

HOMEOWNERS BROAD PACKAGE
Edition Date 03/03

Your Homeowners Broad Package Form Policy is written in plain language so that you may properly understand the protection you have purchased. The policy consists of these wordings, the Declaration page(s), which contains information that is unique to your insurance policy and other forms that may need to be attached to complete your package coverage. Together, these represent the legal contract of indemnity that exists between you and us.

INSURING AGREEMENT

We provide the insurance described in this policy in return for payment of the premium and subject to the terms and conditions set out.

Insurance cannot be a source of profit. It is only designed to indemnify you against actual losses incurred by you or for which you are liable.

Only losses or claims that occur within the policy term shown on the Declarations will be covered under this policy. In no case will we entertain any loss or claim that occurred or was in progress prior to the policy period inception date or after the policy period expiry date shown on the Declarations.

All amounts of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

The Declarations form an integral part of this policy and summarize the coverage you have selected and the premiums and limits that apply to them. Among other things, the Declarations identify the policyholder and the policy term.

This form consists of three Sections:

SECTION I describes the insurance for your property.

SECTION II describes the insurance for your legal liability to others because of bodily injury and property damage.

SECTION III explains **OPTIONAL COVERAGES** you may purchase for additional premiums.

This policy applies to loss under Section I and III, or bodily injury or property damage under Section II, which occurs during the policy period.

If a Broadening of Coverage occurs during the term of this policy, you will automatically benefit from the improved coverage at no additional cost to you. In addition, any loss or damage that is covered by another of our Homeowners policy forms that is less broad than this policy form, is also insured hereunder.

SECTION I - INSURANCE ON YOUR PROPERTY

Definitions

"You" or **"your"** means the person(s) named in the Declarations and, while living in the same household, his or her spouse, the relatives of either or any person under 21 in their care. This also includes any full time student at college or university; who is dependant on the named insured or spouse of the named insured. Spouse means either of a man and a woman who are married to each other or who have together entered into a marriage that is voidable or void or either of two persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 3 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.

Only the person(s) named in the Declarations may take legal action against us.

"We" or **"us"** mean the company providing this insurance.

"Dwelling" means the building described in the Declarations occupied by you as a private residence.

"Premises" means the land, buildings and related structures contained within the lot lines on which the dwelling is situated.

"Residence Employee" means a person employed by you to perform duties in connection with the maintenance or use of the insured premises. This includes persons who perform household or domestic services or duties of a similar nature for you. This does not include persons while performing duties in connection with your business.

"Vacant" means that the dwelling is without occupants and without the majority of your personal contents for a period of more than 30 consecutive days, or in the case of a newly constructed dwelling, no occupant has yet taken up residence.

"Business" means any full-time or part-time activity of any kind undertaken for financial gain, and includes a trade, profession or occupation and the storage of merchandise.

"Business Property" means property used in any full-time, part-time or occasional activity of any kind undertaken for financial gain.

"Civil Authority" means any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under a Federal, Provincial or Territorial legislation with respect to the protection of persons and property in the event of an emergency.

"Domestic Appliance" means a device or apparatus for personal use on the premises for containing, heating, chilling or dispensing water.

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

"Surface Waters" means water on the surface of the ground where water does not usually accumulate in ordinary watercourses, lakes or ponds.

"Fungi" includes, 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 spore(s) or resultant mycotoxins, allergens, or pathogens.

"Spore(s)" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any fungi.

"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.

"Under Construction" means any work resulting in any improvement, extension or addition to the dwelling when the work involves the piercing of an exterior wall or the roof for more than 24 hours.

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

Coverage A - Your Principal Residence

We insure:

1. The principal dwelling and attached structures.
2. Permanently installed outdoor equipment on the premises.
3. Outdoor swimming pool and attached equipment on the premises.
4. Materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of your dwelling or private structures on the premises.

We insure against the peril of theft only while your dwelling is completed and ready to be occupied.

Tear Out

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

The cost of tearing out and replacing property to repair damage to outdoor swimming pools, public watermains or sewers is not insured.

Building Fixtures and Fittings

You may apply up to 10% of the Limit of Liability on your dwelling building to insure building fixtures and fittings temporarily removed from the premises for repair or seasonal storage.

Coverage B - Your Other Buildings

We insure structures or buildings separated from the dwelling by a clear space on your premises 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. If there is more than one detached structure or building,

the available insurance under Coverage B will be proportioned among them, based on their relative replacement cost or actual cash value, depending upon your election under Basis of Claims Settlement.

If there are no detached structures for which the combined replacement cost values for all such structures exceeds \$500 the limit of insurance for Coverage B shall be added to the limit of insurance for Coverage A or C. The sum of the two shall be the new limit of insurance applicable to Coverage A Dwelling, or Coverage C Personal Property, at your option.

Coverage C - Your Personal Property

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

If you wish, we will include personal property of others while it is on that portion of your premises which you occupy but we do not insure property of roomers or boarders who are not related to you.

We do not insure loss or damage to motorized vehicles, trailers, camper units, truck caps and aircraft or their equipment, except that we do insure, lawn mowers, other gardening equipment, snow blowers, motorized wheelchairs or wheelchair-scooters and watercraft. The word "equipment" includes audio, visual, recording or transmitting equipment designed to be specifically powered by the electrical system of a motor vehicle or aircraft.

