



**The Insurance Company
Of Prince Edward Island**

People you know you can trust



General Dwelling Protector Insurance

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General Dwelling Protector

Your General Dwelling Protector (GDP) insurance policy is made up of a Declaration Page and this booklet. This booklet explains the coverages. Your Declaration Page shows what we agree to insure, the coverage we provide and the amount of protection. It also shows the premium you have agreed to pay. All amounts of protection are shown and all losses are payable in Canadian dollars.

General Dwelling Protector policies provide coverage for dwellings, personal property and personal liability. There are coverages available for other property as well. These are explained in this policy booklet and apply if shown on your Declaration Page.

This policy booklet is in three parts:

Part 1 – Dwelling, Outbuildings and Personal Property – explains coverage for property you own or use.

Personal Articles Coverage – explains coverage for property you wish to insure separately due to its nature or value or because it is excluded under blanket coverages. This includes items such as high valued jewellery, furs, boats and motors.

Part 2 – Personal Liability – explains coverage for your liability due to your personal actions that involve bodily injury or property damage to someone else.

Part 3 – Statutory Conditions – these are conditions we must tell you about by law. These conditions apply to Part 1.

This policy booklet can be applied to insure different occupancies and property. Your Declaration Page will show the type of occupancy or property insured and the legal location of the property.

All claims will be settled directly with the person(s) named on your Declaration Page. Only the person(s) named on your Declaration Page may make a claim against this policy and 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.

The key to your policy is its Declaration Page. It shows the type and amount of your coverage. It gives the location of property you are insuring and it describes certain types of property you are insuring. Your coverage starts at 12:01 a.m. standard time on the **Effective Date**. It ends at 12:01 a.m. standard time on the **Expiry Date**. The Declaration Page shows both of these dates. This is your policy term.

This policy contains various exclusions and limitations that eliminate or restrict coverage. Please read it carefully.

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

Part 1 — Insurance on Your Property

Definitions

Amount of Protection means the maximum amount we will pay for any one occurrence or incident no matter how many people covered by this policy are involved. Different amounts apply to different coverages and these amounts are shown on the Declaration Page.

Burglary means that there has been illegal and forcible entry or exit to the building insured or containing property insured where there are visible marks at the point of forced entry or exit.

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

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

Business Property means property pertaining to a business, trade, profession or occupation.

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.

Data means information, including programs, recorded on electronic media usable in data processing operations.

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

Dwelling means the building at the location described on the Declaration Page, wholly or partially occupied as a private residence.

Dwelling Under Construction means the dwelling building and outbuildings or detached private structures at the location shown on the Declaration Page, while in the course of construction. It also means building fixtures, fittings and materials at the same location that are intended to be used for the construction of the dwelling.

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.

Insured means the person(s) named on your Declaration Page and the following unnamed person(s) living in the same household:

- the spouse of the person(s) named on the Declaration Page.
Spouse shall also mean either of two persons who are living together in a conjugal relationship and have so lived together for a period of two years or, if they are the natural or adoptive parents of a child, for a period of one year.
- the relatives of any of the above. We also mean any spouse, mother, father, grandmother, grandfather or child of the person(s) named on the Declaration Page, while residing away from your dwelling in an approved nursing or care home.
- anyone in the care of any of the above.
- unmarried student(s) attending school and who is dependent on the Named Insured or his or her spouse for support and maintenance and while residing away from your dwelling.

Insured Peril means a cause of loss or damage insured under the type of coverage shown on your Declaration Page for that specific property.

Occurrence means loss or damage to insured property by one or more

of the insured perils.

Owner-occupied means that you own and occupy the dwelling or property.

Plumbing System means water supply, distribution and disposal piping on the premises, including appliances and equipment attached thereto, between their connection points to a public or private system. A plumbing system does not include sumps, septic tanks, retention tanks, sewers, drains, eavestroughs or downspouts.

Pollutant(s) means any solid, liquid, gaseous or thermal irritant or contaminants, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Premises means your dwelling and the grounds and outbuildings associated with it that you own and live on, at the location shown on your declaration page.

Principal Residence means the sole or primary location at which you live. This is the location at which you keep most, or all, of your personal property.

Rental Income or Rental Value means the financial remuneration you receive as a result of the property being rented to others.

Rented Dwelling means a dwelling that you own but someone not considered an **Insured**, as defined, occupies it.

Residence Employee means a person employed by you to perform household or domestic services or duties of a similar nature in connection with the maintenance or use of the insured premises. It does not include any person(s) performing duties in connection to any business you conduct.

Robbery means the theft of personal property by violence or threat of violence to any person defined as an **Insured**.

Secondary means a dwelling that you occupy that is not your principal residence. This dwelling cannot be unoccupied for more than 60 consecutive days at any time during the policy term.

