transit" when it is moved for this emergency.

Emergency Entry Damage: We will pay for damage to the dwelling caused by forcible entry by police, ambulance, fire department, or other persons to save and preserve life. This coverage is not subject to any deductible.

Evacuation: We will pay any necessary and reasonable increase in living expenses incurred by you while access to your principal private residence is prohibited by order of civil authority, but only when such order for evacuation is given as a direct result of a sudden and accidental event occurring within Canada or the United States of America.

You are insured for additional living expenses incurred during a period of up to two weeks from the date of the order of evacuation and up to the amount shown for Coverage D – Additional Living Expenses.

You are not insured for any claim arising from an evacuation order resulting from:

1. flood, waves including tidal waves and tsunamis, or spray from any of these, ice or waterborne objects or the weight or pressure or melting of ice or snow, whether or not driven by wind, including storm surge and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
2. earthquake;
3. war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
4. nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
5. an event for which you are insured under Coverage D - Additional Living Expenses

The term "civil authority" means any person acting under the authority of the Federal Government or the Government of a Province or Territory with respect to the protection of persons and property in the event of an emergency.

Temperature Change (Personal Property): We insure your personal property damaged by change of temperature resulting from physical damage to your dwelling, unit or equipment by an Insured Peril. This only applies to personal property in the dwelling, unit or detached private structures.

Damage to Tenant Occupied Dwelling: If you are a tenant, you may apply up to **\$1,500** of your Personal Property insurance to pay for damage, not including fire damage:

1. to the premises caused by theft or attempted theft;
2. to the interior of the dwelling caused by vandalism or malicious acts;
3. to the interior of the premises caused by accidental escape of water from a waterbed.

Home Freezer and Food Spoilage: Under Coverage C we will pay for loss or damage to food while contained in a home freezer at your principal residence premises, resulting directly from the failure of the freezer's refrigeration equipment or the interruption of electrical power; as well as for loss or damage to the freezer resulting from the food spoilage. Settlement of loss will not include any expenses incurred in the acquisition of food.

Tear Out: We will replace or repair any parts of the building (if you are a homeowner, mobile homeowner or seasonal homeowner) or your improvements and betterments (if you are a tenant or condominium unit owner) that must be removed or torn apart before any insured damage can be repaired, except damage related to an outdoor swimming pool, outdoor hot tub, or similar installation, or water mains or sewers.

Glass Breakage:

If you are a condominium unit owner, we will pay for accidental breakage of glass or safety glazing material which is part of your condominium unit including storm windows or doors. We will only pay if you are held responsible for the damage by the condominium corporation's by-laws or it is part of your improvements and betterments.

If you are a tenant, we will pay up to **\$1,000** for accidental breakage of glass or safety glazing material which is part of your rented premises including storm windows or doors. We will only pay if you are held responsible by your lease or rental agreement or if it is part of your improvements and betterments.

Tenant's and Condominium Unit Owner's Improvements and Betterments:

If you are a tenant or condominium unit owner, we also insure improvements and betterments made by you or acquired at your expense, including:

1. any building, structure or swimming pool on the premises;
2. materials and supplies on the premises for use in such improvements or betterments;
3. permanently installed flooring in your unit that is part of the building, but not insured by the condominium corporation.

If you are a tenant, we will pay up to an amount equivalent to 10% of the amount of insurance on your personal property or such other amount as may be shown in the Coverage Summary page for END. #16.

If you are a condominium unit owner, we will pay up to 400% of the amount of insurance on your personal property or such other amount as may be shown in the Coverage Summary page for END. #16.

The loss or damage must be caused by a peril for which you are insured.

Condominium Unit Owner's Loss Assessment Coverage: If you are a condominium unit owner, we will pay up to the amount of insurance as shown on the Coverage Summary page for END. #13 of your share of any special assessment, if:

1. the assessment is valid under the Condominium Corporation's governing rules and by-laws; and
2. it is made necessary by a direct loss to the collectively owned condominium property caused by an Insured Peril.

We will only pay in excess of any other insurance covering the collective interest of the condominium unit owners.

Condominium Unit Owner's Contingent Coverage: If you are a Condominium Unit Owner, we provide insurance as described in END. #12 - Condominium Unit Owner's Contingent Protection Endorsement.

Credit Card, Fund Transfer Card, Forgery and Counterfeit Money

We will pay for:

1. your legal obligation to pay because of the theft or unauthorized use of credit cards issued to you or registered in your name, including the unauthorized use of information on such cards, provided you have complied with all of the conditions under which the card was issued;
2. loss caused by theft or unauthorized use of debit or automated teller cards issued to you or registered in your name, provided you have complied with all of the conditions under which the card was issued;
3. loss you sustain caused by forgery or alteration of any cheque or negotiable instrument;
4. loss you sustain through acceptance in good faith of counterfeit Canadian or United States of America paper currency.

The unauthorized use of cards referred to in 1. and 2. above must occur while this policy is in effect and be discovered up to one year after cancellation or other termination of this policy. You must notify the credit card company, bank or fund transfer company and us as soon as you discover the loss, otherwise this insurance will not be effective.

If a claim is made or suit brought against you for liability because of loss covered by clauses 1, 2, or 3 above, we will provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for the loss equals the amount of insurance for this coverage.

Exclusions: We do not insure any loss:

1. arising from the use of your credit, debit or automated teller card by a resident of your household or by a person to whom the card has been entrusted;
2. caused by your dishonesty; or
3. if you allow others to find out your personal identification number or if you do not keep your personal identification number and card completely separate to prevent losing both at the same time. If you store both of these in different compartments of the same object, such as your wallet, handbag, dresser, or vehicle – this shall not be considered separate.

Amount of Insurance:

The most we will pay under this coverage is **\$5,000** or such other amount as may be specified on the Coverage Summary page during any one annual policy period. "Annual policy period" means 12 consecutive months from the effective or last renewal date of this policy, but ends if the policy is terminated before the expiry of the 12 months.

This coverage is not subject to a deductible.

BASIS OF CLAIM PAYMENT - Coverages A, B and C

We will pay for insured loss or damage up to your financial interest in the property, but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence. The only exception to this is if you have End. #15 – Guaranteed Replacement Cost (Building) or End. #42 – Replacement Cost Plus shown on the Coverage Summary page.

We do not pay for any loss, expense or increased cost of repair or replacement due to the operation of any law or ordinance regulating zoning, demolition, repair or construction of buildings and their related services.

Settlement of loss will not include any time and expenses incurred in establishing your claim. Time and expenses not recoverable include but are not limited to:

1. the completion of claim documents;
2. obtaining competitive estimates;
3. the acquisition of replacement property.

Any loss or damage shall not reduce the amounts of insurance provided by this policy.

DEDUCTIBLE: WE ARE RESPONSIBLE ONLY FOR THE AMOUNT BY WHICH THE LOSS OR DAMAGE CAUSED BY ANY OF THE INSURED PERILS EXCEEDS THE AMOUNT OF THE DEDUCTIBLE SHOWN ON THE COVERAGE SUMMARY PAGE IN ANY ONE OCCURRENCE.

WHEN TWO OR MORE ITEMS ARE LOST OR DAMAGED IN ONE OCCURRENCE OR SEVERAL INSURED PERILS OCCUR AT THE SAME TIME CONTRIBUTING TO THE LOSS, WE WILL USE ONLY ONE DEDUCTIBLE. WE WILL USE THE LARGEST SINGLE DEDUCTIBLE OF ALL THAT APPLY.

IF YOUR CLAIM INVOLVES PERSONAL PROPERTY ON WHICH THE SPECIAL LIMITS OF INSURANCE APPLY, THE LIMITATIONS APPLY TO LOSSES EXCEEDING THE DEDUCTIBLE AMOUNT.

Obsolescence: We will not pay for increased costs that result when you cannot repair or replace your property because material or parts are unavailable, obsolete or outmoded. In the event that new property of like kind and quality is not obtainable because material or parts are unavailable or obsolete, new property 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 property of like kind and quality.

Insurance Under More Than One Policy: If you have insurance on specifically described property, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

In all other cases, our policy will pay its rateable proportion of the loss or claim.

Subrogation: We will be entitled to assume all your rights of recovery against others and may bring action in your name to enforce these rights when we make payment or assume liability under this policy.

If you are a Condominium Unit Owner, we agree to waive our rights to any claim against the Condominium Corporation, its directors, property managers, agents and employees, except for arson, fraud and vehicle impact. We shall not consider independent contractors as being agents or employees of the Condominium Corporation, its directors, property managers or of the unit owners.

Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

Building: The following is used only where End. #15 – Guaranteed Replacement Cost (Building) or End. #42 – Replacement Cost Plus does not apply.

If you are a Homeowner and there is loss or damage to a building insured under Coverage A or Coverage B, you may choose as the basis of loss settlement either Option A or Option B below, provided:

1. you repair or replace the damaged or destroyed building within a reasonable time after the loss, and
2. you use materials of similar quality for repair or replacement, and
3. if replacement is necessary, you replace the building on the same site with a building of the same occupancy, and
4. the Coverage Summary page does not indicate that the building is insured for "Actual Cash Value";

otherwise, settlement will be as in Option B.

Option A: The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case we will pay in the proportion that the applicable amount of insurance bears to 80% of the replacement cost of the damaged building at the date of loss, but not exceeding the actual cost incurred.

Option B: The Actual Cash Value of the loss or damage at the date of loss. The Actual Cash Value will take into account such things as the cost of replacement or reconstruction less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

In determining the cost of repairs or replacement under Option A or the amount payable under Option B, we will not pay or include the increased costs of repair, replacement or reconstruction due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services, nor will we pay more than the applicable amount of insurance shown on the Coverage Summary page.

Limited Replacement Cost – Specific Perils: In the event of loss or damage to the roof of your dwelling or detached private structure caused by windstorm or hail, payment will be settled based on the following schedule of roofing materials listed below:

1. Asphalt/Fibreglass Composition Shingles – 7% depreciation per year after 15 years, subject to a maximum depreciation of 70%
2. Metal, Rubber, Synthetic, Polymer, Tiles, Slate or Concrete – 2% per year after 15 years, subject to a maximum depreciation of 70%
3. Wood Shakes or Shingles – 4% per year after 15 years, subject to a maximum depreciation of 70%
4. Other – 7% per year after 15 years, subject to a maximum depreciation of 70%

Improvements and Betterments: If you are a Tenant or Condominium Unit Owner and, within a reasonable time after damage, you replace or repair loss or damage to your improvements or betterments with materials of similar quality, we will pay on the basis of the actual cost of repairs or replacement (whichever is less) without deduction for depreciation, up to the applicable amount of insurance.

If loss or damage is not replaced or repaired within a reasonable time, we will pay the Actual Cash Value of the loss or damage at the date of the occurrence, up to the applicable amount of insurance.

Personal Property: We agree to pay any loss insured by Coverage C - Personal Property, on the basis of Replacement Cost provided that:

1. the property at the time of loss was useable for its original purpose and
 2. you have repaired or replaced the property within 180 days of the date of the actual cash value settlement,
- otherwise the Basis of Claim Payment will be the Actual Cash Value of the loss or damage at the date of occurrence, but not exceeding what it would cost to repair or replace the property with material of similar quality and in no event exceeding the applicable amount of insurance shown on the Coverage Summary page.

Replacement Cost settlement does not apply to:

1. property no longer in use for its originally intended purpose;
2. antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced with a similar article;
3. fur garments or garments trimmed with fur, which are more than 5 years old from the date of original purchase.

PAIR: If there is loss to one item of an identical pair by an Insured Peril, we will pay for the pair. The undamaged item becomes our property.

SET: For items that are part of a set of two or more pieces, we will only pay for those particular items that were lost or damaged by an Insured Peril.

"Replacement Cost" means the cost, at the time of loss, of repair or replacement (whichever is less) with new property of similar kind and quality, without deduction for depreciation; but we will not pay more than the applicable amount of insurance shown on the Coverage Summary page.

Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

Special Limits on Personal Property: Special Limits of Insurance apply to specific classes of Personal Property. These Special Limits may be expressed separately in different Riders, but they are not cumulative and only one limit per specified class of personal property will be applied to each loss occurrence.

INSURED PERILS, EXCLUSIONS and LIMITATIONS - COVERAGES A, B, C and D

I. HOMEOWNERS FORM A, SEASONAL HOMEOWNERS FORM A, TENANTS FORM E, CONDOMINIUM FORM E, RENTED CONDOMINIUM FORM E, SEASONAL CONDOMINIUM FORM E, HOMEOWNERS NAMED PERILS FORM, TENANTS NAMED PERILS FORM, CONDOMINIUM NAMED PERILS FORM, RENTED CONDOMINIUM NAMED PERILS FORM OR SEASONAL CONDOMINIUM NAMED PERILS FORM

INSURED PERILS

If the Coverage Summary page specifies Homeowners Form A, Homeowners Named Perils Form, Seasonal Homeowners Form A, Seasonal Homeowners Named Perils Form, Tenants Form E, Tenants Named Perils Form, Condominium Form E, Condominium Named Perils Form, Rented Condominium Form E, Rented Condominium Named Perils Form, Seasonal Condominium Form E or Seasonal Condominium Named Perils Form, you are insured against direct loss or damage caused by the following perils as described and limited, subject to the exclusions, limitations, terms and conditions of this policy.

1. FIRE or LIGHTNING
2. EXPLOSION or IMPLOSION
3. SMOKE: This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises.
4. FALLING OBJECT: This peril means a falling object which strikes the exterior of a building but not objects which strike the building because of snowslide, landslide or any other earth movement.
5. IMPACT BY AIRCRAFT OR SPACECRAFT: Including self-propelled missiles.
6. IMPACT BY LAND VEHICLE: Animals are not insured under this peril.
7. RIOT
8. VANDALISM or MALICIOUS ACTS:

This peril does not include loss or damage:

- a) occurring while the dwelling or unit is under construction or vacant even if we have given permission for construction or vacancy;
 - b) caused by you;
 - c) caused by theft or attempted theft;
 - d) caused by any employee, tenant, tenant's guest, tenant's employee, or member of the tenant's household, unless fire ensues and then only the loss or damage caused by the ensuing fire is covered. "Tenant" includes any person who has your permission to occupy your dwelling or any part of it.
9. WATER ESCAPE, RUPTURE, FREEZING: This peril means:
- a) accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pool, hot tub and any attached equipment and watermains;
 - b) sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam, or lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water;
 - c) freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance within a building or unit for which the heat has been maintained during the usual heating season;
 - d) accidental discharge of water from a waterbed or aquarium.

This peril does not include damage:

- a) caused by continuous or repeated seepage or leakage;
- b) to the system or appliance caused by rust or corrosion or deterioration;
- c) to watermains, outdoor swimming pools, outdoor hot tubs or similar installations, or equipment attached;
- d) caused by backup, escape or overflow of water or sewage from a sewer, sump, septic system, or eavestroughs or downspout connected to your sewer or from drains or sewers outside your dwelling;
- e) occurring while the dwelling or unit is under construction or vacant even if we have given permission for construction or vacancy;
- f) caused by freezing which occurs during the usual heating season if the occupant has been away from your premises or is no longer residing there for more than ten consecutive days. However, you would still be insured if:
 - i) arrangements had been made for a reliable person to enter your dwelling or unit daily to ensure that heating was being maintained, or
 - ii) the water supply had been shut off and all the pipes and appliances had been drained, or
 - iii) your dwelling or unit was equipped with a 24 hour monitored low temperature alarm system;

- g) caused by water escape, rupture or freezing of any outdoor appliance including piping or other equipment connected to said appliance used to heat the described Dwelling Building.
Under this peril a plumbing system does not include sewers, sumps, septic system, weeping tile, eavestroughs or downspouts.
10. WINDSTORM or HAIL: This peril does not include loss or damage to your personal property or improvements and betterments within a building or to the interior of a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.
We cover damage to watercraft and their equipment caused by windstorm or hail but only while they are inside a fully enclosed building. This limitation does not apply to rowboats and canoes on the premises.
This peril does not include:
- damage due to waves including tidal waves and tsunami, or spray from any of these, flood, surface water, ice or waterborne objects or the weight or pressure or melting of ice or snow, whether or not driven by wind, including storm surge;
 - any dent damage to the outer metal cover of any mobile home unless the metal cover is punctured (pierced to make an opening in the metal roofing or siding).
11. GLASS BREAKAGE: If you are a homeowner or condominium unit owner, we insure glass that forms part of your dwelling, unit or private structures on your premises, including glass in storm windows and doors, against accidental breakage.
This peril does not include loss or damage occurring while a building or unit is under construction or vacant even if we have given permission for construction or vacancy.
12. TRANSPORTATION: This peril means loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier.
This peril means loss or damage to:
- your personal property while it is temporarily removed from your premises;
 - if you are a homeowner, mobile homeowner, seasonal homeowner or a condominium unit owner, building or unit fixtures and fittings when they are temporarily removed from your premises for repair or seasonal storage.
- This peril does not include loss or damage to any watercraft, their furnishings, equipment or motors.
13. THEFT, INCLUDING DAMAGE CAUSED BY ATTEMPTED THEFT:
This peril does not include loss or damage:
- caused by any employee, tenant, tenant's guest, tenant's employee or member of a tenant's household. "Tenant" includes any person who has your permission to occupy your dwelling or unit or any part of it;
 - to property in or from a dwelling or unit under construction or of materials and supplies for use in the construction until the dwelling or unit is completed and ready to be occupied;
 - of animals, birds or fish.
- If the Coverage Summary page indicates "Theft restricted to burglary", or "limited theft" this peril is limited to theft of your personal property from within your dwelling or unit following illegal and forcible entry or exit which leaves visible marks at the point of forced entry or exit.
14. WEIGHT OF ICE, SNOW or SLEET: This peril insures loss or damage caused by the weight of ice, snow or sleet but does not include loss or damage to outdoor equipment (other than outdoor radio and T.V. antennae) awnings, fences, pavements, swimming pools, foundations, retaining walls, bulkheads, piers, wharves or docks, however caused.
We do not pay for the cost of making good faulty or defective materials or workmanship.
15. ELECTRICITY: This peril means sudden and accidental loss or damage caused by artificially generated electrical current.

LOSSES NOT INSURED

We do not insure:

- loss or damage occurring after your dwelling or unit has, to your knowledge, been vacant for more than 30 consecutive days, unless a vacancy permit is shown on the Coverage Summary page;
- loss or damage occurring after your dwelling or unit has, to your knowledge, been unoccupied for more than 12 consecutive months;
- loss or damage caused by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- loss or damage caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- losses, expenses or increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services;
- loss or damage resulting from any intentional or criminal act or failure to act by:
 - any person insured by this policy; or
 - any other person at the direction of any person insured by this policy;
- loss of or damage to personal property while undergoing a process involving the application of heat, but resulting damage to other property is insured;
- the cost of gathering or assembling information or data for a computer software system;
- loss or damage to a building or structure or its contents occurring while the building or structure is raised or being raised off its foundation or while being moved or while at any location other than the location specified on the Coverage Summary page;
- to a mobile home or its contents occurring while the mobile home is being moved, except in an emergency to protect it when endangered by an Insured Peril. Moving includes the period of time during which the levelling jacks or blocks are removed or all utilities are disconnected.
- loss or damage caused, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results from fire or explosion;
- loss or damage to "data", or
 - loss or damage caused by a "data problem". However, if loss or damage caused by a "data problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire, lightning, explosion, smoke or water escape, rupture or freezing, this exclusion shall not apply to such resulting loss or damage;
- loss or damage consisting of or caused, in whole or in part, by any "Fungi" or "Spores";
 - the cost or expense for any testing, monitoring, evaluating or assessing of "Fungi" or "Spores";
- loss or damage to any outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), and all contents of the same structure if caused by or resulting from the use of the heating unit;
- loss or damage caused by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic or the possession of any substances falling under the Controlled Drugs and Substance Act Narcotic Control Regulations, whether or not you have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the premises to facilitate such illegal activity;
- caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence.
- accumulative damage however caused;
- any loss or damage not due to a sudden unexpected event.

II. HOMEOWNERS FORM D, SEASONAL HOMEOWNERS FORM D, TENANTS FORM F, CONDOMINIUM FORM F, RENTED CONDOMINIUM FORM F, SEASONAL CONDOMINIUM FORM F, HOMEOWNERS COMPREHENSIVE FORM, TENANTS COMPREHENSIVE FORM, CONDOMINIUM COMPREHENSIVE FORM, RENTED CONDOMINIUM COMPREHENSIVE FORM, SEASONAL CONDOMINIUM COMPREHENSIVE FORM

INSURED PERILS

If the Coverage Summary page specifies Homeowners Form D, Seasonal Homeowners Form D, Homeowners Comprehensive Form, Seasonal Homeowners Comprehensive Form, Tenants Form F, Tenants Comprehensive Form, Condominium Form F, Condominium Comprehensive Form, Rented Condominium Form F, Rented Condominium Comprehensive Form, Seasonal Condominium Form F or Seasonal Condominium Comprehensive Form you are insured against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions contained in this policy.