2. We insure your personal property while it is temporarily away from your premises, anywhere in the world. If you wish, we will include personal property belonging to others while it is in your possession or belonging to a residence employee travelling with or for you.

We do not insure personal property that is kept at another of your premises or portion thereof that is not stated in this policy, whether you own, rent or occupy it.

3. The personal property of a student, who is insured by this policy but is temporarily residing away from home for the purpose of attending a school, college or university, is insured at the student's residence for an amount not exceeding \$7,000.
4. We insure the personal property of your father and/or mother or your spouse's father and/or mother who are living in a nursing home or a home for the aged, but who are in your legal custody, for an amount not exceeding \$2,500.
5. If you are moving your personal property from your principal residence to a new location in Canada which you intend to occupy as your new principal residence, your limit of insurance on personal property may be apportioned among and applied at your present principal residence, your new one, and in transit between them. This extension comes into effect on the day that you actually commence the physical transfer of your personal property from the old premises to the new premises, and terminates 30 consecutive days afterwards or on any termination of the policy, whichever occurs first.
6. We insure your personal property damaged by change of temperature resulting from physical damage to your dwelling or equipment by an Insured Peril. This only applies to personal property kept in the dwelling.

Personal property stored in a warehouse is insured for a period of 30 days only, from the date the property was first stored. We will continue coverage beyond that date for the peril of theft only.

We do not insure losses or increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services.

Special Limits of Insurance

We insure:

1. Books, tools and instruments pertaining to a business profession or occupation for an amount up to \$2,500 in all, but only while on your premises.
2. Securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right or claim to benefit, for an amount up to \$5,000 in all.
3. Money or bullion up to \$500 in all.
4. Garden type tractors and personal snow removal equipment including attachments and accessories up to \$10,000 in all.

5. Watercraft, their trailers, furnishings, equipment, accessories and motors up to \$2,000 in all.
6. Spare automobile parts up to \$1,000 in all. The maximum is \$250 for any one item.
7. Animals, birds or fish up to \$2,500 in all but excluding loss by theft or mysterious disappearance.

The following special limits of insurance apply if the items described below are stolen:

8. Jewellery, watches, gems, fur garments and garments trimmed with fur up to \$6,000 in all.
9. Numismatic property (such as coin collections) up to \$500 in all.
10. Stamps and philatelic property, (such as stamp collections) up to \$2,000 in all.
11. Silverware, silver-plated ware, goldware, gold-plated ware and pewter-ware up to \$10,000 in all.
12. Any one bicycle, tricycle or unicycle up to \$1,000 per item, inclusive of equipment and accessories.
13. Collectibles, meaning specifically sports cards, sports memorabilia and comic book collections, up to \$2,500 in all. The maximum is \$250 for any one item.

Limitation of Coverage - Business Use of Premises

You are not insured for loss or damage occurring on premises used in whole or in part for business purposes, unless the business use is stated in the Declarations.

However, the following incidental business uses by you are permitted without being stated in the Declarations:

1. School, if not more than three students involved at any one time;
2. Babysitting or daycare, if not more than three children involved at any one time;
3. Storage of merchandise not exceeding \$2,500 in value.

Coverage D - Additional Living Expense/Fair Rental Value

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 unfit for occupancy, or you have to move out while repairs are being made, we insure any necessary increase in living expenses, including moving expenses incurred by you, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild your dwelling 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 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. Fair 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 under this form, we insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding 2 weeks.

We do not insure the cancellation of a lease or agreement.

Insured Perils - Coverage A, B and D

You are insured against all risks of direct physical loss or damage to the property described in Coverages A and B subject to the exclusions and conditions of this form.

Insured Perils - Coverage C

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

1. FIRE or LIGHTNING.
2. EXPLOSION of coal, natural or manufactured gas.

3. SMOKE. This peril means smoke due to a sudden, unusual and faulty operation of a fireplace, or 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 LAND VEHICLE. Animals are not insured under this peril.
6. RIOT.
7. VANDALISM or MALICIOUS ACTS. This peril does not include loss or damage:
 - a) occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us.
 - b) Caused by you.
8. WATER ESCAPE, RUPTURE, FREEZING. This peril means loss or damage caused by:
 - a) the sudden and accidental escape of water from a watermain;
 - b) the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler, air conditioning system or domestic appliance, which is located inside your dwelling.
 - c) the sudden and accidental escape of water from a domestic appliance located outside your dwelling. Such damage is not covered when the escape of water is caused by freezing;
 - d) water which enters through an opening which has been created suddenly and accidentally by a Specified Peril other than Water Damage.

We do not insure loss or damage:

- i) caused by continuous or repeated seepage or leakage of water;
- ii) caused by the backing up or escape of water from a sewer, sump or septic tank;
- iii) caused by ground water or rising of the water table;
- iv) caused by surface waters, unless the water escapes as described in (a) above;
- v) to a watermain;
- vi) to a system or appliance from which the water escaped;
- vii) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
- viii) caused by freezing of any part of a plumbing, heating, sprinkler, air conditioning system or domestic appliance unless within a portion of your dwelling heated during the usual heating season;
- ix) caused by any appliance from within the portion of your dwelling heated during the usual heating season if you have been away from your premises more than 4 consecutive days. If you had arranged for a competent person to enter your dwelling daily to ensure that heating was being maintained, or if your heating system is connected by a monitoring heating alarm to a station providing 24-hour service, or if you had shut off the water supply and had drained all the pipes and appliances, you would still be insured.