Seasonal means a dwelling that you occupy on a seasonal basis but which is usually unoccupied for periods of more than 60 consecutive days. These dwellings are usually located at a lake or resort area. "**Seasonal**" may also be a dwelling that you occupy for three or more consecutive months during any twelve month period, but no more than six consecutive months during a twelve month period.

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

Vacant means the residence is not occupied and, regardless of the presence of furnishings:

- all occupants have moved out with no intention of returning and no new occupant has taken up residence; or
- in the case of a newly constructed building, no occupant has yet taken up residence.

By "occupant" we mean a person as defined under **Insured**.

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

We, us or our means the insurance company providing this insurance policy and as identified on your Declaration Page.

You or your refers to the Insured, as defined.

Coverage

The Coverage provided by this policy is as follows. Additional details are provided under each of the coverage descriptions. Your choice of coverage will be shown on your Declaration Page. Refer to the specific coverage details for a complete description of the coverage, exclusions, limitations and conditions applicable.

- Coverage A – Dwelling
- Coverage B – Detached Private Structures (Outbuildings)
- Coverage C – Personal Property
- Coverage D – Additional Living Expenses
- Coverage E – Personal Liability
- Coverage F – Voluntary Medical Payments
- Coverage G – Voluntary Property Damage

Your Declaration Page will show the occupancy of the dwelling insured or the building where the property insured is kept. There are different occupancies that may be shown. For example:

- Owner-occupied
- Rented to Others
- Seasonal
- Vacant
- Dwelling Under Construction

Refer to the definitions for each occupancy. If the occupancy of your dwelling changes, you must tell us. For example, if an insured dwelling you rent to someone else becomes unoccupied, even for a short time, you must tell us.

Seasonal Homeowners Coverage Form #G400 – if this is shown on your Declaration Page, it means that you have a package of coverages on your seasonal dwelling which includes:

- Dwelling
- Outbuildings (Private Structures)
- Personal Property (Belongings)
- Personal Liability

Your Declaration Page will show the amount of protection that you have for each line of coverage shown above.

Part 1 – Your Dwelling, Outbuildings and Personal Property – What we Cover

Premises – this means the dwelling or property and outbuildings associated with the dwelling, that you own. The premises we cover must be at the location we show on the Declaration Page.

Your Dwelling – Coverage A

Dwelling - this means the dwelling and attached additions, like an attached garage. We also mean items that are **permanently** in place as part of your dwelling. This includes things like fences, storm windows, satellite antennas, swimming pools, hot tubs, saunas and their attached equipment. These items are covered even if they are temporarily away from your premises for repair or seasonal storage. We cover building materials you are going to use as part of your dwelling while the materials are located on your premises or while you are transporting them to your premises.

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

Part 1 of this policy covers dwellings that you occupy yourself, rent to others or that you occupy on a seasonal basis. The occupancy of the dwelling must be shown on your Declaration Page. If you are insuring more than one dwelling, each dwelling and its legal location must be shown separately on the Declaration Page to be insured.

We cover dwellings that are occupied for private residential purposes only. We may allow for incidental business use of the dwelling, but we must agree to such use and show it on your Declaration Page.

Dwellings that become vacant or unoccupied for more than 30 consecutive days have special requirements. Refer to **“General Conditions for Part 1”**.

Your Detached Private Structures – Coverage B

This means any private structure located on your premises and separated from the dwelling. They are separate buildings even if they are attached by a fence, utility line or similar connection. This includes such things as garages, gazebos, garden and storage sheds, swimming pool enclosures, and building materials that you are going to use as a part of your outbuildings. We will not cover outbuildings that are used in whole or in part for any business, residential occupancy, or farming purpose. You may rent your outbuildings to someone else as long as they are not used in whole or in part for any business, residential occupancy or farming purpose.

We will not cover greenhouses, garden frames or similar structures that are primarily covered with glass or plastic sheeting.

Your Personal Property (Belongings) – Coverage C

Means personal property that you own or use, kept at your premises. Coverage is extended to include the following:

- belongings that are away from your premises temporarily, other than belongings in storage. Belongings in storage shall mean belongings not in current use and kept at a location away from your premises.
- belongings in storage in an occupied private dwelling.
- belongings in storage away from your premises for up to 30 consecutive days, if stored elsewhere than in an occupied private dwelling. We will extend this 30 day coverage if you tell us of placing

your belongings into storage and this is shown on your Declaration Page. This will involve an extra premium charge.

- furs, boats, their equipment, accessories and outboard motors including unlicensed boat trailers during seasonal storage away from your premises.
- belongings while you move them to a new principal residence in Canada. This coverage lasts for 30 days from the day you start the move and covers:
 - at your premises shown on your Declaration Page,
 - in transit,
 - at your new premises.
- If you wish, you may apply up to \$2,000 of the amount of protection on your belongings to cover:
 - uninsured personal property of others while it is on that portion of your premises which you occupy; or
 - personal property of others for which you are responsible, while in your possession anywhere in the world.

We do not insure property of roomers or boarders.