LOSSES NOT INSURED

We do not insure:

1. losses, expenses or increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services;
2. marring or scratching of any property or breakage of eye glasses, glassware or any fragile or brittle articles unless caused by a "Specified Peril", theft or attempted theft;
3. wear and tear, deterioration, latent defect, inherent vice, dryness or dampness of atmosphere, unknown flaw, defect or mechanical breakdown, rust or corrosion, extremes of temperature, condensation, wet or dry rot, mold, acid rain, contamination;
4. the cost of making good faulty design, material or workmanship;
5. settling, expansion, contraction, moving, shifting, bulging, buckling or cracking unless fire or explosion ensues except resulting damage to building glass; but this exclusion does not apply to loss or damage which would be covered under peril 9(b) of Homeowners Form A, Seasonal Homeowners Form A, Tenants Form E, Condominium Form E, Rented Condominium Form E, Seasonal Condominium Form E, Homeowners Named Perils Form, Tenants Named Perils Form, Condominium Named Perils Form, Rented Condominium Named Perils Form or Seasonal Condominium Named Perils Form;
6. cracking or falling of ceiling or wall plaster, unless caused by a peril not otherwise excluded by this policy;
7. vandalism or malicious acts by any employee, tenant, tenant's guest, tenant's employee or member of a tenant's household, unless fire ensues and then only the loss or damage caused by the ensuing fire is covered. "Tenant" includes any person who has your permission to occupy your dwelling or unit or any part of it;
8. accumulative damage however caused;
9. any loss or damage not due to a sudden unexpected event;
10. the cost of gathering, assembling or recreating information or data for a computer software system;
11. any dent damage to the outer metal cover of any mobile home, caused by windstorm and/or hail or coincidental rain damage, unless the metal cover is punctured (pierced to make an opening in the metal roofing or metal siding).
12. loss or damage caused by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic or the possession of any substances falling under the Controlled Drugs and Substance Act Narcotic Control Regulations, whether or not you have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the premises to facilitate such illegal activity;

We do not insure loss or damage:

13. occurring after your dwelling or unit has, to your knowledge, been vacant for more than 30 consecutive days, unless a vacancy permit is shown on the Coverage Summary page;
14. occurring after your dwelling or unit has, to your knowledge, been unoccupied for more than 12 consecutive months;
15. caused by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
16. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
17. resulting from any intentional or criminal act or failure to act by:
 - (a) any person insured by this policy; or
 - (b) any other person at the direction of any person insured by this policy;
18. to personal property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property by an insured peril is insured;
19. caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pool, hot tub or its attached equipment or a watermain;
20. caused by birds, vermin, rodents, raccoons, skunks, moles, mice or insects, except resulting damage to building glass;
21. caused by a domesticated animal or bird you own or which is in your care;
22. caused by smoke from agricultural smudging or industrial operations;
23. caused by earthquake, snowslide, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;
24. caused by theft or attempted theft by any employee, tenant, tenant's guest, member of a tenant's household or employees of a tenant. "Tenant" includes any person who has your permission to occupy your dwelling or unit or any part of it;
25. to a building or structure or its contents occurring while the building or structure is raised or being raised off its foundation or while being moved or while at any location other than the location specified on the Coverage Summary page;
26. to a mobile home or its contents occurring while the mobile home is being moved, except in an emergency to protect it when endangered by an Insured Peril. Moving includes the period of time during which the levelling jacks or blocks are removed or all utilities are disconnected;
27. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
28. caused by flood, surface water, waves including tidal waves and tsunamis, or spray from any of these, overflow of streams or other bodies of water, ice or waterborne objects whether driven by wind or not, including storm surge; unless the loss or damage resulted from the sudden and unexpected escape of water from a watermain, firefighting activities or swimming pool, hot tub and any attached equipment;
29. caused by water below ground level including that which exerts pressure on or flows, seeps or leaks through any opening in a sidewalk, driveway, foundation, wall, or floor, unless the loss or damage resulted from the sudden and accidental escape of water from a swimming pool, hot tub and any attached equipment, fire fighting activities, or a watermain;
30. caused by accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pool, hot tub and any attached equipment and watermain, occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
31. caused by sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of, or the lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
32. to an outdoor swimming pool, outdoor hot tub or similar installation or attached equipment, or to a watermain, caused by water escape, rupture, freezing or movement of ice;
33. caused by freezing of a plumbing, heating, sprinkler or air conditioning system or domestic appliance, unless it happens within a building for which the heat has been maintained during the usual heating season and the occupant has not been away from the premises or is no longer residing there for more than ten consecutive days. However, you would still be insured if:
 - a) arrangements had been made for a reliable person to enter your dwelling daily to ensure that heating was being maintained, or
 - b) the water supply had been shut off and all the pipes and appliances had been drained, or
 - c) your dwelling was equipped with a 24 hour monitored low temperature alarm system.

If the loss or damage occurs while your building is under construction or vacant, you would not be insured, even if we have given permission for construction or vacancy;

34. caused by rupture or bursting, backing up or escape of water or sewage from a sewer or drain, sump, septic system, weeping tile, eavestrough or downspout, unless the loss or damage resulted from the escape of water from a watermain, swimming pool, hot tub, or similar installation or any attached equipment;
35. caused, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results directly from fire or explosion;
36. a) to "data", or
b) caused by a "data problem". However, if loss or damage caused by a "data problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire, lightning, explosion, smoke or water escape, rupture or freezing, this exclusion shall not apply to such resulting loss or damage;
37. a) consisting of or caused, in whole or in part, by any "Fungi" or "Spores";
b) for the cost or expense for any testing, monitoring, evaluating or assessing of "Fungi" or "Spores";
38. to any outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), and all contents of the same structure if caused by or resulting from the use of the heating unit;
39. caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
40. caused by water escape, rupture or freezing of any outdoor appliance including piping or other equipment connected to said appliance used to heat the described Dwelling Building.
41. resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants.

Specified Perils

Specified Perils means the following, all as defined and limited under the Insured Perils of Homeowners Form A, Seasonal Homeowners Form A, Tenants Form E, Condominium Form E, Rented Condominium Form E, Seasonal Condominium Form E, Homeowners Named Perils Form, Tenants Named Perils Form, Condominium Named Perils Form, Rented Condominium Named Perils Form or Seasonal Condominium Named Perils Form.

1. Fire or Lightning;
2. Explosion or Implosion;
3. Smoke;
4. Falling Object;
5. Impact by Aircraft or Spacecraft;
6. Impact by Land Vehicle;
7. Riot;
8. Vandalism or Malicious Acts, excluding theft or attempted theft;
9. Water Escape, Rupture or Freezing;
10. Windstorm or Hail;
11. Weight of Ice, Snow or Sleet;
12. Transportation;
13. Electricity.

III. HOMEOWNERS FORM B, SEASONAL HOMEOWNERS FORM B

If the Coverage Summary page specifies Homeowners Form B or, Seasonal Homeowners Form B you are insured as follows:

1. If there is loss or damage to property insured under Coverage A - Dwelling and/or Coverage B - Detached Private Structures, you are insured for such loss or damage in the same manner and to the same extent as specified for Homeowners Form A.
2. If there is loss or damage to property insured under Coverage C -Personal Property, you are insured for such loss or damage in the same manner and to the same extent as specified for Homeowners Form D.

IV. HOMEOWNERS FORM K/ HOMEOWNERS BROAD FORM, SEASONAL HOMEOWNERS FORM K/ SEASONAL BROAD FORM

If the Coverage Summary page specifies Homeowners Form K, Seasonal Homeowners Form K, Homeowners Broad Form, or Seasonal Homeowners Broad Form you are insured as follows:

1. If there is loss or damage to property insured under Coverage A - Dwelling and/or Coverage B - Detached Private Structures, you are insured for such loss or damage in the same manner and to the same extent as specified for the Homeowners Form D or Homeowners Comprehensive Form.
2. If there is loss or damage to property insured under Coverage C -Personal Property, you are insured for such loss or damage in the same manner and to the same extent as specified for the Homeowners Form A or Homeowners Named Perils Form, with the addition of the following Insured Peril:
COLLAPSE: This peril means loss or damage to your personal property inside the dwelling resulting from collapse of all or part of the dwelling. This peril does not include loss or damage caused by:
 - a) the falling of ceiling or wall plaster;
 - b) snowslide, landslide, earthquake or other earth movement;
 - c) waves including tidal waves and tsunamis, or spray from any of these, flood, surface water, ice or waterborne objects.

SECTION II - LIABILITY COVERAGE

THIS SECTION DOES NOT APPLY TO A FARM POLICY

DEFINITIONS (Applicable to Section II)

"You" and "your" in this Section include the following:

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without your permission;
2. any person while performing duties as the Named Insured's residence employee;
3. your legal representative having temporary custody of the insured premises, if you die while insured by this policy, for legal liability arising out of the insured premises;
4. any person who is insured by this policy at the time of your death and who continues residing on the insured premises;
5. any spouse, mother, father, grandmother, grandfather or child of the person(s) named on the Coverage Summary page, while residing away from your dwelling in an approved nursing or care home and any other relative of the person(s) named on the Coverage Summary page who was living in the household of the person(s) named on the Coverage Summary page immediately before moving to the nursing or care home.
6. an unmarried student who is enrolled in and attending an educational institution.

"Bodily Injury" means bodily injury, sickness or disease or resulting death.

"Property Damage" means physical injury to, or destruction of tangible property, including resulting loss of use of this property.

"Premises" means the premises at the location(s) described on the Coverage Summary page where the person(s) named as Insured on the Coverage Summary page, or his or her spouse, maintains a residence. It also includes:

1. other residential premises if the Coverage Summary page states "Additional Residence Extension";

2. individual or family cemetery plots or burial vaults in Canada;
3. vacant land in Canada owned or rented by you, excluding farm land;
4. land in Canada owned or rented by you where an independent contractor is building a one or two-family residence to be occupied by you;
5. premises you are temporarily using or where you are temporarily residing if you do not own such premises.
6. premises in Canada not used for business or farming purposes which you take possession of or become owner of during the policy term. This applies from the date you acquire ownership or take possession, but not beyond the earliest of:
 - a) 30 consecutive days;
 - b) the date the policy expires or is terminated; or
 - c) the date upon which specific liability insurance is arranged for such premises.

"Business" means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation.

"Business Property" means property on which a business is conducted, property rented in whole or in part to others, or held for rental.

"Legal Liability" means responsibility which courts recognize and enforce between persons who sue one another.

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions which results in "bodily injury" or "property damage" neither expected nor intended.

"Jet Propulsion Personal Watercraft" is a motorized sea vehicle, jet ski, or other motorized water device, designed as a self-propelled unit used on water and of the type commonly referred to as a "personal watercraft."

COVERAGES E, F AND G

This insurance applies only to accidents or occurrences which take place during the term of this policy.

The amounts of insurance are shown under the heading "Limit(s)" on the Coverage Summary page. Each person insured is a separate insured but this does not increase the amounts of insurance.

COVERAGE E - Legal Liability

We will pay all sums which you become legally liable to pay as compensatory damages because of unintentional bodily injury or property damage to which this insurance applies.

We will not pay punitive or exemplary damages, meaning that part of an award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you.

The amount of insurance is the maximum amount we will pay, under one or more sections of Coverage E, for all compensatory damages in respect of one accident or occurrence, regardless of the number of

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

If there is a claim payable under Coverage E - Legal Liability and there is more than one policy with us, we will pay up to the greatest limit available on any one policy.

If there is a claim payable under Coverage E - Legal Liability and there is more than one limit shown for Coverage E on the Coverage Summary page, we will pay up to the greatest limit shown.

You are insured for claims made against you arising from:

1. **Personal Liability** - legal liability for Bodily Injury or Property Damage arising out of your personal actions anywhere in the world;
2. **Premises Liability** - legal liability for Bodily Injury or Property Damage arising out of your ownership, use or occupancy of the premises defined in Section II. This insurance also applies if you assume, by a written contract, the legal liability of other persons in relation to the premises.
3. **Tenants Legal Liability** - legal liability for property damage to premises owned by others, or their contents, which you are using, renting or have in your custody or control. You are insured to the same extent that damage to your own property is insured under Section 1, except that the Coverage E limit will apply. If no building is insured in Section 1, the Insured Perils, Exclusions and Limitations that apply to your Personal Property will apply to your legal liability for property damage, as insured by this coverage, to buildings as well as to contents. The deductible amount applicable to Section 1 applies to this coverage, except for damage caused by the following perils as defined and limited under "Insured Perils" of Homeowners Form A, Seasonal Homeowners Form A, Tenants Form E, Condominium Form E, Rented Condominium Form E, Seasonal Condominium Form E, Homeowners Named Perils Form, Tenants Named Perils Form, Condominium Named Perils Form, Rented Condominium Named Perils Form or Seasonal Condominium Named Perils Form: Fire; Explosion or Implosion; Smoke; Falling Objects; Impact by Aircraft or Spacecraft; Impact by Land Vehicle; Water Escape, Rupture, Freezing; Glass Breakage; Transportation or Electricity. You are not insured for liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force. This insurance does not apply to property damage to premises you are using for business purposes.
4. **Employer's Liability** - legal liability for bodily injury to residence employees arising out of and in the course of their employment by you. You are not insured for claims made against you resulting from the ownership, use or operation of aircraft while being operated or maintained by your employee. You are not insured for liability imposed upon or assumed by you under any worker's compensation statute.
5. **Watercraft Liability** - legal liability for bodily injury or property damage arising out of
 - a) **Watercraft You Own:** your ownership, maintenance, use or operation of watercraft equipped with an outboard motor or motors of not more than 19kW (25HP) in total when used with or on a single watercraft. You are also insured if your watercraft has an inboard or an inboard-outboard motor of not more than 38kW (50HP) or for any other type of watercraft not more than 8 meters (26 feet) in length. If you own jet propulsion personal watercraft, you are insured only if the Coverage Summary page states "JET PROPULSION PERSONAL WATERCRAFT LIABILITY EXTENSION". If you own motor(s) or watercraft other than those stated above, you are insured only if "WATERCRAFT LIABILITY EXTENSION" is shown on the Coverage Summary page. If they are acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of their acquisition.
 - b) **Watercraft You Do Not Own:** your use or operation of watercraft which you do not own, provided:
 - i) the watercraft is being used or operated with the owner's consent;
 - ii) the watercraft is not owned by anyone included in the definition of "you" or "your" in Section II of this policy.

Watercraft Uses We Do Not Insure: We do not insure claims made against you arising from the use or operation of any watercraft, whether owned by you or not, while it is:

- i) being used for carrying passengers for compensation;
 - ii) being used in any race or speed test, except for sailboats up to 8 meters in length in non-professional races organized by a yacht club of which you are a member;
 - iii) rented to others;
 - iv) being operated or controlled by you while you are under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper operation or control of the watercraft;
 - v) being operated or controlled by you while your alcohol-blood ratio exceeds 80 milligrams of alcohol in 100 millilitres of blood;
 - vi) not being operated in accordance with the Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements.
6. **Motorized Vehicle Liability** - legal liability for bodily injury or property damage arising out of:
 - a) **Vehicles You Own:** your ownership, use or operation of the following including their trailers or attachments:

- i) motorized lawn mowers, snow blowers, garden-type tractors, used or operated mainly on your property, provided they are not used for compensation or hire;
- ii) motorized golf carts;
- iii) motorized wheelchairs and motorized scooters having more than two wheels and specifically designed for carrying a person who has a physical disability;
- iv) electric bicycles with pedals, not more than 500 watts and not exceeding 32 km per hour;
- v) electric or battery powered children's toys with a maximum speed of 8 km per hour;
- vi) personal transporters.

b) Vehicles You Do Not Own: your use or operation of any self-propelled land vehicle, amphibious vehicle or air cushion vehicle including their trailers, which you do not own, provided that:

- i) the vehicle is not required to be licensed and is designed primarily for use off public roads;
- ii) you are not using it for business or organized racing;
- iii) the vehicle is being used or operated with the owner's consent;
- iv) the vehicle is not owned by anyone included in the definition of "you" or "your" in Section II of this policy.

You are not insured for damage to the vehicle itself.

We do not insure claims made against you arising from the use or operation of any motorized vehicle, whether owned by you or not, while you are operating or controlling it while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper operation or control of the vehicle, or while your alcohol-blood ratio exceeds 80 milligrams of alcohol in 100 millilitres of blood.

- 7. **Trailer Liability** - legal liability for bodily injury or property damage arising out of your ownership, maintenance, use or operation of any utility, boat, camper or home trailer or its equipment, provided that such trailer is not being towed by, attached to or carried on a motorized vehicle.
- 8. **Business and Business Property Liability** - legal liability for bodily injury or property damage arising out of
 - a) your work for someone else as a sales representative, collector, messenger, clerk or teacher, provided the claim does not involve physical disciplinary action to a student or injury to a fellow employee;
 - b) the occasional rental of your residence to others; rental to others of a one or two-family dwelling usually occupied in part by you as a residence, provided that there is no more than one roomer or boarder per family;
 - c) the rental of space in your residence to others for incidental office, school or studio occupancy;
 - d) the rental to others, or holding for rent, of not more than three car spaces or stalls in garages or stables;
 - e) activities during the course of your trade, profession or occupation which are ordinarily considered to be non-business activities;
 - f) the temporary or part-time business pursuits of an insured person under the age of twenty-one years.

You are insured for claims made against you arising from the following business pursuits, only if the properties or operations are declared on the Coverage Summary page:

- a) the rental of residential buildings;
- b) the use of part of your residence by you for incidental office, school or studio occupancy.
- 9. **Resort Area Property Away From the Premises** - legal liability for bodily injury or property damage arising out of boathouses, boatlifts, docks, piers, wharves and swimming rafts you own or in which you have a financial interest, which are not on the premises but located elsewhere in the same resort area as a dwelling insured by this policy.

DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

We will defend you against any suit which makes claims against you for which you are insured under Coverage E and which alleges bodily injury or property damage and seeks compensatory damages, even if it is groundless, false or fraudulent. We reserve the right to investigate, negotiate and settle any claim or suit if we decide this is appropriate.

In addition to the limit of insurance under Coverage E, we will pay:

- 1. all expenses which we incur;
- 2. all costs charged against you in any suit insured under Coverage E;
- 3. any interest accruing after judgment on that part of judgment which is within the amount of insurance of Coverage E;
- 4. premiums for appeal bonds required in any insured law suit involving you and bonds to release any property that is being held as security, up to the amount of insurance, but we are not obligated to apply for or provide these bonds;
- 5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this policy;
- 6. reasonable expenses including up to \$100 a day for your actual loss of wages or salary in any one claim or suit, if we request you to attend trials or hearings.

EXCLUSIONS - LOSS OR DAMAGE NOT INSURED

You are not insured for claims made against you arising from:

- 1. the ownership, maintenance, use, operation or entrustment to others of any motorized vehicle, trailer, farm machinery or equipment or watercraft, except those for which coverage is provided under Motorized Vehicle Liability, Watercraft Liability and Trailer Liability in this section of the policy. This exclusion does not apply to Employer's Liability;
- 2. the ownership, maintenance, use, operation or entrustment to others of any aircraft;
- 3. the ownership, existence, maintenance, use or operation, by you or on your behalf, of any premises for the purposes of an airport or aircraft landing facility including all necessary or incidental operations;
- 4. the personal actions of a Named Insured who does not reside on the premises described on the Coverage Summary page, except those persons defined in 5. and 6. of the definition "you" and "your";
- 5. damage to property owned by you or any person residing in your household other than a residence employee;
- 6. bodily injury to a co-worker while you are on the job;
- 7. any obligation under a disability benefits plan, workers' compensation, or employment insurance compensation law or any similar law;
- 8. damage to property you use, occupy or lease, or property in your care, custody or control, except property for which coverage is provided under Tenants Legal Liability in this section of the policy; property damage you cause while you are unlawfully on the premises of others, or any obligation to share compensatory damages with or repay someone else who must pay compensatory damages for property damage arising out of acts committed by you or such other person while unlawfully on the premises of others;
- 9. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
- 10. bodily injury to you or to any person residing in your household other than a residence employee;
- 11. the transmission of any communicable or sexually transmitted disease, including Acquired Immune Deficiency Syndrome, by any person insured by this policy;
- 12. your business or any business use of your premises except as specified in this policy;
- 13. the rendering of or failure to render any professional service;
- 14. bodily injury or property damage caused by any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy;
- 15. bodily injury or property damage caused by an animal you own or for which you are responsible and which, prior to the occurrence which gives rise to the claim, has been declared under any law, by-law or municipal ordinance to be a dangerous animal;

16. abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological or emotional abuse or molestation, caused, by:
 - a) any person who is insured by this policy;
 - b) any person who is insured by this policy having knowledge of such an activity taking place;
 - c) any person who is insured by this policy failing to prevent such an activity from taking place;
 - d) or at the direction of any person who is insured by this policy;
 17. coaching of or officiating at sporting activities or events for which you receive remuneration;
 18. contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants;
 20. a) the erasure, destruction, corruption, misappropriation, misinterpretation of "data"; or erroneously creating, amending, entering, deleting or using "data"; including any loss of use arising from any of these actions or events; or
 - b) the distribution or display of "data", by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of data;
 21. a) any injury, damage, loss, cost or expense, arising, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "Fungi" or "Spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "Fungi" or "Spores"; or
 - b) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with (a) above; or
 - c) any obligation to pay damages, share damages with or repay someone else who must pay damages, because of such loss, cost or expense referred to in (a) or (b) above.
 This exclusion applies regardless of the cause of the injury, damage, loss, cost or expense or whether other causes acted concurrently or in any sequence to produce the injury, damage, loss, cost or expense;
 22. "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate terrorism. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the claim;
 23. any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense caused by resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity. This exclusion applies whether or not there are one or more other causes (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage, cost or expense.
- You are not insured for claims made against you for:
24. bodily injury sustained by any person while in or on or getting onto or alighting from any motorized vehicle, trailer, farm machinery or equipment or watercraft or as a result of being struck by any motorized vehicle, trailer, farm machinery or equipment or watercraft, except those for which coverage is provided under "Motorized Vehicle Liability", "Watercraft Liability" and "Trailer Liability" in this section of the policy.

There are other exclusions that apply to all Coverages under Section II. Please refer to **Additional Exclusions – Section II**.

COVERAGE F - VOLUNTARY MEDICAL PAYMENTS

We will pay reasonable medical expenses incurred within one year of the date of accident, if you unintentionally injure another person or if they are accidentally injured on your premises. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses. Medical expenses for residence employees are insured.

The amount of insurance shown on the Coverage Summary page is the maximum amount we will pay for each person in respect of one accident or occurrence.

If requested by us, you shall arrange for the injured person to:

1. give us, as soon as possible, written proof of claim, under oath if requested;
2. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
3. authorize us to obtain medical and other records.

Proofs and authorizations may be given by someone acting on behalf of the injured person.

We will not pay expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract.

We will not pay your medical expenses or those of persons residing with you, other than residence employees.

We will not pay medical expenses of any person covered by any workers' compensation statute.

We will not pay for medical expenses arising out of:

1. the ownership, use or operation of any motorized vehicle, trailer, farm machinery or equipment or watercraft, except those for which coverage is shown in this policy;
2. the ownership, use or operation of any aircraft or premises used as an airport or landing strip, including all necessary or incidental operations;
3. your business or any business use of your premises except as specified in this policy;
4. the rendering of or failure to render any professional service;
5. bodily injury caused intentionally by you or at your direction;
6. the transmission of any communicable or sexually transmitted disease, including Acquired Immune Deficiency Syndrome, by any person insured by this policy;

There are other exclusions that apply to all Coverages under Section II. Please refer to **Additional Exclusions – Section II**.

COVERAGE G - VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by an insured 12 years of age or under.

The amount of insurance shown on the Coverage Summary page is the maximum amount we will pay for any one accident or occurrence.

You are not insured for claims:

1. resulting from the ownership, use or operation of motor vehicles, watercraft or aircraft;
2. for property you or your tenants own, use or rent;
3. which are insured under any other section of this policy;
4. caused by the loss of use, disappearance or theft of property;
5. arising out of your business or any business use of your premises.

There are other exclusions that apply to all Coverages under Section II. Please refer to **Additional Exclusions – Section II**.

BASIS OF PAYMENT – Coverage G

We will pay whichever is the least of the following:

1. the actual cash value of the property at the time of loss;
2. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
3. the amount shown on the Coverage Summary page.

We may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with you or the owner of the property. We may take over any salvage if we wish.

Within 60 days after the loss, you must submit to us under oath (if required) a Proof of Loss Form containing the following information:

1. the amount, place, time and cause of loss;
2. the interest of all persons in the property affected;
3. the actual cash value of the property at the time of loss.

If necessary, you must help us verify the damage.

END. #14 - LOSS ASSESSMENT COVERAGE - CONDOMINIUM UNIT OWNERS

If you are a condominium unit owner, we will pay up to a total of the limit shown on the Coverage Summary page for End. #14 – Loss Assessment Cover – Section II for this Coverage, in any one annual policy period, for your share of any special assessments, if:

1. the assessments are valid under the Condominium Corporation's governing rules and by-laws; and
2. the assessments are made necessary by occurrences to which this Section of the policy applies.

We will only pay in excess of any other insurance covering the collective interest of the condominium unit owners.

"Annual policy period" means 12 consecutive months from the effective or last renewal date of this policy, but ends if the policy is terminated before the expiry of the 12 months.