A plumbing system under this peril does not include sewers, sumps, septic tanks, eavestroughs or downspouts.

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

Any watercraft you own are insured if they were inside a fully enclosed building at the time of loss. Canoes and rowboats are also insured while in the open.

This peril does not include damage due to weight or pressure or melting of ice or snow, waves, floods, whether driven by wind or not, except as specified and defined under Peril 12. COLLAPSE.

10. TRANSPORTATION. This peril means loss or damage to your personal property while it is temporarily removed from your premises, caused by collision, upset, overturn, derailments, stranding or sinking of any motorized vehicle or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier.

This peril does not include loss or damage to:

Any watercraft, their furnishings, equipment or motors.

11. THEFT, INCLUDING DAMAGE CAUSED BY ATTEMPTED THEFT. This peril does not include loss or damage:
 - a) which happens at any other dwelling which you own, rent or occupy, except while you are temporarily living there;
 - b) caused by any tenant, tenant's guest, any boarder of yours, employee or member of the tenant's household if the part of the dwelling containing the property insured normally occupied by you is rented to others.
12. COLLAPSE OF BUILDING. Your personal property is insured against the peril of Collapse, if it is damaged or destroyed when part or all of your dwelling building experiences a direct structural collapse. This peril includes collapse that is caused by the weight of ice, snow or sleet. It does not include collapse that is caused by settling, expansion, contraction, moving, bulging, buckling or cracking; nor does it include collapse caused by flood, surface water, spray, waves, tides, ice or water-borne objects.
13. ELECTRICITY. This peril means sudden and accidental damage from artificially generated electrical current.
14. FUEL OIL ESCAPE. This peril means damage to your personal property from fuel oil caused by the bursting or overflowing of a domestic fixed fuel oil tank, apparatus or pipes.

Loss or Damage Not Insured - Coverages A, B, C and D

Under each insured peril and Special Coverage Features exclusions specific to that peril or coverage are listed. Regardless of the peril involved, we do not insure:

1. buildings or structures used in whole or in part for business or farming purposes or business property pertaining to a business actually conducted on the residence premises, or business property away from the residence premises, unless stated in the Declarations;
2. lawns or items grown for commercial purposes;
3. property at any fairground, exhibition or exposition for the purpose of exhibition;
4. retaining walls, except for Fire, Lightning, Impact by Land Vehicle or Aircraft, or Vandalism and Malicious Acts;
5. any property illegally acquired, used, kept, stored, imported or transported or any property subject to forfeiture;
6. property of roomers or boarders;
7. securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right or claim to a benefit, other than as provided and limited under Special Limits of Insurance;
8. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
9. wear and tear, deterioration, defect, design fault or mechanical breakdown, rust or corrosion, extremes of temperature, wet or dry rot, fungi or spores, and contamination except that resulting damage by an insured peril is covered;
10. the cost of making good faulty material or workmanship or any damage that occurs due to any fault in design except that resulting damage by an insured peril is covered;
11. against loss or damage caused directly or indirectly by the failure of any computer or other equipment, including embedded microchips, computer programme or software to correctly read, recognize, process, distinguish, interpret or accept any 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 any loss caused by an Insured Peril as listed under Coverage C and D;
12. losses or increased costs of repair due to operation of any law or by-law regulating the zoning, demolition, repair or construction of building and their related services;
13. data, or loss or damage caused directly or indirectly by data problem. However, if loss or damage caused by data problem results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, water damage, all as described Specified Perils, this exclusion shall not apply to such resulting loss or damage.

We do not insure loss or damage:

14. resulting directly from settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;

15. caused directly or indirectly by:
 - a) any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of coal, natural or manufactured gas;
 - b) contamination by radioactive material;
16. resulting from a change in ownership of property that is agreed to even if that change was brought about by trickery or fraud;
17. caused directly by animals owned by or in the care, custody or control of anyone included in the definition of "you" and "your", except loss or damage to building glass;
18. caused by birds, vermin, raccoons, skunks, rodents, bats or insects, except loss or damage to building glass caused by birds;
19. under building only, caused by smoke from agricultural smudging or industrial operations;
20. occurring after your dwelling has become vacant;
21. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
22. arising from or resulting from, caused directly or indirectly, 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 except for ensuing loss or damage which results directly from fire or explosion, as described in Specified Perils. 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;
23. resulting from an 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;
 - c) any tenant, tenants' guests boarders, employee or any member of the tenants' household whether you have any knowledge of these activities or not.
24. any damage arising directly or indirectly from the growing, manufacturing, processing or storing by anyone of any drug, narcotic or illegal substances or items of any kind the possession of which constitutes a criminal offence. This includes any alteration of the premises to facilitate such activity whether or not you have any knowledge of such activity;
25. to personal property undergoing a process involving the application of heat, but resulting damage to other property is insured;
26. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant even if permission for construction or vacancy has been given by us;
27. to an outdoor swimming pool or equipment attached to a public water-main, caused by water escape, rupture or freezing;
28. caused by water unless the loss or damage resulted from:
 - a. the sudden and accidental escape of water from a watermain;
 - b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler, air conditioning system or domestic appliance, which is located inside your dwelling;
 - c. the sudden and accidental escape of water from a domestic appliance located outside your dwelling. However, such damage is not covered when the escape of water is caused by freezing;
 - d. water which enters through an opening which has been created suddenly and accidentally by a Specified Peril other than Water Damage.

We do not insure loss or damage:

- i) caused by continuous or repeated seepage of water;
- ii) caused by the backing up or escape of water from a sewer, sump or septic tank;
- iii) caused by ground water or rising of the water table;
- iv) caused by surface waters, unless the water escapes as described in (a) above;
- v) to a watermain;
- vi) to a system or appliance from which the water escaped;
- vii) caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;

viii) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;

ix) caused by freezing of any part of a plumbing, heating, sprinkler, air conditioning system or domestic appliance unless within a portion of your dwelling heated during the usual heating session;

x) caused by freezing during the usual heating season within a heated portion of your dwelling if you have been away from your premises more than 4 consecutive days,

but you will still be insured if you had taken either of the following precautions: arranged for a competent person to enter your dwelling each day you were away to ensure that heating was being maintained,

or if your heating system is connected by a monitored heating alarm to a station providing 24-hour service, or if you had shut off the water supply and had drained all the pipes and appliances.

29. resulting directly from earth movement, meaning any loss caused by, resulting from, contributed to or aggravated by: earthquake, snowslide, landslide, mudflow, earth sinking, rising or shifting, unless fire, explosion or breakage of glass or safety glazing material which is part of a building, storm door or storm window, ensues and then we will pay only the resulting loss;

Special Coverage Features

In addition to your Property Coverages, your policy provides some additional Special Coverage Features.

Safety Deposit Box

We will pay up to \$10,000 for loss or damage to your Personal Property while contained in a Bank (or Trust Company) Safety Deposit Box caused by any of the Insured Perils which apply to Coverage C, Personal Property.

The Special Limits of Insurance and the limit for personal property temporarily away from your premises do not apply to this coverage.

The deductible applies to this coverage.

Debris & Protective Removal

The amounts of insurance include the cost of removing debris of the property insured as a result of the occurrence of an insured event.

If the amount payable for loss, including expense for debris removal, is greater than the Limit of Liability, an additional 5% of that amount will be available to cover debris removal expense.

If you must remove insured property from your premises to protect it from loss or damage that is covered by this policy, it is insured for 90 days or until your policy term ends - whichever happens first. The amount of insurance will be divided in the proportion that the value of the property removed bears to the value of all property at the time of loss.

You may also apply up to 10% of the amount of insurance on your dwelling building to insure building fixtures and fittings that are temporarily removed from your premises for repair or seasonal storage.

Inflation Guard

Your policy includes an inflation index. We will increase the limits of insurance stated in the Declarations as applicable to Coverages A, B C and D by the Building Inflation Rate % (BIR) at regular intervals.

2 months after inception - increased to ¼ of the BIR

5 months after inception - increased to ½ of the BIR

8 months after inception - increased to ¾ of the of BIR

11 months after inception - increased to the full BIR

If you request a change in the amount of insurance during the policy term, we will treat the effective date of that change as the inception date for purpose of this feature.

Outdoor Greenery

You may apply up to 5% in all of the Limit of Insurance for Coverage C to trees, plants, shrubs and lawns on your premises. We will not pay more than \$1,000 for any one tree, plant or shrub including the cost of removing its debris.

We insure these items against loss caused by fire, theft, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts, as described under Insured Perils - Coverage C and D. We do not insure items or lawns grown for commercial purposes.

The deductible applies to this coverage.

Mortgage Rate Protector

You may use this no deductible feature after a total loss to your dwelling. A total loss is one equal to at least the amount specified in the Declarations. It must also be a loss for which you are covered.

Your bank or lending institution may have the right to "call in" your mortgage after a loss. If a new mortgage at a higher, competitive rate of interest is obtained, we will pay, in addition to the policy limits, the difference between the old and new rates on the balance of your outstanding mortgage.

We will pay each month. We will only pay for the duration period of your old mortgage until its expiry. We will cease to pay if title or interest in your premises is relinquished.

We will also pay for fees charged by a lawyer to obtain the new mortgage. We will not pay for other costs such as judgments or service charges.

Mass Evacuation

We will pay any necessary and reasonable increase in living expense to a maximum of \$2,500 incurred by you while access to the residence premises is prohibited by order of civil authority, but only when such order is given for a mass evacuation as a direct result of a sudden and accidental event.

You are insured for a period not exceeding 30 days from the date of the order of evacuation.

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

- (1) flood meaning waves, tides, tidal waves and the rising of, or the breaking out of the overflow of, any body of water, whether natural or man-made;
- (2) earthquake, unless the Earthquake peril is added to this policy by a Section III form;
- (3) caused directly or indirectly, 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 except for ensuing loss or damage which results directly from fire or explosion, as described in Specified Perils. 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;
- (4) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (5) nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.

This \$2,500 coverage will be provided as part of the limits specified in the Declarations for Coverage D - Additional Living Expense/Fair Rental Value.

We do not insure the cancellation of a lease or agreement.

Fire Department Charges

If a fire department attends your premises in response to the occurrence of an insured event, they may bill you for these services. If this happens, your policy will pay for such expenses.

This coverage is not subject to a deductible.

Lock Replacement

If your exterior door keys are stolen, your policy provides up to \$500 to re-key your locks or to replace them if it is not possible to re-key them. If your exterior door keys are lost, we will pay 50% of the cost, up to \$500, to re-key your locks or to replace them if it is not possible to re-key them. You must notify us within 72 hours of the discovery of the keys being lost.