JET PROPULSION PERSONAL WATERCRAFT LIABILITY

If the Coverage Summary page indicates that "JET PROPULSION PERSONAL WATERCRAFT LIABILITY EXTENSION" is included, your Watercraft Liability will extend to cover legal liability for bodily injury or property damage arising out of the ownership, maintenance, operation or use of a "jet propulsion personal watercraft". The premium for Jet Propulsion Personal Watercraft Liability is fully earned.

Passenger Hazard Option

If the Coverage Summary page indicates that Passenger Hazard Option is included, you are insured for claims made against you arising from legal liability for bodily injury of a passenger on a "jet propulsion personal watercraft". A passenger is anyone, other than the operator, who is being carried upon, or getting onto, or alighting from the unit. We do not pay for claims when the seating capacity as established by the manufacturer has been exceeded. We do not pay for claims where the operator is under the age of 16 years. The premium for Passenger Hazard Option is fully earned.

Exclusions

You are not insured for claims made against you arising from:

1. bodily injury of a passenger, unless the Passenger Hazard Option is shown on the Coverage Summary page;
2. bodily injury or property damage caused by an operator under 16 years of age;
3. bodily injury or property damage caused by an operator under the influence of intoxicating liquor or drugs;
4. bodily injury or property damage caused by an operator in any race or speed test;
5. bodily injury or property damage resulting from any illicit, prohibited trade or transportation;
6. bodily injury or property damage resulting from carrying passengers for a fee;
7. bodily injury or property damage caused while the "jet propulsion personal watercraft" is rented or leased to others;
8. bodily injury or property damage resulting from the operation of "jet propulsion personal watercraft" in any area where their use and operation is restricted or prohibited. This includes designated areas within a lake or at any park;
9. bodily injury or property damage caused by an operator whose alcohol blood ratio exceeds 80 milligrams of alcohol in 100 millilitres of blood.
10. bodily injury or property damage when a personal watercraft unit is not operated in accordance with the Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements.

ADDITIONAL EXCLUSIONS—SECTION II applicable to Coverages E, F, G, Loss Assessment Coverage and Jet Propulsion Personal Watercraft Liability.

You are not insured for claims arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. bodily injury or property damage which is also insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of Insurers regardless of exhaustion of such policy limits or its termination.

CONDITIONS

Notice of Accident or Occurrence: When an accident or occurrence takes place, you must promptly give us notice in writing (if required). The notice must include:

1. your name and policy number;
2. the time, place and circumstances of the accident;
3. the names and addresses of witnesses and potential claimants.

Co-operation: You are required to:

1. help us obtain witnesses, information and evidence about the accident and cooperate with us in any legal action if we ask you;
2. immediately send us everything received in writing concerning the claim including legal documents.

Unauthorized Settlements - Coverage E: You shall not, except at your cost, voluntarily make any payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of the accident.

Action Against Us - Coverages E: You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until the amount of your obligation to pay has been finally determined, either by judgement against you or by an agreement which has our consent.

Action Against Us - Coverages F and G: You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until 60 days after the required Proof of Loss Form has been filed with us.

Payment of Claim - Coverages F and G: Payment by us under either of these coverages is not an admission of liability by you or us.

Insurance Under More than One Policy: If you have other insurance which applies to a loss or claim, or would have applied if this policy did not exist, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

SECTION III - SECONDARY, SEASONAL AND RENTAL DWELLING PROPERTY COVERAGES AND DWELLINGS UNDER CONSTRUCTION

COVERAGE:

The insurance provided for in this section applies only to those Riders, Floaters and/or Endorsements which are described on the Coverage Summary page, and for which an amount of insurance and premium are shown.

BASIS OF CLAIM PAYMENT: (Not applicable to Rider DCR)

We will pay for insured loss or damage up to your financial interest in the property, but not exceeding the applicable amount of insurance shown in this policy, for any loss or damage arising out of one occurrence.

We do not pay for any loss, expense or increased cost of repair or replacement due to the operation of any law or ordinance regulating zoning, demolition, repair or construction of buildings and their related services.

Settlement of loss will not include any time and expenses incurred in establishing your claim. Time and expenses not recoverable include but are not limited to:

1. the completion of claim documents.
2. obtaining competitive estimates.
3. the acquisition of replacement property.

Any loss or damage shall not reduce the amount of insurance provided by this policy.

DEDUCTIBLE: WE ARE RESPONSIBLE ONLY FOR THE AMOUNT BY WHICH THE LOSS OR DAMAGE CAUSED BY ANY OF THE INSURED PERILS EXCEEDS THE AMOUNT OF THE DEDUCTIBLE SHOWN ON THE COVERAGE SUMMARY PAGE IN ANY ONE OCCURRENCE. IF YOUR CLAIM INVOLVES PERSONAL PROPERTY ON WHICH THE SPECIAL LIMITS OF INSURANCE APPLY, THE LIMITATIONS APPLY TO LOSSES EXCEEDING THE DEDUCTIBLE AMOUNT.

Unless otherwise stated in this policy, we will not pay more than the Actual Cash Value of the loss or damage at the date of the occurrence, or the amount it would cost to repair or replace the property with materials of similar quality, whichever is less, but in no event exceeding the applicable amount of Insurance shown on the Coverage Summary page.

Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

Obsolescence: We will not pay for increased costs that result when you cannot repair or replace your property because material or parts are unavailable, obsolete or outmoded. In the event that new property of like kind and quality is not obtainable because material or parts are unavailable or obsolete, new property 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 property of like kind and quality.

Inflation Protection: During the term of this policy, we will increase the limits of insurance stated on the Coverage Summary page as applicable to Coverages A, B, C and D, by a portion of the Inflation Protection Rate percentage (IPR), as follows:

- 2 months after inception - 25% of the IPR
- 5 months after inception - 50% of the IPR
- 8 months after inception - 75% of the IPR
- 11 months after inception - 100% of the IPR.

"Inception" means the effective date of the policy or, if the policy has been in force for more than one year, its last anniversary date. If you request a change in the amount of insurance during the policy term, the effective date of that change will be the "inception", until the next policy anniversary date.

This protection does not apply to vacant dwellings.

Insurance Under More Than One Policy: If you have insurance on specifically described property, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

In all other cases, our policy will pay its rateable proportion of the loss or claim.

Subrogation: We will be entitled to assume all your rights of recovery against others and may bring action in your name to enforce these rights when we make payment or assume liability under this policy.

If you are a Condominium Unit Owner, we agree to waive our rights to any claim against the Condominium Corporation, its directors, property managers, agents and employees, except for arson, fraud and vehicle impact. We shall not consider independent contractors as being agents or employees of the Condominium Corporation, its directors, property managers or of the unit owners.

Your right to recover from us is not affected by any release from liability entered into by you prior to a loss.

FIRE AND EXTENDED COVERAGE – RIDERS FEC AND SDW

AGREEMENT

If the Coverage Summary page specifies riders FEC or SDW and indicates an Amount of Insurance, we provide the insurance described under this coverage in return for payment of the premium and subject to the exclusions, limitations, terms and conditions set out below.

DEFINITIONS

"Dwelling" means the building or mobile home at the location described on the Coverage Summary page occupied as a private or seasonal residence.

"Premises" means the dwelling and the land on which the dwelling is located at the location described on the Coverage Summary page.

COVERAGES

The amounts of insurance are shown under the heading "Limit(s)" on the Coverage Summary page. These amounts include the cost of removing debris of the property insured by this Rider as a result of an Insured Peril.

If you must remove insured property from the premises to protect it from loss or damage, it is insured by this policy for 30 days or until your policy term ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property at each location bears to the value of all property at the time of loss.

DWELLING BUILDING OR MOBILE HOME

If the Coverage Summary page specifies an amount of insurance on Dwelling Building or Mobile Home, we insure:

1. The dwelling and attached structures.
2. Permanently installed outdoor equipment on the premises. This includes fences, but not fences used in connection with business or farming activities.
3. Outdoor swimming pool, outdoor hot tubs, and equipment attached on the premises.
4. Materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of the dwelling or private structures on the premises, other than private structures to be used in whole or in part for business or farming purposes.

Permission is granted to make alterations, additions and repairs to your dwelling.

Tear Out (Applicable to Dwelling Building). If any walls, ceilings or other parts of insured buildings or structures must be torn apart before insured water damage from a plumbing, heating, air conditioning or sprinkler system or domestic appliance can be repaired, we will pay the cost of such repairs.

The cost of tearing out and replacing property to repair damage related to outdoor swimming pools, outdoor hot tubs or similar installations or water mains or sewers is not insured.

EXTENSIONS

The following extensions are available in addition to the amount of insurance. We insure each of the following for an amount equal to 10% of the amount of insurance on the Dwelling Building:

1. Detached private structures on your premises separated from the dwelling by a clear space but not insured as a part of the dwelling. If they are connected to the dwelling by a fence, utility line or similar connection only, they are considered to be detached structures. We do not insure dwellings or detached private structures used in whole or in part or designed for business or farming purposes.
2. Boathouses, boatlifts, docks, piers, wharves and swimming rafts not on your premises but located elsewhere in the same resort area as the dwelling.
3. Building Fixtures and Fittings temporarily removed from the premises for repair or seasonal storage.
4. Rental Value (not applicable to a Seasonal Dwelling): If an Insured Peril makes that part of the dwelling or detached private structures rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Rental Value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.

If a civil authority prohibits access to your dwelling as a direct result of damage to neighbouring premises by an Insured Peril, we insure any resulting Rental Value loss for a period not exceeding two weeks.

We do not insure loss, damage or expense caused by the cancellation of a lease or agreement.

If an amount of insurance is shown on the Coverage Summary page for END. #5 - Rental Value, the amount shown will apply in addition to this extension.

Property not insured

We do not insure:

1. buildings or structures used in whole or in part or designed for business or farming purposes, unless such use is declared on the Coverage Summary page;
2. any building or structure that has been condemned by any authority;
3. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
4. wind turbine systems including all related equipment and structures manufactured for a rated power generation exceeding 1kw.

PERSONAL PROPERTY

If the Coverage Summary page specifies an amount of insurance for Personal Property, we insure your contents of the dwelling and other personal property you own, wear or use which is usual to the ownership or maintenance of a dwelling and not otherwise insured under any section of this policy, while on the premises.

If you do not own the dwelling, we also insure dwelling improvements and betterments made by you or acquired at your expense, as part of Personal Property.

If you wish, you may apply up to 10% of the amount of insurance on your Personal Property or **\$2,000**, whichever is less, to personal property of others while it is on that portion of the premises which you occupy, but we

do not insure property of roomers or boarders who are not related to you.

Extensions

The following extensions are available in addition to the amount of insurance shown on the Coverage Summary page. We insure each of the following for an amount equal to 10% of the amount of insurance on your personal property.

1. **Personal Property Away from Premises:** your personal property, excluding watercraft, while temporarily removed from the premises anywhere in Canada or in the continental United States of America.
Personal Property temporarily away at any other location you own is not insured. Personal Property in storage is covered for a period of 30 days only, unless stored in an occupied private residence or unless otherwise shown on the Coverage Summary page.
2. **Additional Living Expenses:** (not applicable to a Seasonal Dwelling): Any necessary increase in living expense incurred by you, including moving expenses, so that your household can maintain its normal standard of living, if an Insured Peril makes the dwelling unfit for occupancy, or you have to move out while repairs are being made. Payment shall be for the reasonable time required to repair or to rebuild the dwelling, or, if you permanently relocate, the reasonable time required by your household to settle elsewhere.
If a civil authority prohibits access to the dwelling as a direct result of damage to neighbouring premises by an Insured Peril, we insure any resulting Additional Living Expense loss for a period not exceeding two weeks.

Property Not Insured

We do not insure:

1. animals, birds or fish;
2. motorized vehicles, trailers and aircraft or their equipment except for watercraft, motorized wheelchairs, scooters, motorized lawn mowers, other gardening equipment or snow blowers. Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft;
3. any property illegally imported, acquired, used, kept, or transported;
4. property away from your premises for the purpose of exhibition or display at any time your property is being held for sale by others;
5. business property including goods or samples held for sale except as provided under Special Limits of Insurance;
6. books of account, evidences of debt or title and documents or other evidence to establish ownership or the right or claim to a benefit or thing;
7. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
8. money, bullion, and securities, except as provided by Perils 13. Burglary and 14. Robbery.

Special Limits of Insurance

For the following types of property, we will not pay more than the stated amounts. If an amount of insurance is shown for "Personal Property", we insure:

1. Books, tools, instruments, office furniture and office equipment pertaining to a business, profession, trade or occupation including farming for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building. Other business property, including samples, supplies and goods held for sale, is not insured.
2. Computer hardware pertaining to a business, profession, trade or occupation including farming, for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building.
3. Computer software pertaining to a business, profession, trade or occupation including farming, for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building. We do not insure the cost of gathering or assembling or recreating information or data.
4. Securities up to **\$5,000** in all.
5. Money or bullion up to **\$500** in all. Money includes gift cards, cash cards and gift certificates.
6. Watercraft, their furnishings, equipment, accessories, motors and boat trailers that are not required to be licensed, up to **\$2,500** in all.
7. Motorized lawn mowers, other motorized gardening equipment or snow blowers, including attachments and accessories, up to **\$10,000** on any one item.
8. Trading and collectible cards (including, but not limited to, sports cards), comic books and sports memorabilia, up to **\$2,500** in all, but not exceeding **\$200** on any one item.

The following special limits of insurance apply if loss or damage is caused by Burglary or Robbery, insured under the Burglary and Robbery Extension – END. #18.

1. Jewellery, watches, gems, up to **\$10,000** in all.
2. Fur garments and garments trimmed with fur, up to **\$10,000** in all.
3. Numismatic property (such as coin collections) up to **\$500** in all.
4. Manuscripts, stamps and philatelic property (such as stamp collections) up to **\$2,500** in all.

INSURED PERILS

You are insured against direct loss or damage caused by the following perils as described and limited. If, however, the Coverage Summary page indicates END. #19 - Extended Coverage Deleted, Perils 3 to 10 inclusive are not applicable:

1. FIRE or LIGHTNING.
2. EXPLOSION or IMPLOSION.
3. SMOKE: This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises.
4. FALLING OBJECTS: this peril means a falling object which strikes the exterior of a building but not objects which strike the building because of snowslide, landslide or any other earth movement.
5. IMPACT BY AIRCRAFT OR SPACECRAFT
6. IMPACT BY LAND VEHICLE: Animals are not insured under this peril.
7. RIOT.
8. VANDALISM or MALICIOUS ACTS: This peril does not apply to a Seasonal Dwelling or its contents for which Rider SDW is specified, unless END. #7 - Vandalism is indicated on the Coverage Summary page.

This peril does not include:

- a) loss or damage occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
 - b) damage caused by you;
 - c) loss or damage caused by theft or attempted theft;
 - d) loss or damage caused by any employee, tenant, tenant's guest, tenant's employee or member of the tenant's household unless fire ensues and then only the loss or damage caused by the ensuing fire is covered. "Tenant" includes any person who has your permission to occupy the dwelling or any part of it.
9. WATER ESCAPE, RUPTURE, FREEZING: This peril means:
- a) accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pool, hot tub and any attached equipment and watermains;
 - b) sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam, or lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water;
 - c) freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance within a building or unit for which the heat has been maintained during the usual heating season;
 - d) accidental discharge of water from a waterbed or aquarium.

This peril does not include damage:

- a) caused by continuous or repeated seepage or leakage;
- b) to the system or appliance caused by rust or corrosion or deterioration;
- c) to watermains, outdoor swimming pools, outdoor hot tubs or similar installations, or equipment attached;
- d) caused by backup, escape or overflow of water or sewage from a sewer, sump, septic system, or eavestroughs or downspout connected to your sewer or from drains or sewers outside your dwelling;
- e) occurring while the dwelling or unit is under construction or vacant even if we have given permission for construction or vacancy;
- f) caused by freezing which occurs during the usual heating season if the occupant, with your knowledge has been away from your premises more than ten consecutive days. However, you would still be insured if:
 - i) arrangements had been made for a reliable person to enter your dwelling or unit daily to ensure that heating was being maintained, or
 - ii) the water supply had been shut off and all the pipes and appliances had been drained, or
 - iii) your dwelling or unit was equipped with a 24 hour monitored low temperature alarm system;
- g) caused by water escape, rupture or freezing of any outdoor appliance including piping or other equipment connected to said appliance used to heat the described Dwelling Building.

Under this peril a plumbing system does not include sewers, sumps, septic systems, weeping tile, eavestroughs or downspouts.

10. WINDSTORM or HAIL: This peril does not include loss or damage to your personal property or improvements and betterments within a building or the interior of a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.

We cover damage to watercraft and their equipment caused by windstorm or hail but only while they are inside a fully enclosed building. This limitation does not apply to rowboats and canoes on the premises.

This peril does not include damage:

- a) to fences;
 - b) damage due to waves including tidal waves and tsunamis, or spray from any of these, flood, surface water, ice or waterborne objects or the weight or pressure or melting of ice or snow, whether or not driven by wind, including storm surge;
 - c) any dent damage to the outer metal cover of any mobile home, unless the metal cover is punctured (pierced to make an opening in the metal roofing or siding).
11. ELECTRICITY: This peril means sudden and accidental loss or damage caused by artificially generated electrical current.
12. ICE DAMMING: This peril means you are insured against direct loss or damage to property insured caused by water that enters the building through the roof due to the accumulation of ice or snow on the exterior of the roof or eavestrough. This peril does not include loss or damage caused by continuous or repeated seepage or leakage of water.

If the Coverage Summary page specifies END. #18 - Burglary and Robbery Extension, the following are included as Insured Perils:

13. BURGLARY: This peril means theft of your personal property from within a building on the premises following illegal and forcible entry into or exit from the building leaving visible marks at the point of forced entry or exit.

This peril does not include loss or damage:

- a) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
 - b) caused by any employee, tenant, tenant's guest, tenant's employee or member of the tenant's household if part of the dwelling containing the property insured is rented to others. "Tenant" includes any person who has your permission to occupy your dwelling or unit or any part of it.
14. ROBBERY: This peril means theft of your personal property by violence or threat of violence to any person.

ADDITIONAL COVERAGES

1. Fire Department Charges

We will pay up to \$1,000 or such other amount as may be specified on the Coverage Summary page for End. #23 for your liability for Fire Department charges incurred when a Fire Department is called to save or protect your premises. No deductible applies to this coverage.

2. Arson Conviction Reward

If not otherwise provided for in this policy, we will pay \$1,000 for information which leads directly to the conviction of any person or persons who commit arson to any property insured by this Rider. The \$1,000 limit applies regardless of the number of people providing the information. This coverage does not apply to information given by law enforcement officers or agencies. No deductible applies to this coverage.

3. Outdoor Trees, Shrubs and Plants (Not applicable to a Seasonal Dwelling)

You may apply up to 5%, in all, of the amount of insurance on your dwelling as shown on the Coverage Summary page or personal property to trees, shrubs, plants, or lawns on your premises. We will not pay more than **\$1,000** for any one tree, shrub, plant, or lawn, including debris removal expenses. We insure these items against loss caused by fire, lightning, explosion or implosion, impact by aircraft, spacecraft or land vehicle, riot, vandalism and malicious acts, all as described and limited under the Insured Perils of Rider FEC.

We do not insure:

- a) lawns or items grown for commercial purposes;
- b) lawns or items located more than 65 meters (200 feet) from the dwelling or unit

4. Damage to Building by Theft

If the Coverage Summary page specifies an amount of insurance on Dwelling Building, we will pay up to **\$1,500** for damage to the dwelling caused by theft or attempted theft, including vandalism or malicious acts committed on the same occasion. This coverage does not apply:

- a) to loss or damage occurring while the dwelling is vacant or under construction, even if we have given permission for vacancy or construction;
- b) to loss or damage caused by any employee, tenant, tenant's guest, tenant's employee or member of a tenant's household. "Tenant" includes any person who has your permission to occupy the dwelling or any part of it;
- c) to glass breakage or loss or damage to any detached private structure;
- d) to a Seasonal Dwelling;
- e) if the Coverage Summary page indicates END. #19 - Extended Coverage Deleted;
- f) if the Coverage Summary page indicates that damage to building by theft is not covered.

5. Contents of Rented Dwellings

If the Dwelling is rented to others in its entirety, we will pay up to **\$3,000** per unit for loss or damage to your property not otherwise insured by this policy and contained in any building on the premises, where the loss or damage is caused by any of the Insured Perils as defined and limited in this Rider, subject to all the exclusions and limitations set out in this Rider.

LOSSES NOT INSURED

We do not insure:

1. loss or damage occurring after the dwelling has, to your knowledge, been vacant for more than 30 consecutive days, unless a vacancy permit is shown on the Coverage Summary page;
2. loss or damage occurring after the dwelling has, to your knowledge, been unoccupied for more than 12 consecutive months. This exclusion does not apply to a Seasonal Dwelling or its contents for which Rider SDW is specified;
3. loss or damage caused by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
4. loss or damage caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
5. losses, expense, or increased cost of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services;
6. loss or damage resulting from any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy;
7. loss of or damage to personal property while undergoing a process involving the application of heat, but resulting damage to other property is insured;
8. the cost of gathering or assembling information or data for a computer software system.
9. loss or damage to a building or structure or its contents occurring while the building or structure is raised or being raised off its foundation or while being moved or while at any location other than the location specified on the Coverage Summary page;
10. to a mobile home or its contents occurring while the mobile home is being moved, except in an emergency to protect it when endangered by an Insured Peril. Moving includes the period of time during which the levelling jacks or blocks are removed or all utilities are disconnected.
11. loss or damage caused, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results from fire or explosion;
12. a) loss or damage to "data", or
b) loss or damage caused by a "data problem". However, if loss or damage caused by a "data problem" results in the occurrence of further loss of or damage to property insured that is caused by fire, lightning, explosion, smoke or water escape, rupture or freezing, this exclusion shall not apply to such resulting loss or damage;
13. a) loss or damage consisting of or caused, in whole or in part, by any "Fungi" or "Spores".
b) the cost or expense for any testing, monitoring, evaluating or assessing of "Fungi" or "Spores".
14. loss or damage to any outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), and all contents of the same structure if caused by or resulting from the use of the heating unit. 15. loss or damage caused by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic or the possession of any substances falling under the Controlled Drugs and Substance Act Narcotic Control Regulations, whether or not you have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the premises to facilitate such illegal activity;
16. caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence.
17. accumulative damage however caused;
18. any loss or damage not due to a sudden unexpected event

OPTIONAL LOSS SETTLEMENT - BUILDING

If there is insured loss or damage to the Dwelling Building, you may choose as the basis of loss settlement either Option A or Option B below, provided:

1. END. #21 "Optional Loss Settlement Clause Included" is specified on the Coverage Summary page, and
2. you repair or replace the damaged or destroyed building within a reasonable time after the loss, and
3. you use materials of similar quality for repair or replacement, and
4. if replacement is necessary, you replace the building on the same site with a building of the same occupancy.

Otherwise, settlement will be as in Option B.

Option A: The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case we will pay in the proportion that the applicable amount of insurance bears to 80% of the replacement cost of the damaged building at the date of loss but not exceeding the actual cost incurred.