This coverage is not subject to a deductible.

Frozen Food Protection

You are insured for loss or damage by spoilage to food contained in any home freezer within your premises, resulting from:

- a) mechanical or electrical breakdown of the freezer, or
- b) failure or interruption of an outside power supply.

When a breakdown or power interruption happens, you must take all reasonable steps to save or preserve the food from spoilage, and we will pay for any reasonable extra expenses you incur in doing so.

This coverage includes the freezer unit when damage is due to food spoilage as well as the food. We will not pay for loss caused by:

- a) inherent vice or natural spoilage;
- b) accidental or deliberate manual disconnection of the power supply within your dwelling.

The deductible applies to this coverage.

Credit Card, Automated Teller Card, Forgery and Counterfeit Money Coverage

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 provided you have complied with all of the conditions under which the card was issued;
2. loss caused by the theft of your automated teller card provided you have complied with all of the conditions under which the card was issued;
3. loss to you caused by forgery or alteration of cheques, drafts or other negotiable instruments;
4. loss by your acceptance in good faith of counterfeit Canadian or United States paper currency.

We do not recover loss caused by the use of your credit card or automated teller card by a resident of your household or by a person to whom the card has been entrusted.

The most we will pay under this coverage during the term of this policy is \$5,000.

This coverage is not subject to a deductible.

Reward Coverage

We will pay up to \$1,000 to any individual or organization for information leading to the arrest and conviction of any person(s) for arson or theft of any covered personal property from you.

Personal Records Stored in a Personal Computer

We will pay up to \$3,000 to recreate personal records stored in a home computer located on your residence premises if the loss of those records is caused by a covered peril. This coverage does not apply to business records stored in the personal computer.

The deductible applies to this coverage.

Permissions Granted

You have our permission under the terms and conditions of this policy to:

- (a) make alterations, additions and repairs to the dwelling building that you occupy. (You may, however, need to request an increase in your Limits of Insurance.)
- (b) keep and use reasonable and normal quantities of fuel oil, L.P.G. gasoline, benzene, naphtha or other similar materials.

Basis of Claims Settlement

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.

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

Deductible

We insure the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible in any one occurrence, however, if your claim exceeds \$10,000, the deductible will no longer apply in all cases where the applicable deductible is up to and including \$500.

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

Your Principal Residence and Other Buildings

If you repair or replace the damaged or destroyed building on the same location with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage, you may choose as the basis of loss settlement either (A) or (B) below; otherwise, settlement will be as in (B).

- (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 damage, but not exceeding the actual cost incurred, nor for more than the applicable amount of insurance.
- (B) The Actual Cash Value of the damage at the date of the occurrence.

In determining the cost of repairs or replacement under (A) or the amount payable under (B) above, we will not pay or include the 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.

Guaranteed Replacement Cost on Dwelling Buildings

If Guaranteed Replacement cost is indicated in the Declarations, we will pay the cost of repairs or replacement even if it is more than the amount of insurance for Coverage A, provided:

- a) the amount of insurance for Coverage A shown on the Coverage Summary page on the inception date of the policy, or the most recent renewal date or the increased amount under the inflation protection coverage on the date the increase took effect was not less than 100% of the cost to replace the dwelling building, as determined by a valuation guide acceptable to us;
- b) the amount of insurance applicable to Coverage A has not been reduced below the amount determined by the valuation guide; and
- c) you notified us within 30 days of the start of the work if any improvement extension or addition has been made to your dwelling.

If you do not repair or replace we will pay the actual cash value of the damage on the date of occurrence.

In determining the cost of repairs or replacement, we will not pay or include the 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.

If any Guaranteed Replacement cost provisions under the Basis of Claims settlement are not met this will result in the loss of any single limit coverage available.

Personal Property

We will pay the Actual Cash value of the loss or damage to personal property covered under Section I up to the applicable amount of insurance.

For records, other than computer records, including books of account, drawings or card index systems, we will pay the cost of blank books, pages, cards or other materials plus the cost of actually transcribing or copying the records.

If "Replacement Cost - Personal Property" is shown in the Declarations as an additional coverage for this location, we will pay on the basis of replacement cost, provided that:

- 1) the property at the time of loss was useable for its original purpose;
- 2) you repair or replace the property promptly.

Otherwise the basis of claim payment will be Actual Cash Value.

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

Replacement Cost does not apply to:

- a) antiques, fine arts, paintings and statuary;
- b) articles which, because of their inherent nature, cannot be replaced with new articles;
- c) articles for which their age or history contribute substantially to their value such as memorabilia, souvenirs and collectors' items.

You may choose payment on an Actual Cash Value basis initially. You may make a subsequent claim on a Replacement Cost basis but no later than 180 days after the date of loss or damage.

Actual Cash Value

Whenever the words "Actual Cash Value" are used in this policy, settlement of a claim 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.

Insurance Under More Than One Policy

If you have insurance on specifically described property, this 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, we will pay our ratable proportion of the loss or claim under this policy.

Conditions

The following conditions apply to the coverage provided under Section I of this policy.

Notice to Authorities

Where the loss is due to or appears to be due to theft, burglary, robbery, malicious mischief or disappearance of insured property, you must give immediate notice thereof to the police or other authorities having jurisdiction.