Option B: The Actual Cash Value of the damage at the date of loss.

The Actual Cash Value will take into account such things as the cost of replacement or reconstruction less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

In determining the cost of repairs or replacement under Option A or the amount payable under Option B, we will not pay or include the increased costs of repair, replacement or reconstruction due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services, nor will we pay more than the applicable amount of insurance shown on the Coverage Summary page.

Limited Replacement Cost – Specific Perils

In the event of loss or damage to the roof of your dwelling or detached private structure caused by windstorm or hail, payment will be based on the following schedule of roofing materials listed below:

1. Asphalt/Fibreglass Composition Shingles – 7% depreciation per year after 15 years, subject to a maximum depreciation of 70%
2. Metal, Rubber, Synthetic, Polymer, Tiles Slate or Concrete – 2% per year after 15 years, subject to a maximum depreciation of 70%
3. Wood Shakes or Shingles – 4% per year after 15 years, subject to a maximum depreciation of 70%
4. Other – 7% per year after 15 years, subject to a maximum depreciation of 70%

REPLACEMENT COST COVERAGE- PERSONAL PROPERTY

We agree to pay for insured loss or damage to Personal Property on the basis of Replacement Cost provided that:

- a) the property at the time of the loss was useable for its original purpose;
- b) you have repaired or replaced the property within 180 days of the date of the actual cash value settlement.

Otherwise the basis of claim payment in the policy will apply as if this coverage had not been in effect.

Replacement Cost Coverage does not apply to:

1. property no longer in use for its originally intended purpose;
2. antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced with a similar article;
3. fur garments or garments trimmed with fur which are more than 5 years old from the date of original purchase.

"Replacement Cost" means the cost, at the time of loss, of repair or replacement (whichever is less), with new property of similar kind and quality, without deduction for depreciation, but we will not pay more than the applicable amount of insurance shown on the Coverage Summary page.

PAIR: If there is loss to one item of an identical pair by an Insured Peril, we will pay for the pair. The undamaged item becomes our property.

SET: For items that are part of a set of two or more pieces, we will pay for those particular items which were lost or damaged by an Insured Peril.

ALL RISK BUILDING - RIDER ARB

AGREEMENT

If the Coverage Summary page indicates that All Risk Building Rider ARB applies, we provide the insurance described in this coverage in return for payment of the premium and subject to the exclusions, limitations, terms, and conditions set out below.

DEFINITIONS

"Dwelling" means the building or mobile home at the location described on the Coverage Summary page occupied as a private or seasonal residence.

"Premises" means the dwelling and the land on which the dwelling is located at the location described in the Coverage Summary page.

COVERAGES

The amounts of insurance are shown under the heading "Limit(s)" on the Coverage Summary page. These amounts include the cost of removing debris of the property insured by this Rider as a result of an Insured Peril.

Dwelling Building

We insure:

1. The dwelling and attached structures.
2. Permanently installed outdoor equipment on the premises. This includes fences, but not fences used in connection with business or farming activities.
3. Outdoor swimming pool, outdoor hot tub and equipment attached on the premises.
4. Materials and supplies located on or adjacent to the premises, intended for use in construction, alteration or repair of the dwelling or private structures on the premises. We insure against the peril of theft only when your dwelling is completed and occupied.

Permission is granted to make alterations, additions, and repairs to your dwelling.

Tear Out

If any walls, ceilings or other parts of insured buildings or structures must be torn apart before insured water damage from a plumbing, heating, air conditioning or sprinkler system or domestic appliance can be repaired, we will pay the cost of such repairs.

The cost of tearing out and replacing property to repair damage related to outdoor swimming pools, outdoor hot tubs or similar installations, or watermains or sewers is not insured.

Coverage Extensions

The following extensions are available in addition to the amount of insurance shown. We insure each of the following for an amount equal to 10% of the amount of insurance shown for this Rider:

1. Building Fixtures and Fittings temporarily removed from the premises for repair or seasonal storage.
2. Detached private structures on your premises separated from the dwelling by a clear space but not insured as a part of the dwelling. If they are connected to the dwelling by a fence, utility line or similar connection only, they are considered to be detached structures. We do not insure dwellings or detached private structures used in whole or in part or designed for business or farming purposes.
3. Boathouses, boatlifts, docks, piers, wharves and swimming rafts not on your premises but located elsewhere in the same resort area as the dwelling.
4. Rental Value (not applicable to a Seasonal Dwelling): If an Insured Peril makes that part of the dwelling or detached private structures rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Rental Value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.

If a civil authority prohibits access to your dwelling as a direct result of damage to neighbouring premises by an Insured Peril, we insure any resulting Rental Value loss for a period not exceeding two weeks.

We do not insure loss, damage or expense caused by the cancellation of a lease or agreement.

If an amount of insurance is shown on the Coverage Summary page for END. #5 - Rental Value, the amount shown will apply in addition to this extension.

PROPERTY NOT INSURED

We do not insure:

1. buildings or structures used in whole or in part or designed for business or farming purposes unless such use is declared on the Coverage Summary page;
2. any building or structure that has been condemned by any authority;
3. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
4. wind turbine systems including all related equipment and structures manufactured for a rated power generation exceeding 1kw.

INSURED PERILS

You are insured against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms, and conditions contained in this policy.

ADDITIONAL COVERAGES

1. Fire Department Charges

We will pay up to **\$1,000** or such other amount as may be specified on the Coverage Summary page for End. #23 for your liability for Fire Department charges incurred when a Fire Department is called to save or protect your premises. No deductible applies to this coverage.

2. Conviction Reward

If not otherwise provided for by this policy, we will pay **\$1,000** for information which leads directly to the conviction of any person or persons who steal, vandalize, burglarize or commit arson to any property insured by this Rider. The **\$1,000** limit applies regardless of the number of people providing the information. This coverage does not apply to information given by law enforcement officers or agencies. No deductible applies to this coverage

3. Outdoor Trees, Shrubs and Plants (Not applicable to a Seasonal Dwelling)

You may apply up to 5%, in all, of the amount of insurance on your dwelling as shown on the Coverage Summary page to trees, shrubs, plants, or lawns on your premises. We will not pay more than **\$1,000** for any one tree, shrub, plant, or lawn, including debris removal expenses. We insure these items against loss caused by fire, lightning, explosion or implosion, impact by aircraft, spacecraft or land vehicle, riot, vandalism and malicious acts, all as described and limited under the Insured Perils of Rider FEC.

We do not insure:

- a) lawns or items grown for commercial purposes;
- b) lawns or items located more than 65 meters (200 feet) from the dwelling or unit.

4. Contents of Rented Dwelling

If the Dwelling is rented to others in its entirety, we will pay up to 10% of the amount of insurance on your dwelling as shown on the Coverage Summary page for loss or damage to your property not otherwise insured by this policy, where the loss or damage is caused by any of the Insured Perils as defined and limited in this Rider, subject to all the exclusions and limitations set out in this Rider.

LOSSES NOT INSURED

We do not insure:

1. losses, expenses or increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services;
2. marring or scratching of any property or breakage of eyeglasses, glassware or any fragile or brittle articles unless caused directly or indirectly by a "Specified Peril" or theft or attempted theft;
3. wear and tear, deterioration, latent defect, inherent vice, dryness or dampness of atmosphere, unknown flaw, defect or mechanical breakdown, rust or corrosion, extremes of temperature, condensation, wet or dry rot, mould, acid rain, contamination;
4. the cost of making good faulty material or workmanship;
5. settling, expansion, contraction, moving, shifting, bulging, buckling or cracking unless fire or explosion ensues except resulting damage to building glass, but this exclusion does not apply to loss or damage which would be insured under Peril 8b) of Rider FEC;
6. cracking or falling of ceiling or wall plaster, unless caused by a peril not otherwise excluded by this policy;
7. With the exception of ensuing fire, we do not insure vandalism or malicious acts by any employee, tenant, tenant's guest, tenant's employee or member of the tenant's household unless a limit is shown on the declaration Summary page. "Tenant" includes any person who has your permission to occupy your dwelling or any part of it;
8. accumulative damage however caused;
9. any loss or damage not due to a sudden unexpected event;
10. any dent damage to the outer metal cover of any mobile home, coincidental rain damage, unless the metal cover is punctured (pierced to make an opening in the metal roofing or metal siding);
11. loss or damage caused by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic or the possession of any substances falling under the Controlled Drugs and Substance Act Narcotic Control Regulations, whether or not you have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the premises to facilitate such illegal activity;

We do not insure loss or damage:

12. occurring after the dwelling has, to your knowledge, been vacant for more than 30 consecutive days, unless a vacancy permit is shown on the Coverage Summary page;
13. occurring after the dwelling has, to your knowledge, been unoccupied for more than 12 consecutive months;
14. caused by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
15. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
16. resulting from any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy;
17. to property while undergoing a process involving the application of heat, but resulting damage to other property is insured;
18. caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pool, hot tub or its attached equipment or a watermain;
19. caused by birds, vermin, rodents, raccoons, skunks, moles, mice or insects, except loss of or damage to building glass;
20. caused by a domesticated animal you own or which is in your care;
21. caused by smoke from agricultural smudging or industrial operations;
22. caused by earthquake, snowslide, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;
23. caused by theft or attempted theft of property in or from a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and occupied;
24. loss or damage to a building or structure occurring while it is raised or being raised off its foundation or while being moved or while at any location other than the location specified on the Coverage Summary page;
25. to a mobile home or its contents occurring while the mobile home is being moved, except in an emergency to protect it when endangered by an Insured Peril. Moving includes the period of time during which the levelling jacks or blocks are removed or all utilities are disconnected;
26. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
27. caused by flood, surface water, waves including tidal waves and tsunami, or spray from any of these, overflow of streams or other bodies of water, ice or waterborne objects whether driven by wind or not, including storm surge; unless the loss or damage resulted from the sudden and unexpected escape of water from a watermain, firefighting activities or swimming pool, hot tub and any attached equipment;
28. caused by water below ground level including that which exerts pressure on or flows, seeps or leaks through any opening in a sidewalk, driveway, foundation, wall, or floor, unless the loss or damage resulted from the sudden and accidental escape of water from a swimming pool, hot tub and any attached equipment, fire fighting activities, or a watermain;
29. caused by accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pools, hot tubs or attached equipment and watermains, occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
30. caused by sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam, or lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
31. to an outdoor swimming pool, outdoor hot tub or similar installation, or equipment attached or to a watermain, caused by water escape, rupture, freezing, or movement of ice;
32. caused by freezing of a plumbing, heating, sprinkler or air conditioning system or domestic appliance, unless it happens within a building for which the heat has been maintained

during the usual heating season and the occupant has not been away from the premises or is no longer residing there for more than ten consecutive days. However, you would still be insured if:

- a) arrangements had been made for a reliable person to enter your dwelling daily to ensure that heating was being maintained, or
- b) the water supply had been shut off and all the pipes and appliances had been drained, or
- c) your dwelling was equipped with a 24 hour monitored low temperature alarm system.

If the loss or damage occurs while your building is under construction or vacant, you would not be insured, even if we have given permission for construction or vacancy;

33. caused by rupture or bursting, backing up or escape of water or sewage from a sewer or drain, sump, septic system, weeping tile, eavestrough or downspout, unless the loss or damage resulted from the escape of water from a watermain, swimming pool, hot tub or similar installation or any attached equipment;
34. loss or damage caused, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results directly from fire or explosion;
35. a) loss or damage to "data", or
b) loss or damage caused by a "data problem". However, if loss or damage caused by a "data problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire, lightning, explosion, smoke or water escape, rupture or freezing, this exclusion shall not apply to such resulting loss or damage;
36. a) loss or damage consisting of or caused, in whole or in part, by any "Fungi" or "Spores".
b) the cost or expense for any testing, monitoring, evaluating or assessing of "Fungi" or "Spores";
37. loss or damage to any outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), and all contents of the same structure if caused by or resulting from the use of the heating unit;
38. caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
39. caused by water escape, rupture or freezing of any outdoor appliance including piping or other equipment connected to said appliance used to heat the described Dwelling Building;
40. resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants.

OPTIONAL LOSS SETTLEMENT - BUILDING

If there is insured loss or damage to the Dwelling Building, you may choose as the basis of loss settlement, either Option A or Option B below, provided:

1. you repair or replace the damaged or destroyed building within a reasonable time after the loss, and
2. you use materials of similar quality for repair or replacement, and
3. if replacement is necessary, you replace the building on the same site with a building of the same occupancy;

otherwise, settlement will be as in Option B.

Option A: The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case we will pay in the proportion that the applicable amount of insurance bears to 80% of the replacement cost of the damaged building at the date of loss, but not exceeding the actual cost incurred.

Option B: The Actual Cash Value of the damage at the date of loss.

The Actual Cash Value will take into account such things as the cost of replacement or reconstruction less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

In determining the cost of repairs or replacement under Option A or the amount payable under Option B, we will not pay or include the increased costs of repair, replacement or reconstruction due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services, nor will we pay more than the applicable amount of insurance shown on the Coverage Summary page.

Limited Replacement Cost – Specific Perils

In the event of loss or damage to the roof of your dwelling or detached private structure caused by windstorm or hail, payment will be settled based on the following schedule of roofing materials listed below:

1. Asphalt/Fibreglass Composition Shingles – 7% depreciation per year after 15 years, subject to a maximum depreciation of 70%
2. Metal, Rubber, Synthetic, Polymer, Tiles, Slate or Concrete – 2% per year after 15 years, subject to a maximum depreciation of 70%
3. Wood Shakes or Shingles – 4% per year after 15 years, subject to a maximum depreciation of 70%
4. Other – 7% per year after 15 years, subject to a maximum depreciation of 70%

ALL RISK CONTENTS - RIDER ARC

AGREEMENT

If the Coverage Summary page indicates that All Risk Contents Rider ARC applies, we provide the insurance described in this coverage in return for payment of the premium and subject to the exclusions, limitations, terms, and conditions set out below.

DEFINITIONS

"Dwelling" means the building or mobile home at the location described on the Coverage Summary page occupied as a private or seasonal residence.

"Premises" means the dwelling and the land on which the dwelling is located at the location described in the Coverage Summary page.

COVERAGES

The amounts of insurance are shown under the heading "Limit(s)" on the Coverage Summary page. These amounts include the cost of removing debris of the property insured by this Rider as a result of an Insured Peril.

If you must remove insured property from the premises to protect it from loss or damage, it is insured by this policy for 30 days or until your policy term ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of loss.

PERSONAL PROPERTY

We insure the contents of your dwelling and other personal property you own, wear or use which is usual to the ownership or maintenance of a dwelling and not otherwise insured under any section of this policy, while on the premises.

If you wish, you may apply up to **\$2,000** of the amount of insurance on your personal property to personal property of others, except property of roomers or boarders who are not related to you, while it is on that portion of the premises which you occupy.

We insure your personal property which is usually kept throughout the year at your premises while it is temporarily away from your premises, anywhere in the world. However, personal property usually kept at any other location you own, rent or occupy is not insured, but Personal Property in storage is insured.

Property Not Insured

We do not insure:

1. sporting or hobby equipment where the loss or damage is due to its use;
 2. contact lenses unless the loss or damage is caused by a "Specified peril", impact by watercraft or theft or attempted theft;
 3. animals, birds or fish;
 4. property away from your premises for the purpose of exhibition or display, or any time your property is being held for sale by others;
 5. any property illegally imported, acquired, used, kept or transported;
 6. books of account and evidences of debt or title and documents or other evidence to establish ownership or the right or claim to a benefit or thing;
 7. business property including samples or goods held for sale except as provided under Special Limits of Insurance;
 8. a) motorized vehicles or their equipment, except for watercraft, motorized lawn mowers and other gardening equipment, snow blowers, golf carts, motorized wheel chairs or scooters having more than two wheels and specifically designed for carrying a person who has a physical disability; electric bicycles with pedals, not more than 500 watts and not exceeding 32 km per hour, electric or battery powered children's toys with a maximum speed of 8 km per hour, personal transporter;
 - b) trailers, (except unlicensed boat trailers) camper units, truck caps or their equipment;
 - c) aircraft or their equipment.
- Equipment includes audio, visual, recording, or transmitting equipment powered by the electrical system of a motor vehicle or aircraft, but does not include spare automobile parts.

Special Limits of Insurance

We will not pay more than the stated amounts for the following types of property or such other amount as may be specified on the Coverage Summary page. We insure:

1. Books, tools, instruments, office furniture and office equipment pertaining to a business, profession, trade or occupation, including farming for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building. Other business property, including samples, supplies and goods held for sale, is not insured.
2. Computer hardware pertaining to a business, profession, trade or occupation including farming, for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building.
3. Computer software pertaining to a business, profession, trade or occupation, including farming, for an amount up to **\$5,000** in all, but only while on your premises in a fully enclosed building. We do not insure the cost of gathering or assembling or recreating information or data.
4. Securities up to **\$5,000** in all.
5. Money or bullion up to **\$500** in all. Money includes gift cards, cash cards and gift certificates.
6. Watercraft, their furnishings, equipment, accessories, motors, jet propulsion personal watercraft and boat trailers that are not required to be licensed, up to **\$2,500** in all. These are insured only for "Specified Perils" and theft or attempted theft.
7. Animals, birds and fish up to **\$1,500** in all and only if they are kept as household pets. These are insured only for "Specified Perils" other than impact by aircraft, spacecraft or land vehicle.
8. Spare automobile parts up to **\$1,000** in all.
9. Motorized lawn mowers, other motorized gardening equipment or snow blowers, including attachments and accessories, up to **\$10,000** on any one item.
10. Trading and collectible cards (including, but not limited to, sports cards), comic books and sports memorabilia, up to **\$2,500** in all, but not exceeding **\$200** on any one item.

The following special limits of insurance do not apply to loss or damage caused by a "Specified Peril." We insure:

11. Jewellery, watches, gems, up to **\$10,000** in all.
12. Fur garments and garments trimmed with fur, up to **\$10,000** in all.
13. Numismatic property (such as coin collections) up to **\$500** in all.
14. Manuscripts, stamps and philatelic property (such as stamp collections) up to **\$2,500** in all.
15. Up to **\$1,500** on any one bicycle, tricycle or unicycle including its equipment and accessories.

Specified Perils: means the following, all as defined and limited under the Insured Perils of Fire and Extended Coverage - Rider FEC:

1. Fire or Lightning;
2. Explosion or Implosion;
3. Smoke;
4. Falling Object;
5. Impact by Aircraft or Spacecraft;
6. Impact by Land Vehicle;
7. Riot;
8. Vandalism or Malicious Acts, excluding theft or attempted theft;
9. Water Escape, Rupture or Freezing;
10. Windstorm or Hail;
11. Transportation;
12. Electricity.

INSURED PERILS

You are insured against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions contained in this policy.

ADDITIONAL COVERAGES:

1. **Change of Temperature**
We insure your personal property damaged by change of temperature resulting from physical damage to your dwelling or equipment by an Insured Peril. This applies only to personal property kept in the dwelling.
2. **Burglary Damage to Building**
If you wish, we will pay up to **\$1,500** of the amount of insurance on your personal property for damage to the dwelling building caused by Burglary, including vandalism or malicious acts committed during the Burglary. Burglary means theft or attempted theft of your personal property from the dwelling following illegal and forcible entry or exit, leaving visible marks at the point of forced entry or exit.
3. **Fire Department Charges**
We will pay up to **\$1,000** or such other amount as may be specified on the Coverage Summary page for End. #23 for your liability for Fire Department charges incurred when a Fire Department is called to save or protect your premises. No deductible applies to this coverage.
4. **Conviction Reward**
If not otherwise provided for by this policy, we will pay **\$1,000** for information which leads directly to the conviction of any person or persons who steal, vandalize, burglarize or commit arson to any property insured by this Rider. The **\$1,000** limit applies regardless of the number of people providing the information. This coverage does not apply to information given by law enforcement officers or agencies. No deductible applies to this coverage.

Losses Not Insured

We do not insure:

1. marring or scratching of any property or breakage of eyeglasses, glassware or any fragile or brittle articles unless caused directly or indirectly by a "Specified Peril" or theft or attempted theft
2. wear and tear, deterioration, latent defect, inherent vice, dryness or dampness of atmosphere, unknown flaw, defect, or mechanical breakdown, rust or corrosion, extremes of temperature, condensation, wet or dry rot, mould, acid rain, contamination;
3. the cost of making good faulty material or workmanship;
4. vandalism or malicious acts by any employee, tenant, tenant's guest, tenant's employee or member of a tenant's household, unless fire ensues and then only the loss or damage caused by the ensuing fire is covered. "Tenant" includes any person who has your permission to occupy your dwelling or any part of it;
5. accumulative damage however caused;
6. any loss or damage not due to a sudden unexpected event;
7. the cost of gathering, assembling or recreating information or data for a computer software system;
8. loss or damage caused by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic or the possession of any substances falling under the Controlled Drugs and Substance Act Narcotic Control Regulations, whether or not you have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the premises to facilitate such illegal activity;

We do not insure loss or damage:

9. occurring after the dwelling in which the insured personal property is contained has, to your knowledge, been unoccupied for more than 12 consecutive months. This exclusion does not apply to personal property in a Seasonal Dwelling;
10. caused by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
10. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
11. resulting from any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy;
12. to personal property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
13. caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pool, hot tub or its attached equipment or a watermain;
14. caused by birds, vermin, rodents, raccoons, skunks, moles, mice or insects;
15. caused by a domesticated animal you own or which is in your care;
16. caused by smoke from agricultural smudging or industrial operations;
17. caused by earthquake, snowslide, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;
18. caused by theft or attempted theft by any employee, tenant, tenant's guest, tenant's employee or member of a tenant's household. "Tenant" includes any person who has your permission to occupy your dwelling or any part of it;
19. loss or damage to contents of a building occurring while the building is raised or being raised off its foundation or while being moved or while at any location other than the location specified on the Coverage Summary page;
20. to contents of a mobile home occurring while the mobile home is being moved, except in an emergency to protect it when endangered by an Insured Peril. Moving includes the period of time during which the levelling jacks or blocks are removed or all utilities are disconnected;
21. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
22. caused by flood, surface water, waves including tidal waves and tsunamis, or spray from any of these, overflow of streams or other bodies of water, ice or waterborne objects whether driven by wind or not, including storm surge; unless the loss or damage resulted from the sudden and unexpected escape of water from a watermain, firefighting activities or swimming pool, hot tub and any attached equipment;
23. caused by water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings, unless the loss or damage resulted from the escape of water from a watermain, or swimming pool, hot tub and any attached equipment;
24. caused by accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pool, hot tubs or attached equipment and watermains occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
25. caused by sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam, or the lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
26. caused by freezing of a plumbing, heating, sprinkler or air conditioning system or domestic appliance, unless it happens within a building for which the heat has been maintained during the usual heating season and the occupant has not been away from the premises or is no longer residing there for more than ten consecutive days. However, you would still be insured if
 - a) arrangements had been made for a reliable person to enter your dwelling daily to ensure that heating was being maintained, or
 - b) the water supply had been shut off and all the pipes and appliances had been drained, or
 - c) your dwelling was equipped with a 24 hour monitored low temperature alarm system.If the loss or damage occurs while your building is under construction or vacant, you would not be insured, even if we have given permission for construction or vacancy;
27. caused by rupture or bursting, backing up or escape of water or sewage from a sewer or drain, sump, septic system, weeping tile, eavestrough or downspout, unless the loss or damage resulted from the escape of water from a watermain, swimming pool, hot tub, or similar installation or any attached equipment;
28. loss or damage caused, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results from fire or explosion;
29. a) loss or damage to "data", or
 - b) loss or damage caused by a "data problem". However, if loss or damage caused by a "data problem" results in the occurrence of further loss or damage to property insured that is directly caused by fire, lightning, explosion, smoke or water escape, rupture or freezing, this exclusion shall not apply to such resulting loss or damage;
30. a) loss or damage consisting of or caused, in whole or in part, by any "Fungi" or "Spores".
 - b) the cost or expense for any testing, monitoring, evaluating or assessing of "Fungi" or "Spores";
31. loss or damage to any outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), and all contents of the same structure if caused by or resulting from the use of the heating unit;
32. caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
33. caused by water escape, rupture or freezing of any outdoor appliance including piping or other equipment connected to said appliance used to heat the described Dwelling Building;
34. resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants.