Sue and Labour

In the event that any property insured under this policy is damaged or destroyed, it is your duty to take all reasonable steps that might be available to you to bring about recovery of such property. We will contribute on a proportionate basis towards any reasonable and proper expenses in accordance with our respective interest in the property insured.

Subrogation

Once we have made any payment or have assumed any liability for making such payment, we shall inherit or be 'subrogated' to all the rights of recovery that you might have had against any person and are entitled under the law to bring action in your name to enforce such rights.

If such action on our part does not fully indemnify both you and us, the amount that we do recover will be divided between you and us in the proportions in which the loss or damage has been borne by each of us respectively. The amounts so available for distribution shall be net of the costs of effecting the recovery.

No Benefit to Bailee

It is warranted by you that this insurance shall in no way be directly or indirectly to the benefit of any carrier or other bailee.

Pairs, Sets and 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.

SECTION II - INSURANCE ON YOUR LIABILITY TO OTHERS

In the event you have, under another policy or policies issued by us, liability insurance which applies to a loss or claim, then under no circumstances will we pay in total more than the highest of the liability limits stated on the Declaration Pages of all such policies issued by us.

Definitions

"You" or "your" in this Section have the same meanings as in Section I. In addition, the following persons are insured:

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 the owner's permission;
2. a residence employee while performing duties in connection with the ownership, use or operation of motorized vehicles and trailers for which coverage is provided in this form;

3. your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the insured premises;
4. any person who is insured by this form at the time of your death and who continues residing on the insured premises.

"We" or "us" in this Section have the same meanings as in Section I.

"Bodily Injury" means bodily injury, sickness, disease, disability, shock, mental anguish, mental injury or resulting death.

"Property Damage" means damage to, or destruction of, or loss of use of tangible property.

"Residence Employee" and "Employee" in this Section have the same meaning as "Residence Employee" in Section I.

"Weekly Indemnity" means two-thirds of your employee's weekly wage at the date of the accident, but we will not pay more than \$100 per week.

"Premises" in this Section means all premises where the person(s) named as Insured in the Declarations or his or her spouse, maintains a residence. It also includes:

1. other seasonal and residential premises specified in the Declarations except business property and farms.
2. individual or family cemetery plots or burial vaults.
3. vacant land in Canada you own or rent, excluding farm land.
4. land in Canada where an independent contractor is building a one or two-family residence to be occupied by you.
5. premises in Canada you are using or where you are temporarily residing if you do not own such premises.
6. a swimming pool on your 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.

"Business Pursuits" means any full-time, part-time or occasional activity of any kind undertaken for financial gain, and includes a trade, profession or occupation.

"Business Premises" means premises on which a business pursuit is conducted, and premises 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.

All other definitions mentioned in Section I have the same meaning in Section II.

Coverages

This insurance applies only to accidents or occurrences which take place during the period this policy is in force.

The amounts of insurance are shown in the Declarations. Each person insured is a separate insured but this does not increase the limit of insurance.

Coverage E - Your Liability Protection

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

The limits of insurance are shown in the Declarations and are the maximum we will pay, under one or more sections of Coverage E, for all compensatory damages in respect of one accident or occurrence other than as provided under defence, settlement, and supplementary payments.

You are insured for claims made against you arising from:

1. **Personal Liability:** legal liability arising out of your personal actions anywhere in the world.

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

- a) the ownership, use or operation of any motorized vehicle, trailer, watercraft, or farm equipment, except those shown under items 1, 2 and 3 of "motorized vehicles - vehicles you own", or those for which coverage is shown in the Declarations;
- b) damage to property you own, use, occupy, rent or lease;
- c) damage to property in your care, custody or control;
- d) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
- e) bodily injury to you or to any person residing in your household other than a residence employee.

2. **Premises Liability:** legal liability 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 your premises.

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

- a) damage to property you own, use, occupy, or rent or lease from others;
- b) damage to property in your care, custody or control;
- c) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
- d) bodily injury to you or to any person residing in your household other than a residence employee.

3. **Tenants' Legal Liability:** legal liability for property damage to premises of others or the contents contained therein belonging to others, which you are

using, renting or have in your custody or control, provided such property damage is caused by fire; explosion; water escape including escape of water from a waterbed or aquarium, or smoke; all as defined or limited in Section I.

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.

4. **Employers' 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 Workers' Compensation Statute.

You are not insured for any claim for loss, cost or expenses arising out of:

- a) the actual or alleged failure, malfunction or inadequacy of any computer or other equipment, including embedded microchips, computer programme or software to correctly read, recognize, process, distinguish, interpret or accept any date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming.
- b) any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify, or test for any potential or actual problems described in paragraph (a) of this exclusion.

Defence, 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 judgement on that part of the judgement which is within the limit of insurance of Coverage E;
4. premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the limit 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 form;
6. reasonable expense, except loss of earnings, which you incur at our request.

Coverage F - Voluntary Medical Payments

We will pay reasonable expenses incurred within 1 year of the date of the 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 in the Declarations is the maximum amount we will pay for each person in respect of one accident or occurrence.

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.

You are not insured for claims arising out of the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is shown in this policy.

You shall arrange for the injured person, if requested, to:

1. give us, as soon as possible, written proof of claim, under oath if required;
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.

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 anyone included in the definition of "you" or "your" of Section II of this form, 12 years of age or under.