REPLACEMENT COST COVERAGE - PERSONAL PROPERTY

We agree to pay for insured loss or damage to Personal Property on the basis of Replacement Cost provided that:

- a) the property at the time of the loss was useable for its original purpose;
 - b) you have repaired or replaced the property within 180 days of the date of the actual cash value settlement.
- Otherwise, the basis of claim payment in the policy will apply as if this coverage had not been in effect.

Replacement Cost Coverage does not apply to:

1. property no longer in use for its originally intended purpose;
2. antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced with a similar article;
3. fur garments or garments trimmed with fur which are more than 5 years old from the date of original purchase.

"Replacement Cost" means the cost, at the time of loss, of repair or replacement (whichever is less), with new property of similar kind and quality, without deduction for depreciation, but we will not pay more than the applicable amount of insurance shown on the Coverage Summary page.

PAIR: If there is loss to one item of an identical pair by an Insured Peril, we will pay for the pair. The undamaged item becomes our property.

SET: For items that are part of a set of two or more pieces we will only pay for those particular items that were lost or damaged by an Insured Peril.

DWELLING UNDER CONSTRUCTION - RIDER DCR

AGREEMENT

If the Coverage Summary page indicates that Dwelling Under Construction Rider DCR applies, we provide the insurance described below in return for payment of the premium.

DEFINITIONS

"Dwelling" means the building in course of construction or reconstruction at the construction site intended for occupancy as a private or seasonal residence after the construction or reconstruction has been completed.

"Construction site" means the location shown for this Rider on the Coverage Summary Page.

"Pollutants" means any solid, liquid, gaseous and thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Cleanup" means the removal, containment, treatment, stabilization, decontamination, detoxification, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.

PROPERTY INSURED

1. We insure the following property while at the construction site:
 - a) the dwelling and all property you own which is to enter into and form part of the dwelling, including expendable materials and supplies, not otherwise excluded, which are necessary to complete the construction or reconstruction and including major appliances intended to form part of the completed dwelling;
 - b) temporary buildings, scaffolding, forms, hoardings, excavation, site preparation and similar work, provided that the value of these is included in the amount of insurance and then only to the extent that replacement or restoration is necessary to complete the construction or reconstruction of the dwelling;
 - c) the property of subcontractors which is to enter into and form part of the construction or reconstruction of the dwelling, provided that:
 - (i) the value of such property is included in the amount of insurance;
 - (ii) this insurance is excess of any other insurance in force for the benefit of sub-contractors;
 - (iii) this insurance does not extend to include compensation for any deductible amount(s) applicable to a subcontractor's insurance.
2. We insure property you own which is to enter into and form part of the construction or reconstruction of the dwelling, as described in paragraph 1(a), for an amount equal to 10% of the amount of insurance shown for this Rider while such property is away from the construction site and is
 - a) in transit in Canada and continental United States of America (excluding Alaska) or
 - b) at any location in Canada and continental United States of America (excluding Alaska) other than in transit or while being manufactured or undergoing any process.

INSURED PERILS

We insure against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions contained in this policy.

EXCLUSIONS

1. Property We Do Not Insure

We do not insure loss or damage to:

- a) property at locations which to your knowledge are vacant, unoccupied or shut down for more than 30 consecutive days;
- b) property illegally acquired, kept, used, stored or transported;
- c) property subject to forfeiture, seized or confiscated for breach of any law or by order of any public authority;
- d) property while waterborne except on regular ferries in connection with land transportation;
- e) property aboard or being transported by any aircraft;
- f) furnishings or other personal property;
- g) property otherwise specifically insured;
- h) temporary coverings of polyethylene or other plastic materials, tarpaulins and fabrics;
- i) accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- j) wind turbine systems including all related equipment and structures manufactured for a rated power generation exceeding 1kw.

2. Losses We Do Not Insure

We do not insure:

- a) the cost of making good faulty or improper materials, workmanship or design, but resulting damage to property covered by this Rider is insured, if not otherwise excluded;
- b) penalties or liquidated damages for delay in completion or non-completion of a contract or for non-compliance with contract conditions;
- c) any increase in cost occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
- d) wear and tear, gradual deterioration, latent defect or inherent vice, provided however, to the extent otherwise insured and not otherwise excluded under this Rider, resultant damage to the property is insured;
- e) shortage of insured property disclosed when taking inventory or any mysterious disappearance;
- f) any loss of use or occupancy however caused;
- g) delay, loss of market or loss of use or occupancy;
- h) dishonest or criminal acts done by or for you;

- i) loss or damage not due to a sudden, unexpected event; loss or damage caused by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic or the possession of any substances falling under the Controlled Drugs and Substance Act Narcotic Control Regulations, whether or not you have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the premises to facilitate such illegal activity;

We do not insure against loss or damage:

- k) caused by cessation of work or by interruption of construction, unless caused by a peril otherwise insured and not otherwise excluded under this Rider;
- l) caused by earthquake, but we will pay for loss or damage by fire or explosion resulting from earthquake;
- m) caused by flood, surface water, waves including tidal waves and tsunamis, or spray from any of these, overflow of streams or other bodies of water, ice or waterborne objects whether driven by wind or not, including storm surge; unless the loss or damage resulted from the sudden and unexpected escape of water from a watermain, firefighting activities or swimming pool, hot tub and any attached equipment;
- n) caused by mechanical or electrical breakdown or derangement but resulting damage to the property is insured if not otherwise excluded by this Rider;
- o) caused by rust or corrosion, frost or freezing, pollution or contamination;
- p) caused by dampness or dryness of atmosphere, changes of temperature, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused by fire, lightning, explosion, impact by aircraft, spacecraft, or land vehicle, riot, strike, vandalism, malicious acts, rupture of pipes or breakage of apparatus, theft or attempt thereof or accident to transporting conveyance provided such perils are not otherwise excluded in this Rider;
- q) caused by smoke from agricultural smudging or industrial operations;
- r) caused by birds, vermin, rodents, raccoons, skunks, moles, mice or insects;
- s) caused in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results from fire or explosion;
- t)
 - i) to "data", or
 - ii) caused by a "data problem". However, if loss or damage caused by a "data problem" results in the occurrence of further loss or damage to property insured that is caused by fire, lightning, explosion, smoke or water escape, rupture or freezing, this exclusion shall not apply to such resulting loss or damage;
- u)
 - i) consisting of or caused, in whole or in part, by any "Fungi" or "Spores";
 - ii) the cost or expense for any testing, monitoring, evaluating or assessing of "Fungi" or "Spores";
- v) to any outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), and all contents of the same structure if caused by or resulting from the use of the heating unit;
- w) caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
- x) caused by water escape, rupture or freezing of any outdoor appliance including piping or other equipment connected to said appliance used to heat the described Dwelling Building.

DEBRIS REMOVAL

The amount of insurance shown for this Rider includes the cost of removing debris of the property insured at the construction site as a result of loss or damage insured by this Rider.

WHEN COVERAGE CEASES

The insurance provided by this Rider ceases:

1. on the commencement of the use or occupancy of any part or section of the dwelling unless such use or occupancy is for:
 - a) construction purposes;
 - b) habitational purposes, subject to item 2. below;
 - c) installing, testing or storing equipment or machinery;
 2. thirty days after the commencement of the use or occupancy of the dwelling for habitational purposes;
 3. when the dwelling has been left unattended for more than 30 consecutive days or when construction activity has ceased for more than 30 consecutive days; or
 4. on the expiration of this insurance;
- whichever first occurs.

BASIS OF CLAIM PAYMENT

Any loss under this Rider shall be adjusted with you or your authorized representative. Loss settlement shall be based on the cost of whichever is the least of repairing, replacing or reinstating the damaged or destroyed property with material of like kind and quality and for like occupancy, on the construction site, without deduction for depreciation, subject to the following:

1. We will not pay more than the amount of insurance shown for this Rider on the Coverage Summary page.
2. If repairs, replacement or reinstatement with materials of like kind and quality is restricted or prohibited by any by-law, regulation, ordinance or law, we will not pay any resulting increase in the cost of repairs, replacement or reinstatement.
3. In the event of loss or damage we are liable only for that proportion of the loss or damage that the amount of insurance bears to 80% of the "completed value" of the dwelling insured by this Rider. "Completed value" means the total cost of all material and labour which will have entered into the dwelling on completion of the construction or reconstruction. If there is a contract price for the complete construction or reconstruction of the dwelling, such contract price may be used as the "completed value."
4. We are responsible only for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of the deductible shown on the Coverage Summary page in any one occurrence.

Subrogation: We will be entitled to assume all your rights of recovery against others and may bring action in your name to enforce these rights when we make payment or assume liability under this policy. Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

Verification of Values: You agree to permit us at all reasonable times during the term of this policy, or within a year after its expiration, to inspect the dwelling, whether or not construction or reconstruction has been completed, and to examine your books, records, and such policies as relate to any property insured by this Rider. This inspection or examination shall not waive or in any manner affect any of the terms or conditions of this policy.

SECTION IV - OPTIONAL FLOATERS

The insurance provided for in this Section applies only to those Riders, Floaters and/or Endorsements which are described on the Coverage Summary page, and for which an amount of insurance and premium are shown.

BASIS OF CLAIM PAYMENT

We will pay for insured loss or damage up to your financial interest in the property, but not exceeding the applicable amount(s) of insurance shown in this policy, for any loss or damage arising out of one occurrence.

We do not pay for any loss, expense or increased cost of repair or replacement due to the operation of any law or ordinance regulating zoning, demolition, repair or construction of buildings and their related services.

Any loss or damage shall not reduce the amount of insurance provided by this policy.

DEDUCTIBLE: WE ARE RESPONSIBLE ONLY FOR THE AMOUNT BY WHICH THE LOSS OR DAMAGE CAUSED BY ANY OF THE INSURED PERILS EXCEEDS THE AMOUNT OF THE DEDUCTIBLE SHOWN ON THE COVERAGE SUMMARY PAGE IN ANY ONE OCCURRENCE.

Unless otherwise stated in this policy, we will not pay more than the Actual Cash Value of the loss or damage at the date of the occurrence, or the amount it would cost to repair or replace the property with materials of similar quality, whichever is less, but in no event exceeding the applicable amount of insurance shown on the Coverage Summary page.

If it is stated that "Replacement Cost Cover" is applicable to personal property insured in this section, we will pay for loss or damage to such property on the basis of "Replacement Cost", provided that:

- a) the property at the time of the loss was useable for its original purpose; and
 - b) you have repaired or replaced the property within 180 days of the date of the actual cash value settlement.
- Otherwise, the basis of claim payment in the policy will apply as if this coverage had not been in effect.

Replacement Cost Coverage does not apply to:

1. property no longer in use for its originally intended purpose;
2. antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature cannot be replaced with a similar article;
3. fur garments or garments trimmed with fur which are more than 5 years old from the date of original purchase.

"Replacement Cost" means the cost, at the time of loss, of repair or replacement (whichever is less), with new property of similar kind and quality, without deduction for depreciation, but we will not pay more than the applicable amount of insurance shown on the Coverage Summary page.

Actual Cash Value: The Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

Obsolescence: We will not pay for increased costs that result when you cannot repair or replace your property because material or parts are unavailable, obsolete or outmoded. In the event that new property of like kind and quality is not obtainable because material or parts are unavailable or obsolete, new property 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 property of like kind and quality.

Insurance Under More Than One Policy: If you have insurance on specifically described property, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

In all other cases, our policy will pay its rateable proportion of the loss or claim.

Subrogation: We will be entitled to assume all your rights of recovery against others and may bring action in your name to enforce these rights when we make payment or assume liability under this policy.

Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

BOAT AND MOTOR FLOATER - BMF

If the Coverage Summary page specifies **BOAT AND MOTOR FLOATER - BMF**, we insure:

1. the boat(s) described on the Coverage Summary page including its permanently attached equipment (except outboard motors) as well as oars, anchors, seat cushions, auxiliary fuel tanks, tarpaulins, fire extinguishers and spare propellers all pertaining to the described boat(s);
2. the motor(s) described on the Coverage Summary page including fuel containers and electric starting equipment or controls supplied as integral equipment by the manufacturer;
3. the boat trailer(s) described on the Coverage Summary page;
4. boat and/or motor accessories described on the Coverage Summary page and not included in (1) or (2) above.

Insured Perils

You are insured against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions set out below.

Loss or Damage Not Insured

We do not insure:

1. any property illegally imported, acquired, kept, used or transported;
2. any property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
3. loss or damage to electrical apparatus caused by electricity other than lightning. If fire ensues, we will pay for the damage caused by the fire;
4. accumulative damage however caused;
5. loss or damage caused by puncturing of the inflatable watercraft.

We do not insure loss or damage caused by or resulting from:

6. wear and tear, deterioration, latent defect, inherent vice, dryness or dampness of atmosphere, unknown flaw, defect or mechanical breakdown, rust or corrosion, extremes of temperature, condensation, wet or dry rot, mould, acid rain, contamination;
7. birds, vermin, rodents, raccoons, skunks, moles, mice, or insects;
8. any work done on the insured property. If fire or explosion ensues, we will pay for the damage caused by the fire or explosion;
9. dishonesty of persons to whom the insured property is entrusted, except carriers for hire;
10. your intentional or criminal acts;
11. war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
12. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive materials.

We do not insure any property while it is:

1. rented or leased to others;
2. used to carry passengers for compensation;
3. being operated in any race or speed test, but this exclusion does not apply to sailboats up to 8 meters in length in non-professional races organized by a yacht club of which you are a member;
4. being operated or controlled by you while you are under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper operation or control of the watercraft or while your alcohol-blood ratio exceeds 80 milligrams of alcohol in 100 millilitres of blood;
5. not being operated in accordance with the Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements.

Loss of Use: We shall, following the loss of or damage to the Motor and/or Boat insured hereunder caused by a peril insured against, reimburse you for expense not exceeding \$50 for any one day nor totalling more than \$300 in any one policy term incurred for the rental of a substitute Motor and/or Boat.

Loss Settlements:

1. "Replacement Cost Cover" as described in this section applies to boat and/or motor accessories insured by this Rider.
2. If there is loss or damage to boats, motors or trailers insured by this rider, you may choose as the basis of loss settlement either A or B below, provided that:
 - a) at the time of the loss the property is not more than ten years old from the date of original purchase, and
 - b) you repair or replace the property within 180 days of the date of the actual cash value settlement;otherwise, settlement will be made as if this clause had not been in effect. If the ten years from the date of original purchase ends within the term of this policy, you may still choose either A or B below if the loss or damage occurs before the next policy anniversary date following the end of the ten year period, provided you repair or replace the property within 180 days of the date of the actual cash value settlement.
 - A) Replacement Cost Settlement: The cost of repair or replacement (whichever is less) with new property of similar kind and quality, without deduction for depreciation, but we will not pay more than the applicable amount of insurance shown on the Coverage Summary page.
We will not pay a greater portion of the loss than the amount of insurance bears to the Replacement Cost of the property at the time of the loss.
 - B) Actual Cash Value Settlement: The Actual Cash Value of the loss or damage at the time of the loss, but not exceeding the applicable amount of insurance shown on the Coverage Summary page. Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.
We will not pay a greater portion of the loss than the amount of insurance bears to the Actual Cash Value of the property at the time of the loss.

Additional Acquisition Clause: In the event the insured property is disposed of by you during the term of this policy, we agree to hold covered similar property acquired in replacement thereof for a period not exceeding 30 days from the date of acquisition and to an amount not exceeding the limit of liability on the property disposed of or the invoice cost of the newly acquired property, whichever is less.

Territorial Limits: This insurance covers only within the limits of Canada and the continental United States unless otherwise endorsed hereon.

Co-Insurance Clause: With respect to property described, we are liable in the event of loss for no greater proportion thereof than the amount of insurance bears to the Actual Cash Value of the insured property at the time such loss shall happen. If "Replacement Cost Coverage" applies, we are liable for no greater proportion of the loss than the amount of insurance bears to the Replacement Cost of the insured property at the time such loss shall happen. This clause applies separately to each item for which an amount of insurance is shown.

Minimum Retained Premium: Any return premium due you shall be subject to retention by us of a Minimum Premium equivalent to 75% of the premium charged for this Rider.

FINE ARTS FLOATER - FAF

If the Coverage Summary page specifies **FINE ARTS FLOATER - FAF:**

We insure your fine arts listed on the Coverage Summary page against all risks of direct loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions set out below.

We insure the fine arts only while they are at the location(s) specified.

Loss or Damage Not Insured

We do not insure:

1. property illegally imported, acquired, kept or used;
2. property seized or confiscated unless such property is destroyed to prevent the spread of fire;
3. breakage of fragile articles unless caused by fire, explosion, implosion, falling objects striking the exterior of a building, flood, impact by aircraft, spacecraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by accident to land vehicle, watercraft or aircraft or by theft or attempted theft, but this exclusion does not apply if the Coverage Summary page shows that breakage coverage applies.

We do not insure loss or damage caused by or resulting from:

4. wear and tear, deterioration, defect or mechanical breakdown;
5. birds, vermin, rodents, raccoons, skunks, moles, mice or insects;
6. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
7. war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
8. your intentional or criminal acts;
9. any process or work being performed on your fine arts.

Special Conditions

Newly Acquired Articles - If you acquire any additional fine arts, we will automatically insure these provided you tell us within 30 days of acquisition. Under this extension, we will not pay more than 25% of the total amount of insurance provided by this floater.

Packing and Unpacking - The fine arts must be packed and unpacked by reliable packers.

Reinstatement - Any loss or damage shall not reduce the amounts of insurance provided by this floater. If, following payment of a claim, you acquire any articles to replace those which were lost or damaged, you must tell us within 30 days of acquisition.

LIVESTOCK FLOATER - LSF

If the Coverage Summary page specifies **LIVESTOCK FLOATER - LSF:**

We insure the livestock described on the Coverage Summary page for which an amount of insurance and premium are shown, subject to the exclusions, limitations, terms and conditions set out below.

Insured Perils

We insure the described livestock against

1. death or destruction resulting from or made necessary by:
 - a) fire, lightning, explosion, smoke or artificial electricity;
 - b) windstorm or hail. This peril does not include loss caused by wind-driven snow, sleet or dust;
 - c) riot or civil commotion;
 - d) flood, meaning the rising of natural bodies of water;
 - e) impact by aircraft or spacecraft including objects dropped from aircraft or spacecraft;
 - f) drowning, breaking or falling through ice or stranding in mud;
 - g) the collapse of any building, bridge, culvert; any falling structure, tree or part thereof;
 - h) accidental collision with land vehicles other than land vehicles owned or operated by you, your employees or other persons residing on the premises;
 - i) accidental shooting except by you, your employees or other persons residing on the premises;
 - j) collision, derailment or overturn of a land vehicle on which the insured livestock is being transported;
 - k) stranding, sinking, burning or collision of vessels, including General Average and Salvage Charges incurred, while waterborne on land conveyances on board any regular ferry;

l) attack by dogs or wild animals.

This peril does not include:

- i) attack by dogs or wild animals owned by you, your employees or other persons residing on the premises;
 - ii) death or destruction of sheep;
- m) mutilation by a person or persons other than you, your employees or other persons residing on the premises;
- n) entrapment. This peril means the accidental and involuntary ensnaring or restraint of an animal which results in its death or makes its destruction necessary. This peril does not include loss:
- i) due to animal birth;
 - ii) due to splitting;
 - iii) of an animal in transit or while being loaded or unloaded;
 - iv) of an animal while being handled or forcibly restrained for care, treatment, breeding or other purposes, including normal restraint in tie stalls, stanchion stalls or similar apparatus;
 - v) caused by huddling, piling, smothering, or stampeding;
 - vi) due to casting, meaning an animal's inherent inability to regain an upright position;
 - vii) due to choking on objects, food or medicine; bloat or suffocation of an animal in its own fluid.
2. Theft or attempted theft, but excluding escape or mysterious disappearance.

Limited Cover

If the Coverage Summary page indicates "LIMITED COVER", perils 1.(l) i) attack by dogs or wild animals, 1.(m) mutilation and 1.(n) entrapment are not insured.

Losses Not Insured

We do not insure:

1. loss caused by or resulting from exposure or freezing, except as provided by peril 1.n) - Entrapment;
2. loss caused by death resulting from or contributed to by any sickness or disease, whether resulting from an Insured Peril or not;
3. death or destruction of any animal which occurs more than 15 days after the occurrence of an Insured Peril;
4. loss due to delay or loss of market;
5. loss caused by the seizure, confiscation or destruction of any animal by order of any Government or public authority.

We do not insure loss caused by or resulting from:

6. your intentional or criminal acts;
7. dishonesty of persons to whom the insured property is entrusted, except carriers for hire;
8. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
9. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.

Territorial Limits

We insure the livestock while on your premises or temporarily away from your premises anywhere within Canada except:

1. while in transit by common carrier or while in any aircraft;
2. while at any public stockyard or while on the grounds of any racetrack
- 3.

MISCELLANEOUS PROPERTY FLOATER - MNF (NAMED PERILS FORM)

If the Coverage Summary page specifies **MISCELLANEOUS PROPERTY FLOATER (NAMED PERILS FORM) - MNF**:

We insure the property described on the Coverage Summary page which you own or for which you are responsible, subject to the exclusions, limitations, terms and conditions set out below.

If your personal property is insured under Coverage C of Section 1 of this policy, then "Replacement Cost Cover", as described in this section, will apply to your property insured under this Floater, unless the description of the insured property shows "Actual Cash Value", in which case "Replacement Cost Cover" will not apply.

Insured Perils

You are insured against direct loss or damage caused by the following perils as described and limited:

1. Fire, lightning or smoke;
2. Explosion or implosion, except explosion originating in internal combustion engines;
3. Windstorm or hail;
4. Collision or overturning of a conveyance on which the insured property is being transported including collapse of bridges or culverts;
5. Impact by aircraft, spacecraft or motor vehicles other than motor vehicles owned or controlled by you or your employees;
6. Riot;
7. Vandalism or Malicious Acts, excluding theft;
8. Theft, unless the Coverage Summary page indicates "excluding theft". If the Coverage Summary page indicates "Theft restricted to burglary" or "limited theft" this peril is limited to theft of insured property from within a building at the location stated on the Coverage Summary page following illegal and forcible entry into the building, leaving visible marks at the point of forced entry;
9. Electricity. This peril means sudden and accidental loss or damage caused by artificially generated electrical current.

We do not insure:

1. property illegally imported, acquired, kept or transported;
2. property used for business or farming purposes unless otherwise stated on the Coverage Summary page;
3. loss or damage resulting from your intentional or criminal acts;
4. loss or damage resulting from misappropriation, secretion, infidelity or any dishonest act on your part or other party of interest, your or their employees or agents or any person or persons to whom the property may be entrusted (bailees or carriers for hire excepted);
5. loss or damage caused or resulting from:
 - a) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
 - b) any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.

Territorial Limits

We insure the described property within the territorial limits of Canada and the continental United States of America. However, if the Coverage Summary page indicates "premises coverage only", we insure the property only while it is on the premises at the location shown on the Coverage Summary page.

**MISCELLANEOUS PROPERTY FLOATER - MRF
(ALL RISK FORM)**

If the Coverage Summary page specifies **MISCELLANEOUS PROPERTY FLOATER (ALL RISK FORM) – MRF:**

We insure the property described on the Coverage Summary page, which you own or for which you are responsible, against All Risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions set out below.

If your personal property is insured under Coverage C of Section 1 of this policy, then "Replacement Cost Cover", as described in this section, will apply to your property insured under this Floater, unless the description of the insured property shows "Actual Cash Value", in which case "Replacement Cost Cover" will not apply.

Loss or Damage Not Insured

We do not insure:

1. property illegally imported, acquired, kept, used or transported;
2. property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
3. property used for business or farming purposes unless otherwise stated on the Coverage Summary page;
4. breakage of glass or breakage of fragile or brittle articles, marring or scratching, unless caused by fire, lightning, explosion, implosion, windstorm, hail, vandalism or malicious acts, theft or attempted theft, or collision or upset of a vehicle on which the property is being transported;
5. loss or damage to tires or tubes unless coincident with other loss or damage covered by this Floater;
6. loss or damage sustained while the property is being worked upon, including any repairing, adjusting or servicing. If however, a fire or explosion results, we will pay for the fire or explosion damage;
7. accumulative damage however caused.

We do not insure loss or damage caused by or resulting from:

8. wear and tear, gradual deterioration, inherent vice, wet or dry rot, corrosion, rust, mould, latent defect or mechanical breakdown or derangement;
9. birds, vermin, rodents, raccoons, skunks, moles, mice or insects.
10. dampness of atmosphere, staining, freezing or extremes of temperature unless such loss or damage is the result of other loss covered by this Floater;
11. your intentional or criminal acts;
12. misappropriation, secretion, infidelity or any dishonest act on your part or other party of interest, your or their employees or agents or any other person or persons to whom the property may be entrusted (Bailees or Carriers for hire excepted);
13. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
14. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material. Co-Insurance

This clause applies if the Coverage Summary page specifies "Co-insurance" and applies separately to each item for which an amount of insurance is shown. We will not pay for a greater proportion of any loss than the amount of insurance bears to the Actual Cash Value of the insured property at the time of the loss. If "Replacement Cost" cover applies, we will not pay for a greater portion of any loss than the amount of insurance bears to the Replacement Cost of the insured property at the time of the loss.

Territorial Limits

We insure the described property within the territorial limits of Canada and the continental United States of America. However, if the Coverage Summary page indicates "premises coverage only", we insure the property only while it is on the premises at the location shown on the Coverage Summary page.

OUTBUILDING FLOATER - OBF

If the Coverage Summary page specifies **OUTBUILDING FLOATER - OBF**, we insure:

1. your outbuildings described on the Coverage Summary page for which an amount of insurance is shown, and/or;
2. your outbuilding contents described on the Coverage Summary page for which an amount of insurance is shown.

If your dwelling building is insured under Coverage A of Section 1 of this policy, then the "Optional Loss Settlement Clause - End. #21", as described in Section V, will apply to your outbuildings insured under this Floater, unless the description of the outbuilding shows "Actual Cash Value", in which case the "Optional Loss Settlement Clause - END. #21" will not apply.

If your personal property is insured under Coverage C of Section 1 of this policy, then "Replacement Cost Cover", as described in this section, will apply to your personal property (contents) insured under this Floater, unless the description of outbuilding contents shows "Actual Cash Value", in which case "Replacement Cost Cover" will not apply.

If the Coverage Summary page indicates coverage code "A", you have coverage as stated under Rider FEC. If the Coverage Summary page indicates "Extended Coverage Deleted", perils 3 to 10 inclusive of Rider FEC are not applicable.

If the Coverage Summary page indicates coverage code "B", you have coverage on your described outbuildings as stated under Rider ARB, and/or coverage on your described outbuilding contents as stated under Rider ARC.

Any insurance on outbuilding contents applies only while the property is within the described outbuilding(s).

The coverage extensions included in Riders FEC, ARB and ARC do not apply to this Floater.

PERSONAL ARTICLES FLOATER - PAF

If the Coverage Summary page specifies **PERSONAL ARTICLES FLOATER - PAF:**

We insure your Personal Articles listed on the Coverage Summary page against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions set out below.

We will pay up to the amount shown for each item.

If your personal property is insured under Coverage C of Section 1 of this policy, then "Replacement Cost Cover", as described in this section, will apply to your property insured under this Floater.

Loss or Damage Not Insured

We do not insure:

1. any property illegally imported, acquired, kept, used, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
2. any musical instrument played for a fee unless we have given our written permission;
3. any property used for business or professional purposes unless we have given our written permission.

We do not insure loss or damage caused by or resulting from:

4. wear and tear, deterioration, defect or mechanical breakdown;
5. birds, vermin, rodents, raccoons, skunks, moles, mice or insects;
6. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
7. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
8. your intentional or criminal acts.

Special Conditions

Stamp and Coin Collections: We will pay for loss or damage to your collection in the proportion that the amount of insurance on your collection bears to its cash market value at the time of loss. We will not pay more than **\$250** on any single article of your collection. A single article means any one stamp, coin or other individual article or pair, strip, block, series, sheet, cover, frame, card or the like. This condition does not apply to articles specifically described on the Coverage Summary page.

Newly Acquired Articles: If you acquire any additional articles of the type for which an Amount of Insurance is shown, we will automatically insure these under this coverage provided you notify us within 30 days. We will not pay more than **\$5,000** under this extension.

Any loss or damage shall not reduce the amount of insurance provided by this coverage. If, following payment of a claim, you acquire any articles to replace those which were lost or damaged, you must tell us within 30 days of acquisition.

Safety Deposit Box Warranty

If the Coverage Summary page indicates that Safety Deposit Box Warranty applies, then at the reduced premium charged, we insure the scheduled items only while contained within a Bank or Credit Union Safety Deposit Box.

PERSONAL COMPUTER FLOATER - PCF

Agreement

If the Coverage Summary page specifies **PERSONAL COMPUTER FLOATER – PCF**:

We provide the insurance described under this coverage in return for payment of the premium and subject to the exclusions, limitations, terms and conditions set out below.

If your personal property is insured under Coverage C of Section 1 of this policy, then "Replacement Cost Cover", as described in this section, will apply to your property insured under this Floater, unless the description of the insured property shows "Actual Cash Value", in which case "Replacement Cost Cover" will not apply.

Definitions

"Computer" means a programmable electronic device that can store, retrieve and process data.

"Equipment" means the central processing computer unit and auxiliary equipment including, but not limited to terminals, keyboards, printers, disk and tape drives, cassette tape recorders and word processing equipment.

"Media" means materials on which data is electronically recorded such as, but not limited to magnetic tapes, diskettes, and USB drives.

"Software" means programs or instructions stored on media.

Property Insured

We insure:

1. the Computer and Equipment described on the Coverage Summary page which you own or lease, or for which you are responsible;
2. Software and Media which you own or lease, if the Coverage Summary page specifies an amount of insurance for Software. We will include similar property of others for which you are responsible while it is in your possession.

We will insure this property whether it is used for personal or business purposes. If the Coverage Summary page specifies "premises risk only", we insure the property only while it is on your residence premises at the location shown on the Coverage Summary page, or while temporarily on premises of others for repair or service, including while in transit to and from such premises.

Insured Perils

You are insured against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations and conditions contained in this policy.

Loss or Damage not Insured

We do not insure:

1. property which you rent or lease to others;
2. costs or expenses recoverable by you under any maintenance or warranty agreement;
3. software which cannot be replaced with other software of similar kind and quality;
4. costs or expenses for the gathering, assembling or recreating information or data;
5. loss due to delay, loss of market, loss of use, loss of income or interruption of business;
6. any property illegally imported, acquired, kept, used or transported;
7. any property lawfully seized or confiscated.

We do not insure loss or damage caused by or resulting from:

1. wear and tear, deterioration, latent defect, inherent vice, dryness or dampness of atmosphere, unknown flaw, defect or mechanical breakdown, rust or corrosion, extremes of temperatures, condensation, wet or dry rot, mould, acid rain, contamination;
2. birds, vermin, rodents, raccoons, moles, mice or insects;
3. mechanical breakdown, faulty construction, an original defect in the property, error, omission or deficiency in design, specifications, workmanship or materials;
4. neglect, meaning neglect by you to use all reasonable means to save and preserve the property at and after the time of a loss, or when property is endangered by an Insured Peril;
5. your international or criminal acts;
6. dishonesty of any person to whom the property is entrusted;
7. magnetic injury, disturbance or erasure of electronic data;
8. programming or instruction errors;
9. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, or military power;
10. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
11. a) loss or damage to "data", or
b) loss or damage caused by a "data problem". However, if loss or damage caused by a "data problem" results in the occurrence of further loss of or damage to property insured that is caused by fire, lightning, explosion, smoke or water escape, rupture or freezing, this exclusion shall not apply to such resulting loss or damage.

Limit of Liability

Our limit of liability for loss under this Floater will be the least of:

1. the cost of new property of similar make, type, quality, capacity and size; or
2. the reasonable cost of repair with parts of like kind and quality; or
3. the Amount of Insurance shown on the Coverage Summary page.

We reserve the right to repair or replace the damaged property or to pay for this loss in money.

Newly Acquired Items

If you acquire any additional equipment, media or software, we will automatically insure them under this floater provided you tell us about them within 30 days of acquisition. Under this extension, we will not pay more than the amount of insurance shown on the Coverage Summary page for this floater or **\$5,000** whichever is the lesser.

RESIDENCE GLASS FLOATER - RGF

If the Coverage Summary page specifies **RESIDENCE GLASS FLOATER - RGF**:

We insure the glass unit(s) described on the Coverage Summary page, including:

1. resulting damage to frames immediately encasing and next to the insured glass;
2. the cost of temporary installations necessitated by unavoidable delays in replacing any damaged glass insured under these coverages;
3. the cost of removing and replacing obstructions to the replacement of any damaged glass insured under these coverages.

Insured Perils

We insure loss or damage caused by accidental or malicious breakage or by chemicals accidentally or maliciously applied to the glass insured.

Loss or Damage Not Insured

We do not insure loss or damage:

1. recoverable under any other section of this policy;
2. occurring while a building in which the insured glass is located is under construction or vacant, even if we have given permission for construction or vacancy.

Limit of Liability

We are not liable for more than the cost of repair or replacement of the damaged property with property of the nearest obtainable kind and quality or the limit shown on the Coverage Summary page, whichever is less.

Definition

"Glass Unit" means each separately glazed window or door whether of single or multiple sheets or plate glass and whether factory fabricated or manually installed.

SPORTS EQUIPMENT FLOATER - SEF

If the Coverage Summary page specifies **SPORTS EQUIPMENT FLOATER - SEF**:

We insure your sports equipment listed on the Coverage Summary page against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions set out below.

If your personal property is insured under Coverage C of Section 1 of this policy, then "Replacement Cost Cover", as described in this section, will apply to your property insured under this Floater, unless the description of the insured property shows "Actual Cash Value", in which case "Replacement Cost Cover" will not apply.

Loss or Damage Not Insured

We do not insure:

1. property illegally imported, acquired, kept or used;
2. property seized or confiscated unless such property is destroyed to prevent the spread of fire;
3. loss or damage to tires or tubes unless co-incident with other loss or damage insured under this Floater;
4. accumulative damage however caused.

We do not insure loss or damage caused by or resulting from:

5. wear and tear, deterioration, defect or mechanical breakdown;
6. birds, vermin, rodents, raccoons, skunks, moles, mice or insects;
7. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
8. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
9. your intentional or criminal acts;
10. marring, scratching, tearing or denting;
11. breakage while in use;
12. any process of refinishing or repairing.

Special Conditions

Newly Acquired Articles: If you acquire any additional sports equipment, we will automatically insure these provided you tell us within 30 days of acquisition. Under this extension we will not pay more than 25% of the total amount of insurance provided by this Floater.

TOOL FLOATER - TLF

If the Coverage Summary page specifies **TOOL FLOATER - TLF**, we provide the insurance as described below:

Property Insured

We insure your property or the property of others for which you may be liable, as shown on the Coverage Summary page. Each item scheduled is to be deemed separately insured.

Limit of Liability

The limit of liability, including salvage charges, sue and labour, or other expenses, or all combined, shall not exceed **\$2,500** on any one item or set unless the item or set is scheduled on the Coverage Summary page.

Insured Perils

We insure against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions set out below.

Loss or Damage Not Insured

We do not insure:

1. loss or damage caused by or resulting from interruption of business or other consequential loss extending beyond the direct physical loss or damage to the Insured property;
2. loss or damage caused by wear and tear, deterioration, latent defect, inherent vice, unknown flaw, defect or mechanical breakdown, rust or corrosion, scraping, scratching, extremes of temperature, condensation, wet or dry rot, mould, acid rain, contamination;
3. loss or damage caused by or resulting from birds, vermin, rodents, raccoons, skunks, moles, mice, insects;
4. loss or damage caused by dryness or dampness of atmosphere, staining, freezing or extremes of temperature unless such loss or damage is the result of other loss covered by this Floater;
5. unexplained loss or mysterious disappearance of property;
6. loss or damage sustained while the property is being worked upon, including any repairing, adjusting or servicing. If however, a fire or explosion results, we will pay for the fire or explosion damage;
7. loss or damage resulting from misappropriation, secretion, infidelity or any dishonest act on your part or other party of interest, yours or their employees or agents or any person or persons to whom the property may be entrusted (bailees or carriers for hire excepted);
8. loss or damage occasioned by your neglect to use all reasonable means to save and preserve the property at and after any disaster insured against or when the property is endangered by an Insured Peril;
9. loss or damage to property illegally imported, acquired, kept or used;
10. loss or damage caused by your intentional or criminal acts;
11. loss or damage caused by war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
12. loss or damage caused by contamination by radioactive material;
13. accumulative damage however caused.

Replacement Cost Cover

"Replacement Cost Cover", as described in this section, applies to property insured under this Floater, unless the description of the insured property shows "Actual Cash Value", in which case "Replacement Cost Cover" will not apply.

Co-Insurance Clause

In the event of loss, we will not pay for a greater proportion of the loss than the amount insured under this Floater bears to the Replacement Cost of the insured property at the time such loss shall happen. This clause applies separately to each item for which an amount of insurance is shown.

Territorial Limits

We insure the described property within the territorial limits of Canada and the continental United States of America.

TRAVEL TRAILER FLOATER - TTF

If the Coverage Summary page specifies **TRAVEL TRAILER FLOATER - TTF**, Travel Trailer Floater, we insure:

1. your Travel Trailer(s) described on the Coverage Summary page for which an amount of insurance and premium are shown; and
2. contents of such trailers if the Coverage Summary page specifies an amount of insurance on contents. If your personal property is insured under Coverage C of Section I of this policy, then "Replacement Cost Cover" as described in this section will apply to your personal property (contents) insured under this Floater.

Insured Perils

You are insured against all risks of direct physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions set out below.

Special Limits of Insurance

We insure jewellery, precious and semi-precious stones, watches, fur garments and garments trimmed with fur for a maximum of 25% of the total amount of insurance for which contents coverage is written but not for more than **\$500** on any one article.

If your claim involves personal property on which the Special Limits of Insurance apply, the limitations apply to losses exceeding the deductible amount.

Loss or Damage Not Insured**Property Not Insured**

We do not insure:

1. motorized vehicles, motors, bicycles, aircraft, watercraft or other conveyances or their furnishings, equipment or appurtenances except the insured Travel Trailer;
2. books of account, evidences of debt or title, and documents or other evidence to establish ownership or the right or claim to a benefit or thing; bills, currency, money, bullion, notes, securities, letters of credit, railroad or other tickets, passports or documents;
3. contact lenses, artificial teeth or limbs;
4. plants, animals, birds and fish;
5. property illegally imported, acquired, kept, used, stored or transported or used in any illicit or prohibited trade or transportation;
6. property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
7. property pertaining to any business, profession, trade or occupation, merchandise for sale or exhibition, salesmen's samples and supplies;
8. property while waterborne except while being transported by regular ferries;
9. property rented to others.

Losses Not Insured

We do not insure loss or damage caused by or resulting from:

1. wear and tear, deterioration, latent defect, inherent vice, dryness or dampness of atmosphere, unknown flaw, defect or mechanical breakdown, loss of use, rust or corrosion, freezing or extremes of temperature, condensation, wet or dry rot, mould, acid rain, contamination;
2. birds, vermin, rodents, raccoons, skunks, moles, mice or insects;
3. a domesticated animal you own or which is in your care;
4. property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
5. dishonesty of persons to whom the insured property is entrusted. This exclusion does not apply where the person entrusted is a carrier for hire;
6. marring or scratching. This exclusion does not apply to loss or damage caused by theft;
7. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
8. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
9. your intentional or criminal acts;
10. damage to tires or tubes unless caused by fire or theft;
11. breakage of brittle articles unless caused by fire, theft or accident to the insured trailer(s).

Territorial Limits

We insure the described property within the territorial limits of Canada and the continental United States of America.

SECTION V – ENDORSEMENTS

The Endorsements described in this section apply only if they are indicated on the Coverage Summary page. Except as provided in the Endorsements, all exclusions, limitations, terms and conditions of the policy remain unchanged.

**DECLARATION OF EMERGENCY ENDORSEMENT
EXTENSION OF TERMINATION OR EXPIRY DATE**

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an "emergency" is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The "emergency" must have a direct effect or impact on:
 - i. the Insured, the insured site or insured property located in the declared emergency area; or
 - ii. the operations of the Insurer or its agent/broker located in the declared emergency area.
2. A. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the "emergency" is terminated plus the lesser of:
 - i. 30 days; or
 - ii. The number of days equal to the total time the "emergency" order was in effect.B. If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
 - i. 30 days; or
 - ii. the number of days equal to the total time the "emergency" order was in effect.
3. In no event shall the total term of this extension exceed 120 consecutive days.

The Insured agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

"Emergency" means the first statutory declaration of an emergency:

- a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or as provided for by the relevant governing legislation if different from (a),

but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

END. #1 - VACANCY PERMIT

We grant permission for the property to be vacant for the vacancy period shown on the Coverage Summary page.

Coverage ceases immediately with respect to these perils:

1. Vandalism or Malicious Acts;
2. Water Escape, Rupture, Freezing;
3. Glass Breakage;
4. Damage to Building by Theft

END. #5 - RENTAL VALUE

If an Insured Peril makes that part of the dwelling or detached private structure rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value up to the amount shown for this Endorsement. Payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Rental Value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy. If a civil authority prohibits access to your dwelling as a direct result of damage to neighbouring premises by an Insured Peril, we insure any resulting Rental Value loss for a period not exceeding two weeks.

We do not insure loss, damage or expense caused by the cancellation of a lease or agreement.

END. #7 - VANDALISM

VANDALISM or MALICIOUS ACTS is included as an Insured Peril in Rider SDW. This peril does not include:

1. loss or damage occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
2. damage caused by you;
3. loss or damage caused by theft or attempted theft;
4. loss or damage caused by any employee, tenant, tenant's guest, tenant's employee or member of the tenant's household, unless fire ensues and then only the loss or damage caused by the ensuing fire is covered. "Tenant" includes any person who has your permission to occupy the dwelling or any part of it.

END. #9 – LIMITED SEWER BACK-UP COVERAGE

You are insured against loss or damage to property insured under Coverages A, B and C caused by the sudden and accidental backing up or escape of water or sewage within the dwelling or detached private structures on the premises from a sewer, drain, sump, septic system, weeping tile or an eavestrough or downspout connected to a sewer.

This coverage does not apply to loss or damage:

1. caused by backup, discharge, escape or overflow of water or sewage from sewers or drains outside your dwelling;
2. occurring while the dwelling is under construction or vacant, even if we have given permission for construction or vacancy;
3. caused by continuous or repeated seepage or leakage;
4. caused by flood, ground water, rising of the water table or surface water unless there is clear evidence that flood water, ground water or surface water in the dwelling or detached private structures where the sewer backup loss occurred entered solely from a sewer, drain, sump or septic system in the dwelling or detached private structures;
5. caused by backup or accidental discharge or escape of water or sewage from a sewer, drain, sump or septic system resulting from or contributed to by flood, surface water or ground water unless there is clear evidence that water or sewage in the dwelling or detached private structures where the sewer backup loss occurred entered solely from a sewer, drain, sump or septic system in the dwelling or detached private structures;
6. all of these exclusions apply whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

If a limit is shown on the Coverage Summary page for this endorsement, the limit shown is the most we will pay in any one occurrence. This limit does not add to any other limits shown on the Coverage Summary page.

END. #10 – SEWER BACK-UP COVERAGE

You are insured against loss or damage to property insured under Coverages A, B, and C caused by the sudden and accidental backing up or escape of water or sewage within the dwelling or detached private structures on the premises from a sewer, drain, sump, septic system, weeping tile or an eavestrough or downspout connected to a sewer.

This coverage does not apply to loss or damage:

1. caused by backup, discharge, escape or overflow of water or sewage from sewers or drains outside your dwelling;
2. occurring while the dwelling is under construction or vacant, even if we have given permission for construction or vacancy;
3. caused by continuous or repeated seepage or leakage.

If a limit is shown on the Coverage Summary page for this endorsement, the limit shown is the most we will pay in any one occurrence. This limit does not add to any other limits shown on the Coverage Summary page.

END. #11 – COMPREHENSIVE WATER COVERAGE

You are insured against loss or damage to property insured under Coverages A, B, and C caused by the sudden and accidental backing up or escape of water or sewage within the dwelling or detached private structures on the premises from a sewer, drain, sump, septic system, weeping tile or an eavestrough or downspout connected to a sewer.

You are also insured against loss or damage to property insured caused by:

1. water that accumulates upon or submerges land which is usually dry resulting from the unusual and rapid accumulation or runoff of water or natural precipitation, not caused by escape from a domestic water container or watermain;
2. the rising of, breaking out or the overflow of any body of water or watercourse, whether natural or man-made;
3. sudden and accidental entrance of surface waters that enter the dwelling or detached private structures on the premises through a point at or above the surface of the ground, or contributes concurrently or in any other sequence to the loss or damage;
4. sudden and accidental entrance of ground water or rising of the water table into the dwelling or detached private structures through basement walls, foundations or floors resulting from and happening at the same time as a flood or surface water due to an extreme weather event.