You are not insured for claims:

1. resulting from the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is provided by this form;
2. for property you or your tenants own or rent;
3. which are insured under Section I;
4. caused by the loss of use, disappearance or theft of property.

Basis of Payment

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 in the Declarations.

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.

Coverage H - Voluntary Compensation for Residence Employees

We offer to pay the benefits described below if your employee is injured or dies accidentally while working for you, even though you are not legally liable.

If your employee does not accept these benefits or sues you, we may withdraw our offer, but this will not affect your legal liability insurance.

An employee who accepts these benefits must sign a release giving up any right to sue you. We have the right to recover from anyone, other than you, who is responsible for the employee's injury or death.

An injured employee will, if requested:

- (1) submit to physical examination at our expense by doctors we select as often as we may reasonably require;
- (2) authorize us to obtain medical and other records.

In case of death, we can require an autopsy before we make payment.

We will not pay benefits:

- (1) unless your employee was actually performing duties for you when the accident happened;
- (2) for any hernia injury;
- (3) for injury or death caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.

Schedule of Benefits

1. Loss of Life

If your employee dies from injuries received in the accident within the following 26 weeks we will pay:

- (a) to those wholly dependent upon him or her, a total of one hundred times the weekly indemnity in addition to any benefit for Temporary Total Disability paid up to the date of death;
- (b) actual funeral expenses up to \$500.

2. Temporary Total Disability

If your employee temporarily becomes totally disabled from injuries received in the accident within the following 14 days and cannot work at any job, we will pay weekly indemnity up to 26 weeks while such

disability continues. We will not pay for the first seven days unless the disability lasts for six weeks or more.

3. Permanent Total Disability

If your employee becomes permanently and totally disabled from injuries received in the accident within the following 26 weeks and cannot work at any job, we will pay weekly indemnity for 100 weeks in addition to benefits provided under Temporary Total Disability.

4. Injury Benefits

If, as a result of the accident, your employee suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, we will pay weekly indemnity for the number of weeks shown.

These benefits will be paid in addition to Temporary Total Disability Benefits but no others and for not more than 100 times the weekly indemnity.

FOR LOSS OF: Number of Weeks

- A. One or more of the following:
- | | |
|------------|-----|
| Hand | 100 |
| Arm | 100 |
| Foot | 100 |
| Leg | 100 |
- B. One finger or toe25
OR
More than one finger or toe.....50
- C. One eye50
OR
Both eyes.....100
- D. Hearing of one ear25
OR
Hearing of both ears.....100

5. Medical Expenses

If, as a result of the accident, your employee incurs medical expenses including surgical, dental, hospital, nursing and ambulance expenses within the following 26 weeks, we will pay up to a maximum of \$1,000 in addition to all other benefits.

We will pay for the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5,000.

We do not insure you for costs recoverable from other insurance plans.

Special Limitations

Watercraft

Watercraft You Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your ownership, use or operation of watercraft equipped with an outboard motor or motors of not more than 19 kW (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 38 kW (50 hp) or for any other type of watercraft not more than 8 metres (26 feet) in length.

If you own any motors or watercraft larger than those stated above, you are insured only if they are shown on the policy. 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, or until expiry of the policy whichever comes first.

Watercraft You Do Not Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your use or operation of watercraft which you do not own, provided:

1. the watercraft is being used or operated with the owner's consent;
2. the watercraft is not owned by anyone included in the definition "you" or "your" in Section II of this form.

You are not insured for damage to the watercraft itself.

Regardless of whether you own or do not own a watercraft for which third party liability coverage is provided above, there is no coverage here:

- 1) if you use the watercraft for carrying passengers for compensation or hire;
- 2) in any race or speed test;
- 3) if you rent or lease it to others;

- 4) if you use it for business purposes;
- 5) if you use or operate it without the owner's consent if you are not the owner.

Motorized Vehicles

Vehicles You Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your ownership, use or operation of the following including their trailers or attachments:

1. self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 19 kW (25 hp) used or operated mainly on your property;
2. motorized golf carts while in use on a golf course;
3. motorized wheelchairs (including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability).

Vehicles You Do Not Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of 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:

1. the vehicle is not licensed and is designed primarily for recreational use off public roads;
2. the vehicle is being used or operated with the owner's consent;
3. the vehicle is not owned by anyone included in the definition of "you" or "your" in Section II of this form.

You are not insured for damage to the vehicle itself.

Regardless of whether you own or do not own a motorized vehicle for which third party liability coverage is provided above, there is no coverage here:

1. if you use the motor vehicle(s) for carrying passengers for compensation or hire;
2. in any race or speed test;
3. if you rent or lease it/them to others;
4. if you use it for business purposes;
5. if you use or operate it without the owner's consent if you are not the owner.

There is also no coverage here for liability arising out of the ownership, use or operation of any motorized vehicle or trailer or part thereof except as mentioned here.

Trailers

You are insured against claims for bodily injury to or damage to the property of others, arising out of your ownership, use or operation of any trailer or its equipment, provided that such trailer is not being towed by, attached to or carried on a motorized vehicle.

Business Pursuits and Business Property

You are insured against claims for bodily injury to or damage to the property of others, arising out of:

1. your work for someone else as a sales representative, collector, messenger or office employee, provided that the claim does not involve injury to a fellow employee.
2. your work for someone else as a teacher or educator, provided that the claim does not involve physical disciplinary action to a student or injury to a fellow employee.
3. the temporary or part-time business pursuits of an insured person under the age of 21 years.
4. activities during the course of a business pursuit which are usually considered to be personal activities.
5. 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 no family unit includes more than 2 roomers or boarders.
6. the rental to others of not more than three car spaces or stalls in garages or stables.