Extensions of Coverage:

Coverage D will provide coverage for up to two weeks if an authority prevents you from returning to the premises due to an overland water event (prohibited access);

Special Conditions or Limitations of Coverage:

1. loss or damage to Outdoor Trees, Shrubs, Plants and Lawns is excluded. However, coverage is provided to replace soil washed away by flood waters if deemed necessary to repair or replace insured dwellings or detached private structures that are damaged by an insured loss under this coverage;
2. if Replacement Cost coverage is provided and the cost of repair or replacement exceeds the amount of insurance for the dwelling or you are restricted by law or ordinance from rebuilding on the same location, a cash settlement without deduction for depreciation may be taken up to but not exceeding the amount of insurance for the dwelling or the specified amount of insurance as stated in the policy when specified limits are selected;
3. if Guaranteed Replacement Cost (Building) is stated on the policy and you are restricted by law or ordinance from rebuilding on the same location as a result of an overland water occurrence the basis of settlement is amended to read as "repair, rebuild or replace the dwelling on an alternate location, with a building of the same size and occupancy, constructed with material of similar quality;"
4. if Guaranteed Replacement Cost (Building) applies, payment up to a maximum of 125% of the amount of protection shown to repair or replace the dwelling or detached private structures as long as the loss or damage is caused by, or the result of, flood, surface water or ground water.

Exclusions of Coverage:

This coverage does not apply to loss or damage:

1. caused by backup, discharge, escape or overflow of water or sewage from water mains, sewers or drains outside your dwelling;
2. caused by continuous or repeated seepage or leakage of water or sewage;
3. caused by waves, tidal waves, tsunamis, storm surge, seiche, spray, ice, waterborne ice, shoreline ice build-up, or waterborne objects, whether any of these are wind driven or not;
4. caused by landslide or any other earth movement;
5. caused by the entrance of ground water or rising water table into the dwelling or detached private structures through basement walls, foundations or floors unless the entrance of the ground water is sudden and accidental and results from or happens at the same time as a flood or surface water due to an extreme weather event; 6. caused by overland water where such overland water is caused or contributed to as a result of the intentional breach of any man-made structure constructed for the purpose of holding back, containing or controlling any body of water or watercourse. These structures include but are not limited to dams, dikes or levees;
7. occurring while the dwelling is under construction or vacant, even if we have given permission for the construction or vacancy
8. to any buildings designed, intended or used in whole or in part for any business or farming purpose;
9. caused by flood, surface water, ground water or rising water table to sidewalks, driveways, basement walls, foundations, footings, slab floors or perimeter drainage systems;
10. all of these exclusions apply whether or not there are one or more other causes or events (whether covered or not) that contribute at the same time or in any other sequence to the loss or damage happening.

If a limit is shown on the Coverage Summary page for this endorsement, the limit shown is the most we will pay in any one occurrence. This limit does not add to any other limits shown on the Coverage Summary page.

ADDITIONAL COVERAGE – applicable to END. #9 - LIMITED SEWER BACK-UP COVERAGE, END. #10 – SEWER BACK-UP COVERAGE and END. #11 – COMPREHENSIVE WATER COVERAGE

Sewer Backup Mitigation Coverage

Following a covered sewer backup loss, we will pay an additional amount up to a maximum of **\$1,000** for expenses incurred for the installation of loss mitigation devices that include:

1. professionally installed automatic backwater valve in the main sewer drain of the dwelling below the basement floor and;
2. professionally installed automatic sump pump with pit and;
3. disconnecting downspouts that are connected directly to the weeping tile, sewer drain, septic system or cistern.

END. #12 - CONDOMINIUM UNIT OWNERS CONTINGENT PROTECTION ENDORSEMENT

If an Amount of Insurance is shown on the Coverage Summary page for this endorsement, we insure your unit, excluding your improvements and betterments to it, if the Condominium Corporation has no insurance, its insurance is inadequate or is not in effect.

Insured Perils

We insure your unit against all risks of physical loss or damage from any external cause, subject to the exclusions, limitations, terms and conditions of this policy.

Loss or Damage Not Insured

We do not insure:

1. cracking or falling of ceiling or wall plaster, unless caused by a peril not otherwise excluded by this policy;
2. losses, expense or increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
3. the cost of making good faulty material or workmanship;
4. loss caused by theft or attempted theft of any property:
 - a) which at the time of loss is not part of your unit;
 - b) in or from your unit while it is under construction, or of materials or supplies for use in the construction, until your unit is completed and ready to be occupied;
5. accumulative damage however caused;
6. any loss or damage not due to a sudden unexpected event;
7. vandalism or malicious acts by any employee, tenant, tenant's guest, tenant's employee or member of the tenant's household, unless fire ensues and then only the loss or damage caused by the ensuing fire is covered. "Tenant" includes any person who has your permission to occupy your dwelling or unit or any part of it.

We do not insure loss or damage:

8. to buildings, units or structures used in whole or in part or designed for business or farming purposes unless such use is declared on the Coverage Summary page;
9. occurring after your unit has, to your knowledge, been vacant for more than 30 consecutive days, unless a vacancy permit is shown on the Coverage Summary page;
10. occurring after your unit has, to your knowledge, been unoccupied for more than 12 consecutive months;
11. resulting from wear and tear, deterioration, defect or mechanical breakdown, rust or corrosion, extremes of temperature, wet or dry rot, mold, or contamination;
12. caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, sprinkler or air conditioning system or domestic appliance;
13. caused by birds, vermin, rodents, raccoons, skunks, moles, mice or insects except resulting damage to building glass;
14. caused by a domesticated animal you own or which is in your care;
15. caused by settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
16. caused by smoke from agricultural smudging or industrial operations;
17. caused by snowslide, earthquake, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only the resulting loss or damage;

18. caused by vandalism or malicious acts or glass breakage occurring while your unit is under construction or vacant even if we have given permission for construction or vacancy;
19. caused by flood, surface water, waves including tidal waves and tsunami, or spray from any of these, overflow of streams or other bodies of water, ice or waterborne objects whether driven by wind or not, including storm surge; unless the loss or damage resulted from the sudden and unexpected escape of water from a watermain, firefighting activities or swimming pool, hot tub and any attached equipment; caused by water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings, unless the loss or damage resulted from the escape of water from a watermain, or swimming pool, hot tub and any attached equipment;
21. caused by accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pools, hot tubs or attached equipment and watermains, occurring while your unit is under construction or vacant even if we have given permission for construction or vacancy;
22. caused by sudden or accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam, or the lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pools, hot tubs or attached equipment and watermains, occurring while your unit is under construction or vacant even if we have given permission for construction or vacancy;
23. to an outdoor swimming pool, outdoor hot tub or similar installation or equipment attached or a watermain, caused by water escape, rupture, freezing or the movement of ice, nor the cost of tearing out or repairing that which must be torn apart before such loss or damage can be repaired;
24. caused by freezing of a plumbing, heating, sprinkler or air conditioning system or domestic appliance unless it happens within a unit heated during the usual heating season and the occupant has not been away from your premises for more than ten consecutive days. However, you would still be insured if
 - a) arrangements had been made for a reliable person to enter your unit daily to ensure that heating was being maintained, or
 - b) the water supply had been shut off and all the pipes and appliances had been drained, or
 - c) your unit was equipped with a 24 hour monitored low temperature alarm system.
 If the loss or damage occurs while your unit is under construction or vacant, you are not insured even if we have given permission for construction or vacancy;
25. resulting from any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy;
26. caused by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
27. caused by or resulting from war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.

Basis of Claim Payment

We will pay for insured loss or damage to your unit, less any amount recoverable from any insurance covering the collective interests of the unit owners, as follows:

1. if, within a reasonable time after the loss or damage, you replace or repair the loss or damage to your unit with materials of similar quality, we will pay for the actual cost of repairs or replacement (whichever is less) without deduction for depreciation;
 2. if loss or damage is not replaced or repaired within a reasonable time, we will pay the Actual Cash Value of the loss or damage at the date of occurrence.
- In either case we will not pay more than the amount of insurance shown for this Endorsement on the Coverage Summary page.

END. #13 - LOSS ASSESSMENT COVER - SECTION I

If you are a condominium unit owner, we will pay up to the amount shown on the Coverage Summary page for this Endorsement for your share of any special assessment, if:

1. the assessment is valid under the Condominium Corporation's governing rules or bylaws; and
2. it is made necessary by a direct loss to the collectively owned condominium property caused by an Insured Peril.

We will only pay in excess of any other insurance covering the collective interest of the condominium unit owners.

END. #14 - LOSS ASSESSMENT - SECTION II COVERAGE - CONDOMINIUM UNIT OWNERS

If you are a condominium unit owner, we will pay up to a total of the limit shown on the Coverage Summary page for End. #14 - Loss Assessment Cover - Section II for this Coverage, in any one annual policy period, for your share of any special assessments, if:

1. the assessments are valid under the Condominium Corporation's governing rules or by-laws, and
2. the assessments are made necessary by occurrences to which this Section of the policy applies.

We will only pay in excess of any other insurance covering the collective interest of the condominium unit owners.

"Annual policy period" means 12 consecutive months from the effective or last renewal date of this policy, but ends if the policy is terminated before the expiry of the 12 months.

END. #15 - GUARANTEED REPLACEMENT COST (BUILDING)

We agree to pay any loss under Coverage A - Dwelling Building and Coverage B Detached Private Structures on the basis of the following:

1. Subject to paragraphs 2, 3, 4, 5 & 6 below, we will pay the full cost of repair or replacement on the same site with materials of like kind and quality without deduction for depreciation, regardless of the limit of insurance stated on the Coverage Summary page.
2. The foregoing agreement shall not be applicable and shall not be in effect unless you fully comply with the following conditions:
 - a) You agree to report to us the cost of any additions, alterations or improvements you make during the policy term which increases the replacement cost by **\$10,000** or more. You must report this within 90 days of the date when such additions, alterations and improvements started. You also agree to increase the amount of insurance on Coverage A by an amount equal to this increase in the replacement cost of the building, and to pay the additional premium for the increase. If we request, you must supply bills, receipts, invoices or any other evidence of payment or indebtedness with respect to the Dwelling Building that may be required to determine the actual cost of the additions, alterations or improvements. If you do not, we will pay no more than the amount of insurance applicable to Coverage A as shown on the Coverage Summary page.
 - b) You properly and accurately describe your dwelling building when applying for this insurance.
3. We are responsible only for the amount by which the loss or damage exceeds the amount of the deductible shown on the Coverage Summary page, in any one occurrence.
4. If there is loss or damage to the dwelling building caused by an insured peril, we will pay the additional cost of demolition, construction or repair which is required to comply with any law or ordinance regulating demolition, construction or repair of buildings, but only if the building is actually repaired, rebuilt or replaced on the same site and for the same occupancy as described in this policy.
5. Guaranteed Replacement Cost does not apply to windstorm or hail losses that are subject to Limited Replacement Cost.
6. Guaranteed Replacement Cost coverage does not apply if your dwelling is vacant when a loss happens, even if we have given permission for vacancy.

END. #16 - IMPROVEMENTS AND BETTERMENTS

If you are a tenant or condominium unit owner, we insure, up to the amount shown for this Endorsement on the Coverage Summary page, improvements and betterments made by you or acquired at your expense including:

1. any building, structure or swimming pool on the premises;
 2. materials and supplies on the premises for use in such improvements and betterments.
 3. permanently installed flooring in your unit that is part of the building, but not insured by the condominium corporation.
- The loss or damage must be caused by a peril for which you are insured.

END. #17 – REDUCED GLASS DEDUCTIBLE

The Deductible amount, as it applies to Glass Breakage insured under Section I of this policy, is reduced to the amount shown on the Coverage Summary page applicable to this endorsement.

END. #18 - BURGLARY AND ROBBERY EXTENSION

The following Insured Perils are added to the Fire and Extended Coverage Rider:

12. BURGLARY: This peril means theft of your personal property from within a building on the premises following illegal and forcible entry into or exit from the building leaving visible marks at the point of forced entry or exit.
This peril does not include loss or damage:
 - a) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
 - b) caused by any employee, tenant, tenant's guest, tenant's employee or member of the tenant's household if the part of the dwelling containing the property insured is rented to others. "Tenants" includes any person who has your permission to occupy your dwelling or unit or any part of it.
13. ROBBERY: This peril means theft of your personal property by violence or threat of violence to any person.

END. #19 - EXTENDED COVER DELETED

Perils 3 to 15 inclusive of the INSURED PERILS of Riders FEC and SDW are deleted. You are insured only against direct loss or damage caused by Fire, Lightning or Explosion or Implosion.

END. #21 - OPTIONAL LOSS SETTLEMENT CLAUSE INCLUDED

If there is insured loss or damage to the Dwelling Building, you may choose as the basis of loss settlement, either Option A or Option B below, provided:

1. you repair or replace the damaged or destroyed building within a reasonable time after the loss; and
 2. you use materials of similar quality for repair or replacement; and
 3. if replacement is necessary, you replace the building on the same site with a building of the same occupancy;
- otherwise, settlement will be as in Option B.

Option A: The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case we will pay in the proportion that the applicable amount of insurance bears to 80% of the replacement cost of the damaged building at the date of loss, but not exceeding the actual cost incurred.

Option B: The Actual Cash Value of the damage at the date of loss.

The Actual Cash Value will take into account such things as the cost of replacement or reconstruction less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

In determining the cost of repairs or replacement under Option A or the amount payable under Option B, we will not pay or include the increased costs of repair, replacement or reconstruction due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services, nor will we pay more than the applicable amount of insurance shown on the Coverage Summary page.

END. #24 - SEASONAL HOMEOWNERS COVERAGE

The insurance under Sections I and II of this policy are changed as follows:

Section I - Property Coverages

With respect to the Location to which this Endorsement applies:

1. The definition of "Dwelling" in Section I is amended to read as follows:
"Dwelling" means the building described on the Coverage Summary page, occupied by you as a private secondary or seasonal residence.
2. The description of insurance on Personal Property in Section I as set out in paragraphs 1 to 3 inclusive under "Coverage C – Personal Property" is **DELETED**, and replaced by the following:
 - a) We insure the contents of your dwelling and other personal property you own, wear or use while on the premises, which is usual to the ownership or maintenance of a dwelling and usually kept at the premises throughout the year. Personal Property usually kept throughout the year at any other location you own, rent or occupy is not insured.
 - b) You may apply up to 20% of the amount of insurance on your personal property to cover your personal property, excluding watercraft, while temporarily removed from your premises anywhere in Canada or the continental United States of America. We do not insure personal property usually kept at any other location you own, rent or occupy. Personal property removed from your premises for storage is covered for 30 consecutive days only.
 - c) We insure your personal property in the dwelling damaged by change of temperature resulting from the physical damage to the dwelling or equipment by an Insured Peril. The Coverage C exclusions under the heading "Property not insured" and the "Special Limits of Insurance" as set out in Coverage C are unchanged and remain in effect.
3. Under Coverage D - Additional Living Expenses, the insurance for "Fair Rental Value" applies only if, at the time of the loss, the dwelling was rented to others or you had an agreement for its rental to others.
4. The following "Additional Coverages" described in Section 1 of this policy are **DELETED**:
"Credit Card, Fund Transfer Card, Forgery and Counterfeit Money".

Section II - Liability Coverage

1. The insurance under Coverage E – Legal Liability – applies only to the following and not as otherwise stated:
 - a) Your legal liability for Bodily Injury or Property Damage arising out of your ownership, use or occupancy of the premises shown on the Coverage Summary page. This insurance also applies if you assume, by written contract, the legal liability of others in relation to the premises.
 - b) "Watercraft Liability" as described in Coverage E, but only if "Watercraft Liability Extension" is shown on the Coverage Summary page.
2. Coverage G – Voluntary Payment for Damage to Property – is **DELETED**.

END. #25 - RESIDENCE GLASS - UNSCHEDULED

We insure all exterior and interior single or multiple sheet or plate glass windows and doors belonging to the premises, whether installed or not, except glass in a conservatory, greenhouse or garden frame, for loss or damage by accidental or malicious breakage.

We do not insure loss or damage:

1. recoverable under any other section of this policy;
2. occurring while a building in which the insured glass is located is under construction or vacant, even if we have given permission for construction or vacancy.

We will not pay more than **\$500** for any one "glass unit". "Glass unit" means a separately glazed window or door whether of single or multiple sheets or plate glass and whether factory fabricated or manually installed.

END. #26 - ROOF DAMAGE LIMITATION

The basis of loss settlement for roof damage caused by windstorm or hail will be Actual Cash Value, notwithstanding any other basis of loss settlement stated in this policy. Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage and the normal life expectancy.

END. #27 - COMBINED SINGLE LIMIT

If the amount of insurance specified on the Coverage Summary page for any of the Section I Coverages A, B, C or D is not sufficient to cover your loss, you may apply the unused amounts of insurance remaining under Coverages A, B, C or D until the total amounts of insurance under these coverages are used up. **This does not apply in the case of loss or damage to detached private structures 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 does not apply unless End. #15 - Guaranteed Replacement Cost (Building) or End. #42 - Replacement Cost Plus is shown on the Coverage Summary page.**

END. #28 - SPECIAL LIMITS ENHANCEMENT

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 **\$15,000**.
 - 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
 - a) Coverage F, Voluntary Medical Payments - limit is increased to **\$7,500**.
 - b) Coverage G, Voluntary Property Damage Payments - limit is increased to **\$7,500**.

END. #29 - BY-LAWS COVERAGE

If the Coverage Summary page indicates that By-Laws Coverage is included, and if there is loss or damage to the dwelling building caused by an insured peril, we will pay the additional cost of demolition, construction or repair which is required to comply with any law or ordinance regulating demolition, construction or repair of buildings, but only if the building is actually repaired, rebuilt or replaced on the same site and for the same occupancy as described in this policy.

We will pay only the least of the following amounts:

1. the amount of insurance applicable to this coverage as shown on the Coverage Summary page;
2. the minimum amount required to comply with any law;
3. the actual amount you spend for the additional costs to which this coverage applies.

END. #30 - CENTRAL BURGLARY ALARM WARRANTY

The central burglar alarm discount is given in return for the following warranty:

It is warranted that you shall notify us immediately of any interruption to, or flaw or defect, coming to your knowledge of your intrusion detection system and shall also notify us of the cancellation or non-renewal of any contract which provides monitoring, or of the notification of the suspension of police service in response to your system.

END. #31 - CO-INSURANCE CLAUSE

If the Coverage Summary page specifies "Co-Insurance", we will not pay for a greater proportion of any loss than the applicable amount of insurance bears to 80% (or such other percentage stated on the Coverage Summary page) of:

1. The Actual Cash Value of the insured property at the time of the loss; or
2. The Replacement Cost of the insured property at the time of the loss if the property is insured for Replacement Cost.

Replacement Cost means the cost, at the time of loss, of repair or replacement (whichever is less), with new property of similar kind and quality, without deduction for depreciation.

Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

END. #32 - CHIP AND FRACTURE EXCLUSION (JEWELLERY)

If the Coverage Summary page specifies "Chip and Fracture Exclusion" we will not pay for any loss due to chipping or fracturing of the item or items to which this exclusion applies.

END. #33 - DAY CARE COVERAGE - Section II Extension

If the Coverage Summary page indicates that Day Care Coverage is included, Item (8) "Business and Business Property Liability" under Coverage E of Section II is extended to include the use of your residence premises for day care of children.

You are not insured for claims made against you arising from the following types of action: corporal punishment, abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological or emotional abuse or molestation, caused by:

1. any person or any named insured who is insured by this policy or any employee or any other person involved in any capacity in the day care enterprise;
2. any person or any named insured who is insured by this policy or any employee or any other person involved in any capacity in the day care enterprise having knowledge of such an activity taking place;
3. any person or any named insured who is insured by this policy or any employee or any other person involved in any capacity in the day care enterprise failing to prevent such an activity from taking place;
4. at the direction of any person or any named insured who is insured by this policy or any employee or any other person involved in any capacity in the day care enterprise.

You are not insured for day care coverage if the number of children in your care (excluding your own children) exceeds the number stated on the Coverage Summary page.

END. #34 - DEFERRED LOSS SETTLEMENT CLAUSE

If the Coverage Summary page indicates that the Deferred Loss Settlement Clause is applicable and there is loss or damage to the building by an insured peril, settlement of the loss will be as follows:

1. We will not pay more than 50% of the amount we would otherwise have paid if this clause had not been in effect.
2. If you repair or replace the damaged or destroyed building within nine months of the date of the loss or damage, and, if replacement is necessary, you replace the building on the same site with a building designed for the same purpose for which the destroyed building was originally intended, we will, upon receipt of satisfactory evidence of your expenditures for such repair or replacement, pay the remaining amount of the loss in accordance with the terms and conditions of this policy.
3. If you do not repair or replace the damaged or destroyed building within the provisions of paragraph 2 above, the reduced payment you receive under the provisions of paragraph 1 shall constitute full and final settlement under this policy with respect to such loss. We will then refund one-half the premium you paid us for the insurance on the building, if you request us to do so.
4. If you have other insurance on the building, we will pay our rateable proportion of the loss subject to the terms and conditions of this clause.

We do not pay for any loss, expense or increased cost of repair or replacement due to the operation of any law or ordinance regulating zoning, demolition, repair or construction of buildings and their related services.

END. #35 - DENT CLAUSE

If the Coverage Summary page indicates "Dent Clause" applicable to any building or structure, we do not pay for damage to the outer metal cover of such building or structure caused by hail, whether driven by wind or not, unless such cover is punctured by the hail.

END. #36 - LIMITED THEFT COVER

If the Coverage Summary page indicates "limited theft" or "theft restricted to burglary", we do not insure theft of your personal property, other than theft from within your dwelling or unit following illegal and forcible entry or exit, with visible marks of the forcible entry or exit.

END. #37 - LIMITED THEFT COVER & MYSTERIOUS DISAPPEARANCE EXCLUSION

If the Coverage Summary page indicates "Limited Theft Cover and Mysterious Disappearance Exclusion", we do not insure loss by mysterious disappearance or theft of your personal property, other than theft from within your dwelling or unit following illegal and forcible entry or exit, with visible marks of the forcible entry or exit.

END. #38 - WRECKAGE VALUE CLAUSE

If the Coverage Summary page indicates that the Wreckage Value Clause is applicable, we will only pay the "wreckage value" if you do not repair or replace your Dwelling Building on the same site within twelve months from the date of loss.

END. #39 - HOME BUSINESS EXTENSION ENDORSEMENT - PROPERTY

This Endorsement provides you with the following Property Coverages relating to your home-based business. "**Home-based business**" means the property business described in the application you have given us and which you, or a member of your family residing with you, operate from the dwelling insured under Coverage A of Section I of this policy.