Claims arising from the rental of residential buildings containing not more than 6 dwelling units are insured only if the properties or operations are stated in the Declarations.

Loss or Damage Not Insured

You are not insured against claims for bodily injury to or damage to the property of others, arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. caused directly or indirectly, 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 except for ensuing loss or damage which results directly from fire or explosion, as described in Specified Perils. 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;
3. bodily injury or property damage caused directly or indirectly by:
 - a) any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of coal, natural or manufactured gas;
 - b) contamination by radioactive material.
4. your business or any business use of your premises except as specified in this policy;
5. the rendering or failure to render any professional service;
6. caused intentionally by you, at your direction, or by or through any 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. the ownership, use or operation of any aircraft or premises used as an airport or landing strip, and all necessary or incidental operations;
8. the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this form;
9. the transmission of communicable disease by any person insured by this policy;
10. abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological, mental and/or emotional abuse, molestation or harassment, including corporal punishment, directly or indirectly, by:
 - a) any person or named insured who is insured by this policy;
 - b) any person or named insured who is insured by this policy having knowledge of such an activity taking place;
 - c) any person or named insured who is insured by this policy failing to prevent such activity from taking place;
 - d) at the direction of any person or any named insured who is insured by this policy.
11. a) "bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
 - 1) at or from premises owned, rented or occupied by an Insured;
 - 2) at or from any site or location used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - 3) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or for any person or organization for whom the Insured may be legally responsible; or
 - 4) at or from any site or location on which an Insured or any contractors or subcontractors working directly or indirectly on behalf of an Insured are performing operations:
 - a) if the pollutants are brought on or to the site or location in connection with such operations; or
 - b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
 - b) any loss, cost or expense arising out of any governmental direction or request that an Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

Sub-paragraphs (1) and (4)(a) of paragraph (a) of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a "hostile fire" means

- one which becomes uncontrollable or breaks out from where it was intended to be.
12. punitive or exemplary damages, meaning that part of any award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you;

13. any type of discrimination including discrimination due to sex, age or marital status, colour, race, creed or national origin.

GENERAL POLICY CONDITIONS

The following conditions apply to all sections of this policy including any riders or endorsements.

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 co-operate with us in any legal actions 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 accident.

Action Against Us - Coverage 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.

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, this 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.

Waiver

We shall not be deemed to have waived any term or condition of this policy in whole or in part, unless our waiver is clearly stated and in writing, and is signed by a person authorized to do so. In addition, neither we nor you may be lawfully considered to have waived any term or condition of this policy by any act relating to the appraisal of the amount of a claim, the delivery or completion of proof, or the investigation of or adjustment of any claim under the policy.

Examination Under Oath

In the event of a loss, each of you is required, after submission of the Proof of Loss, to submit to examination under oath and produce for examination all documents in your possession or control that relate to the application for insurance and Proof of Loss and you shall permit extracts and copies thereof to be made, all at such reasonable place and time as is designated by the insurer or its representative.

CONDITIONS REQUIRED BY LAW

With respect to Section II - Liability Coverage, including Voluntary Compensation for Residence Employees Endorsement when added, 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 with

respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Forms and Endorsements included herein or attached.

STATUTORY CONDITIONS (Applicable in Common Law jurisdictions)

The "Statutory Conditions" set out in this policy are renamed "Policy Conditions" and now apply, as modified or supplemented in forms or endorsements attached to this policy, as "Policy Conditions" to all coverages and all perils (including fire) insured by this policy.

Misrepresentation

1. If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property of Others

2. 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.

Change of Interest

3. The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.

Material Change

4. Any change material to the risk and within the control and knowledge of the Insured avoids 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 the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such a payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

Termination

5. (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 proportionate premium for the expired time, but in no event, shall the proportionate 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 determination 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 the 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 cheque payable at par.
- (5) The fifteen days mentioned in clause (1)(a) 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.

Requirements After Loss

- 6. (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the 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, cost, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when 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 1(c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

Fraud

- 7. Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars vitiates the claim of the person making the declaration.

Who May Give Notice and Proof

- 8. 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.

Salvage

- 9. (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 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 sub-condition (1) of this condition according to the respective interests of the parties.

Entry, Control, Abandonment

- 10. After loss or damage to insured property, the Insurer has 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 is not 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.

Appraisal

- 11. 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.

When Loss Payable

- 12. The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

Replacement

- 13. (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.

Action

- 14. Where permitted by law, every action or proceeding against the Insurer for the recovery of a claim, under or by virtue of this contract, shall be absolutely barred unless commenced within one year * next after the loss or damage occurs, except in the Provinces of British Columbia and Ontario.
 - In the Province of British Columbia, the period of one year next shall commence from the furnishing of a reasonably sufficient proof of loss.
 - In the Province of Ontario, the action shall be commenced within the time period prescribed by s. 4 of the Limitations Act 2002, S.O. 2002, Chapter 24, Schedule B.
- * Two years in the Yukon Territory and in the Province of Manitoba.

Notice

- 15. 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. 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. In this condition, the expression "registered" means registered in or outside Canada.