I. Home Business Property Coverage

Section I, Coverage C - Personal Property, of this Policy is extended to include Business Property belonging to you, or for which you are responsible, while contained in the dwelling building or in a locked detached private structure on the same premises as the dwelling building, up to the amount specified for this Endorsement on the Coverage Summary page. Business Property anywhere else in Canada is covered up to a limit of **\$5,000** or such other amount as may be specified on the Coverage Summary page. "**Business Property**" means property (including stock, equipment, tools and furniture) pertaining to your home-based business. "**Stock**" means goods that you hold for sale and materials kept for the purpose of forming part of goods you make for sale. **Exclusions:** Coverage on your Business Property is subject to all the limitations and exclusions set out in Section I of this Policy, except as they may be expressly modified by this endorsement. **In addition**, as respects Business Property, we do not insure:

1. furs, jewellery, precious metals or watches;
2. property you have loaned or rented to others, or have sold under a conditional sales agreement or deferred payment plan, once it has left your custody;
3. any lost business or extra expense resulting from damage by an insured peril, other than as provided separately under the Extra Expense Coverage provided by this Endorsement. However, under Section D - Additional Living Expenses, you can rent temporary living accommodation of sufficient size to enable you to continue to operate your home-based business. The amount insured under Section D shown on the Coverage Summary page will still apply;
4. any loss resulting from dishonesty on the part of you or any of your employees;
5. unexplained loss, mysterious disappearance, or shortages discovered when taking inventory;
6. books of account and other records, other than the cost of blank records, plus the cost of re-entering the lost information.

7. loss or damage caused by the failure of any:
 - a) electronic data processing equipment, or other equipment, including microchips embedded therein;
 - b) computer program;
 - c) software;
 - d) media;
 - e) data;
 - f) memory storage system;
 - g) memory storage device;
 - h) real time clock;
 - i) date calculator; or
 - j) any other related component, system, process or device, to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused by "Named Perils".

Basis of Settlement: Losses on Stock will be paid on an "Actual Cash Value" basis; all other losses will be paid on a "Replacement Cost" basis. The terms "Actual Cash Value" and "Replacement Cost" are defined in Section I - Basis of Claim Payment - Coverages A, B and C of this policy.

Money: At your option, the \$500 limit on money provided by this Policy may be applied to money held in connection with the home-based business. However, coverage provided by this Policy in respect of Credit, Debit, Cash, Bank or similar Cards, Forgery, and Counterfeit Money is expressly excluded from this Endorsement.

Inflation Protection: The inflation protection coverage provided by this Policy does not apply to this Endorsement.

Combined Single Limit (End. #27): Business Property is expressly excluded from the provisions of the Combined Single Limit Endorsement forming part of this policy.

Co-Insurance: For property on premises, we will only pay that proportion of any loss that the amount insured bears to 80% of the actual replacement value (in the case of stock, 80% of the actual cash value) of the property insured.

Deductible: We are responsible only for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of the deductible shown on the Coverage Summary page for this Endorsement in any one occurrence. If your claim involves Business Property as well as non-business personal property, arising from one incident, only one deductible will apply. If the deductible on personal property and the deductible under this Endorsement are not the same, the highest deductible will apply.

II. Extra Expense Coverage

This Policy is extended to cover the necessary Extra Expense you incur to continue as nearly as practicable the normal conduct of your home-based business following damage to or destruction of property insured by this Policy by the perils insured against. The most we will pay under this Coverage is \$2,500 or such other amount as may be shown for this coverage on the Coverage Summary page.

Conditions:

1. The destruction or damage must occur during the term of the Policy.
2. We will pay for Extra Expense incurred during a period of twelve months from the date of the loss, or until you are able to resume normal occupancy of your residence, whichever comes first. This period shall not be limited by the expiration date of this Policy.
3. You agree to resume complete or partial business operations, and to reduce or dispense with such extra expenses as are being incurred, as soon as practicable after the loss.

Exclusions: This coverage is subject to all the limitations and exclusions set out in Section I of this Policy. **In addition,** we do not insure:

1. any loss of income;
2. the cost of repairing or replacing damaged property, except for cost in excess of the normal cost for such repair or replacement, incurred in order to reduce the amount of the total Extra Expense otherwise payable;
3. loss due to fines or damages due to breach of contract for late or non-completion of orders, or for any penalties;
4. loss due to the suspension, lapse, or cancellation of any lease or licence, contract or order;
5. the cost of rewriting books of account and other records, whether hard copies or electronic data;
6. increase of loss due to delays in resumption of business caused by strikers or other persons;
7. loss of extra expense caused by the failure of any:
 - a) electronic data processing equipment, or other equipment, including microchips embedded therein;
 - b) computer program;
 - c) software;
 - d) media;
 - e) data;
 - f) memory storage system;
 - g) memory storage device;
 - h) real time clock;
 - i) date calculator; or
 - j) any other related component, system, process or device, to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused by "Named Perils"

General Conditions: These conditions apply to all sections of this Endorsement and are in addition to the other Conditions contained in this Policy:

1. This Endorsement applies only to the home-based business operated by you, or a member of your family residing with you, from the dwelling insured under Coverage A of Section I of this Policy.
2. No part of the home-based business is operated from any other permanent location. If the home-based business is operated in whole or in part from any permanent location other than the dwelling insured under Coverage A of Section I of this policy, this insurance is invalidated.
3. The Coverages under this Endorsement replace, and are not in addition to, any coverage for business personal property relating to the home-based business already provided under this Policy.

END. #40 – HOME BUSINESS EXTENSION ENDORSEMENT – LIABILITY

This Endorsement provides you with the following Liability Coverages relating to your home-based business. "Home-based business" means the business described in the application you have given us and which you, or a member of your family residing with you, operate from the dwelling insured under Coverage A of Section I of this policy.

1. Home Business Liability Coverage: Section II, Coverage E – Legal Liability, of this policy is extended to include the following:

You are insured for claims made against you arising from legal liability for bodily injury or property damage arising out of the operation of your home-based business.

You are insured up to the amount specified for this endorsement on the Coverage Summary page.

Exclusions: The following exclusions apply to this coverage in addition to the exclusions set out in Section II of this policy. You are not insured for claims made against you arising from:

1. liability for bodily injury or property damage by reason of assumption of liability in a contract or agreement pertaining to your home-based business;
2. any obligation under a workers' compensation, disability benefits or unemployment compensation law or any similar law;

3. bodily injury to any of your home-based business employees arising out of and in the course of employment by you, however this exclusion does not apply to employees on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers' compensation law;
4. damage to that particular part of real property on which you or any contractor or sub-contractor working on your behalf is performing operations if the property damage arises out of those operations;
5. property damage to that particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it, other than property damage included in the "products-completed operations hazard";
6. property damage to "your product" arising out of it or any part of it;
7. property damage to "your work" arising out of it or any part of it and included in the "products-completed operations hazard"; however this Exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a sub-contractor;
8. property damage to "impaired property" or property that has not been physically injured, arising out of:
 - a) a defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
 - b) a delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
 This Exclusion does not apply to loss of use of other property arising out of a sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use;
9. any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal, or disposal of "your product", "your work" or "impaired property" if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy, or dangerous condition in it;
10. bodily injury or property damage arising out of:
 - a) the rendering or failure to render:
 - i) medical, surgical, dental, x-ray or nursing service or treatment, or the related furnishing of food or beverages;
 - ii) any health service or treatment; or
 - iii) any cosmetic or tonsorial service or treatment;
 - b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - c) the handling or treatment of dead bodies, including autopsies, organ donation or other procedures;
 - d) professional services in the practice of optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
 - e) the preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
 - f) the rendering or failure to render professional architectural or engineering services including supervisory or inspection services connected therewith;
 - g) the rendering or failure to render professional accountant's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, stock broker's or counselling services;
11. "bodily injury" or "property damage" arising out of:
 - a) the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants:
 - i) at or from any premises, site or location which is or was at any time, owned or occupied or rented or loaned to an Insured;
 - ii) at or from any premises, site or location which is or was at any time, used by or to any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - iii) which are or were at any time transported, handled, stored, treated, disposed of or processed as waste by or for any Insured or any person or organization for whom the Insured may be legally responsible; or
 - iv) at or from any premises, site or location on which any Insured or any contractors or subcontractors working on any Insured's behalf are performing operations:
 - (a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor; or
 - (b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of pollutants.
 Sub paragraphs i) and iv) (a) of paragraph 11. a) of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a fire which becomes uncontrollable or breaks out from where it was intended to be.
 - b) any loss, cost or expense arising out of any request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize or in any way respond to or assess the effect of pollutants, unless such loss, cost or expense is consequent upon "bodily injury" or "property damage" covered by this policy.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
12. bodily injury or property damage arising out of the failure of any:
 - a) electronic data processing equipment, or other equipment, including microchips embedded therein;
 - b) computer program;
 - c) software;
 - d) media;
 - e) data;
 - f) memory storage system;
 - g) memory storage device;
 - h) real time clock;
 - i) date calculator; or
 - j) any other related component, system, process or device, to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming.

Definitions: Words and phrases in quotation marks have the following special meanings in this Endorsement:

"Impaired Property" means tangible property, other than "your product" or "your work" that cannot be used or is less useful because:

1. it incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate, or dangerous; or
2. you have failed to fulfil the terms of a contract or agreement, if such property can be restored to use by:
 - a) the repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b) your fulfilling the terms of the contract or agreement.

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same harmful conditions.

"Products-Completed Operations Hazard" includes all bodily injury and property damage occurring away from the premises you own or rent and arising out of "your product" or "your work", except:

1. products that are still in your physical possession; or
2. work that has not yet been completed or abandoned.

"Your work" will then be deemed completed at the earliest of the following times:

1. when all of the work called for in your contract has been completed;
2. when all of the work to be done at the site has been completed if your contract calls for work at more than one site;

- when that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or sub-contractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed. This hazard does not include bodily injury or property damage arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

"Your Product" means:

- any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - you; or
 - others trading under your name; or
 - a person or organization whose business or assets you have acquired; and
- containers (other than vehicles) materials, parts or equipment furnished in connection with such goods or products.

"Your Product" includes warranties or representations made at any time with respect to the fitness, quality, durability, or performance of any of the items included in 1. and 2. above.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

"Your Work" means:

- work or operations performed by you or on your behalf; and
- materials, parts and equipment furnished in connection with such work or operations.

"Your work" includes warranties or representations made at any time in respect to the fitness, quality, durability, or performance of any of the items included in 1. or 2. above.

Limit of Liability – Products-Completed Operations Hazard: The amount of insurance shown in the Coverage Summary page for **Home Business Extension Endorsement - Liability** is the maximum amount we will pay for any number of accidents or occurrences in any one Policy Period arising out of the products-completed operations hazard.

Deductible: You will pay the first **\$500** of each and every claim for property damage. If more than one claim arises or results from a single occurrence, the deductible shall apply only once. The terms of the Policy, including those with respect to notice of accident or occurrence and our right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the deductible amount.

Territory: This insurance applies only to occurrences taking place in Canada.

II. Tenants Legal Liability Coverage: The last paragraph of "3. Tenants Legal Liability" in Coverage E is amended to read "This insurance does not apply to property damage to premises you are using for business purposes other than for your home-based business."

Limit of Liability: The most we will pay under this coverage in any one occurrence for your legal liability for damage to premises you are using for purposes of your home-based business away from your principal residence is **\$100,000** or such other amount as may be shown for this coverage on the Coverage Summary page.

III. Voluntary Medical Payments Coverage: Exclusion 3 of Coverage F – Voluntary Medical Payments, is amended to read: "your business or any business use of your premises, other than your home-based business."

Exclusions: This coverage is subject to all the limitations and exclusions set out in Section II of this Policy. In addition, if the bodily injury arises out of your business or any business use of your premises we will not pay medical expenses for bodily injury:

- to any insured;
- to a person hired to do work for or on behalf of any insured or a tenant of any insured;
- to a person injured on that part of premises you own or rent that the person normally occupies;
- to a person, whether or not an employee of any insured, who at the time of injury is entitled to benefits under any workers compensation or disability benefits law or employment insurance compensation law or any other similar law;
- to a co-worker while you are on the job;
- to a person injured while taking part in athletics;
- the payment of which is prohibited by law;
- included within the "products-completed operations hazard";
- excluded under Coverage E, Legal Liability of the Policy and amended by this endorsement.

IV. Additional Named Insured Endorsement: The person or organization named in the Coverage Summary page as Additional Insured(s) is an Insured, but only with respect to "bodily injury" or "property damage" arising out of the premises and business operations of the Named Insured.

General Conditions: These conditions apply to all sections of this Endorsement and are in addition to the other Conditions contained in this Policy:

- This Endorsement applies only to the home-based business operated by you, or a member of your family residing with you, from the dwelling insured under Coverage A of Section I of this Policy.
- No part of the home-based business is operated from any other permanent location. If the home-based business is operated in whole or in part from any permanent location other than the dwelling insured under Coverage A of Section I of this policy, this insurance is invalidated.
- The Coverages under this Endorsement replace, and are not in addition to, any coverage for liability relating to the home-based business already provided under this Policy.

END. #41 – ACTUAL CASH VALUE SETTLEMENT (RIDER ARB)

The "Optional Loss Settlement – Building" clause in Rider ARB is deleted. Any loss or damage to the Dwelling Building insured under Rider ARB will be settled on the basis of the actual cash value of the damage at the date of loss, and not as otherwise stated.

END. #42 - REPLACEMENT COST PLUS

We agree to pay any loss under Coverage A – Dwelling Building and Coverage B Detached Private Structures on the basis of the following:

- Subject to paragraphs 2, 3 & 4 below, we will pay the cost of repair or replacement on the same site with materials of like kind and quality without deduction for depreciation, regardless of the limit of insurance stated on the Coverage Summary page, but the additional amount shall not exceed **\$25,000** or 15% of the limit of insurance for Coverage A, whichever is the least.
- This endorsement shall not be applicable and shall not be in effect unless you fully comply with the following conditions:
 - You agree to report to us the cost of any additions, alterations or improvements you make during the policy term which increases the replacement cost by **\$10,000** or more. You must report this within 90 days of the date when such additions, alterations and improvements started. You also agree to increase the amount of insurance on Coverage A by an amount equal to this increase in the replacement cost of the building, and to pay the additional premium for the increase. If we request, you must supply bills, receipts, invoices or any other evidence of payment or indebtedness with respect to the Dwelling Building that may be required to determine the actual cost of the additions, alterations or improvements. If you do not, we will pay no more than the amount of insurance applicable to Coverage A as shown on the Coverage Summary page.
 - You properly and accurately describe your dwelling building when applying for this insurance.
- We are responsible only for the amount by which the loss or damage exceeds the amount of the deductible shown on the Coverage Summary page, in any one occurrence.
- If there is loss or damage to the dwelling building caused by an insured peril, we will pay the additional cost of demolition, construction or repair which is required to comply with any law or ordinance regulating demolition, construction or repair of buildings, but only if the building is actually repaired, rebuilt or replaced on the same site and for the same occupancy as described in this policy.

Replacement Cost Coverage Plus does not apply if your dwelling is vacant when a loss happens, even if we have given permission for vacancy.

END. #43 – DEDUCTIBLE ASSESSMENT COVERAGE - CONDOMINIUMS

If the Coverage Summary page shows that you have this coverage, we will pay for a deductible assessed to you by the condominium corporation resulting from loss or damage to your condominium unit or common property subject to the limit shown on the Coverage Summary page. The loss must be caused by a peril for which you are insured under this policy.

END. #44 – ADDITIONAL NAMED INSURED - DAY CARE LIABILITY

The person(s) named on the Coverage Summary page as Additional Insured(s) is an Insured, but only with respect to "bodily injury" or "property damage" arising out of the premises and the operations of the Insured's day care facility.

END. #46 – LOCKED VEHICLE WARRANTY

This rider does not insure theft from an unattended vehicle unless the vehicle has been securely locked and there are visible signs of forcible entry into the vehicle.

END. #47 – WOOD STOVE LIMITATION

It is warranted that a solid fuel burning appliance will be used for emergency use only.

END. #48 - WOOD STOVE WARRANTY

It is warranted that a solid fuel burning appliance will not be used on the premises.

END. #49 - IDENTITY THEFT EXPENSE ENDORSEMENT

Insuring Agreement

If the Coverage Summary page indicates that the Identity Theft Expense Endorsement applies we agree that coverage is extended to include reimbursement of expenses you incur resulting from "Identity Theft" as defined and limited herein. The "Identity Theft Occurrence" must take place during the policy term, however you are covered even if you do not discover the occurrence for up to a year after your policy expires.

Definitions: Words and phrases in quotation marks have the following special meanings in this Endorsement:

"**You**" and "**your**" in this wording have the same meaning as in the Definitions applicable to Section 1 of the policy to which this endorsement attaches.

"**Identity Theft**" means the act or acts of knowingly acquiring, transferring or using, without lawful consent or authority, your means of identity which constitutes a violation of any federal, provincial, territorial or municipal law.

"**Identity Theft Occurrence**" means any act or series of acts of "Identity Theft" by a person or group of persons which results in an insured loss during the policy period.

All other definitions applicable to the policy to which this endorsement form is attached are applicable.

Coverage

We insure, to the amount as stated on the Coverage Summary page in total during the term of this policy, the following reasonable costs and expenses incurred by an insured person, as a result of an "Identity Theft Occurrence":

1. Reasonable costs associated with registered mail to businesses, law enforcement agencies, financial institutions, credit agencies and similar credit grantors.
2. Fees for the re-application of loans which had been declined as a result of incorrect or erroneous information.
3. The reasonable costs or expenses (including mileage, associated parking costs, taxi cab fees or public transit fees) incurred for notarizing affidavits for financial institutions, credit agencies or similar credit grantors.
4. The reasonable costs or expenses (including mileage, associated parking costs, taxi cab fees or public transit fees) incurred for notarizing affidavits for law enforcement agencies.
5. Long distance telephone expenses to discuss an actual "Identity Theft Occurrence" to businesses, law enforcement agencies, financial institutions, credit agencies and similar credit grantors.
6. Earnings lost by you resulting from necessary time away from your employment for the purposes of completing affidavits and meeting with credit agencies, similar credit grantors, law enforcement departments, financial institutions, merchants and legal counsel.
7. Reasonable costs, fees or expenses associated with the replacing of Canadian or Provincial Government issued documents as a result of an "Identity Theft Occurrence".
8. Reasonable legal fees incurred as a result of an "Identity Theft Occurrence", with prior notice to us for:
 - a. The removal of any criminal or civil judgements wrongly entered against you;
 - b. To challenge the information in your consumer credit report, which is required to restore your identifying information;
 - c. The defence of any claim(s) or any lawsuit(s) brought against you by businesses or their collection agencies.
9. We will reimburse you for the reasonable cost of obtaining up to two credit reports after an "Identity Theft Occurrence" has been reported to us, for a period of up to 12 months from the date of the reporting of the occurrence, but not limited by the expiry date of the policy.

Loss or Damage Not Insured

We do not insure:

1. your fraudulent, dishonest or criminal acts;
2. your own use of your identity;
3. your commercial or business pursuits;
4. your intentional misuse of your identity;
5. fraudulent, dishonest, criminal or intentional misuse of your identity by any resident of your household.

Nor do we insure the following:

6. any losses covered under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage already available in the underlying policy;
7. any losses covered by credit card insurance, bank insurance or other coverage available to you.

Deductible

No deductible applies to this coverage.

Additional Conditions

1. You must immediately notify us and your local law enforcement agency of the "Identity Theft Occurrence" so that steps can be initiated to restore the accuracy of your identifying information. If you do not, you will not be entitled to any coverage.
2. You must comply with all the terms and requirements stipulated with the issuance of any bank credit card including secure storage of PIN(s) (Personal Identification Numbers) and personal information. If you do not, you will not be entitled to any coverage.

END. #50 – LIMITED COVERAGE

This insurance applies only to "bodily injury" and "property damage" arising out of the ownership, maintenance or use of the premises shown under Location(s) on the Coverage Summary page and operations necessary or incidental to those premises.

Other Endorsements which may be described on the Coverage Summary page also apply to this policy.

SECTION VI - CONDITIONS

POLICY CONDITIONS

With respect to Section II - Liability Coverage, Statutory Conditions 1, 3, 4, 5 and 15 only apply. Otherwise, all of the Conditions set forth under the titles Statutory Conditions and Additional Conditions apply as Policy Conditions, with respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Riders, Floaters or Endorsements forming part of this policy.

STATUTORY CONDITIONS

1. **Misrepresentation** - If any person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance which is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract shall be void as to any property in relation to which the misrepresentation or omission is material.
2. **Property of Others** - Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.
3. **Change of Interest** - The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.
4. **Material Change** - Any change material to the risk and within the control and knowledge of the Insured shall avoid the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium; and in default of such payment the contract shall no longer be in force and the Insurer shall return the unearned portion, if any, of the premium paid.
5. **Termination of Contract**
 - (1) This contract may be terminated;
 - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail, or five days' written notice of termination personally delivered;
 - (b) by the Insured at any time on request.
 - (2) Where this contract is terminated by the Insurer;
 - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or termination as to amount, in which case the refund shall be made as soon as practicable.
 - (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
 - (4) The refund may be made by money, postal or express company money order, or by cheque payable at par.
 - (5) The fifteen days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
6. **Requirements After Loss**
 - (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if such loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11;
 - (a) forthwith give notice thereof in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration;
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured;
 - (iv) showing the amount of other insurances and the names of other insurers;
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - (vii) showing the place where the property insured was at the time of loss;
 - (c) if required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
 - (2) The evidence furnished under clauses (c) and (d) of subparagraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.
7. **Fraud** - Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, shall vitiate the claim of the person making the declaration.
8. **Who May Give Notice and Proof** - Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.
9. **Salvage**
 - (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
 - (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (1) of this condition according to the respective interests of the parties.
10. **Entry, Control, Abandonment** - After any loss or damage to insured property, the Insurer shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer shall not be entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.
11. **Appraisal** - In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefore is made in writing and until after proof of loss has been delivered.
12. **When Loss Payable** - The loss shall be payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

13. **Replacement**

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss.
- (2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. **Action - Repealed**

The Limitations Act, S.S. 2004, C. L-16.1.

15. **Notice** - Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province; and written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer; and in this condition, the expression "registered" means registered in or outside Canada.

ADDITIONAL CONDITIONS

- I. Notice to Authorities** Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.
- II. No Benefit to Bailee** It is warranted by the Insured that this insurance shall in no wise enure to the benefit of any carrier or other bailee.
- III. Pair and Set** Unless otherwise provided, 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.
- IV. 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.
- V. 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.
- VI. Property of Others - Loss Settlement** In the case of loss or damage to property of others covered by this policy, we reserve the right to settle such loss or damage with the owner or owners of the property.
- VII. 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 any person, and may bring action in the name of the Insured to enforce such rights. 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.
- VIII. Canadian Currency** All amounts of insurance, premiums or other amounts stated in this policy are in Canadian Currency.
- IX. Choice of Law** Unless otherwise provided by *The Insurance Act of Alberta*, or the *Insurance Act of Manitoba*, this policy, its interpretation, and all matters arising therefrom, including your rights and benefits, shall be governed by the laws of Saskatchewan
- X. Basic Limitation Period** Unless otherwise provided by the applicable provincial insurance act, no proceedings shall be commenced with respect to a claim after 2 years from the date on which the claim is discovered.

This policy is subject to the terms and conditions set forth herein, together with such other terms and conditions as may be endorsed hereon or added hereto. No term or condition of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

PAGE LEFT INTENTIONALLY BLANK