There are some limits on the kinds of belongings we will cover and the amounts blanket coverage will pay. They are shown in “**Property with Specific Amounts of Protection**” and “**Property and Causes of Loss We Do Not Cover.**”

Any belongings we cover under the Personal Articles Coverage, or which are specifically insured elsewhere are not covered here.

Perils Insured – Fire and Extended Coverage

If your Declaration Page shows that you have Fire and Extended coverage, it means that you are covered for the following Fire and Extended Coverage perils:

- 1) **Fire or Lightning**
- 2) **Explosion or Implosion**
- 3) **Smoke** – means damage due to sudden and unusual failure of a heating or cooking unit that is flued to a chimney. This includes such things as a furnace, stove or fireplace. Smoke damage resulting from failure to open the chimney flue is not covered.
- 4) **Falling Objects** that hit the outside of an insured building or structure.
- 5) **Impact by Aircraft, Spacecraft or Land Vehicles**
- 6) **Riot**
- 7) **Vandalism or Malicious Acts** – We do not cover loss or damage:
 - directly or indirectly caused by theft or attempted theft; or
 - while your dwelling is vacant or unoccupied regardless of any permission for vacancy given elsewhere in this policy; or
 - caused by you or anyone living in your household; or
 - caused by any tenant, tenant’s guests, employees or members of their households.
- 8) **Water Escape and Rupture.** If you are away from your dwelling for more than four days in a row during the normal heating season, you must shut off the water supply and drain all pipes, attached fixtures and appliances, or have a reliable person come in daily to check the heating, or, have your heating system connected to a centrally monitored alarm equipped for immediate response. If you do not, we will not cover loss or damage caused by freezing, or resulting water damage.

We do not cover loss or damage caused by freezing to any part of a plumbing, heating, fire sprinkler, or air conditioning system; or household appliance not in a heated building.

We do not cover your dwelling or belongings if your dwelling is under

construction or vacant even if we have given permission for construction or vacancy.

Water Escape means accidental discharge or overflow of water or steam from your plumbing, heating, fire sprinkler or air conditioning systems, household appliances, a swimming pool, hot tub or sauna or their attached equipment. We do not cover loss or damage caused

- by seepage, or continuous or repeated leakage; or
- by back-up, overflow, discharge or escape of water from a sewer, sump, sump pump, septic tank, or eavestrough or downspout connected to your sewer; or
- by accumulation, buildup or damming of ice and snow in any system, eavestrough or downspout; or
- by escape of water from a waterbed; or
- by water that enters through the dwelling exterior roof or walls, unless caused by a named peril that creates a sudden and accidental opening.

Rupture means damage to plumbing, heating, fire sprinkler or air conditioning systems within your dwelling caused by sudden and accidental bursting, tearing apart, cracking, burning, or bulging of the system, due to the pressure of or lack of water or steam. We do not cover damage caused by rust, corrosion, or deterioration.

- 9) **Windstorm or Hail** – The interior of a building and belongings inside are covered only if the damage happens immediately after wind or hail first makes an opening in the building. This peril does not cover loss or damage caused by waves, flood, high water, ice, snow or sleet, whether driven by wind or not.

There are other causes of loss we will not cover under this policy. These are shown under “**Property and Cause of Loss We Do Not Cover**”.

Perils Insured – Named Perils

If your Declaration Page shows that you have **Named Perils** coverage, it means that you are covered for the **Fire and Extended Coverage Perils** plus the following perils:

- 10) **Electricity** means sudden and accidental loss or damage caused by artificially generated electrical current.
- 11) **Glass Breakage** means that we cover loss or damage to glass or safety glazing material. These things must be part of a building, storm door or window that forms a part of or is intended to form a part of your dwelling or outbuildings. We do not cover greenhouses, garden frames or similar structures that are primarily covered with glass or plastic sheeting. We do not cover glass or safety glazing materials while your dwelling or outbuildings are vacant even if we have given permission for vacancy.
- 12) **Escape of Fuel Oil** means loss or damage to insured property caused by the sudden and accidental bursting or overflowing of your domestic fixed fuel tank, apparatus or pipes. We will not pay for the cleanup or removal of contaminated soil unless required to do so in order to repair or replace insured property.
- 13) **Collapse, including weight of ice, snow, sleet** means loss or damage to insured property caused by the collapse of a building or part of a building on the insured premises.

Loss or damage caused by Collapse while the dwelling is under construction or vacant is not covered even if we have given permission for construction or vacancy.
- 14) **Transportation** – We cover loss or damage to belongings and building fixtures and fittings while they are being transported if caused by an accident to the transporting vehicle.

There are other causes of loss we will not cover under this policy. These are shown under “**Property and Causes of Loss We Do Not Cover.**”

Perils Insured – Comprehensive

If your Declaration Page shows that you have Comprehensive coverage, it means that you are covered against All Risks of direct physical loss or damage, subject to the terms, exclusions, conditions and limitations shown in this booklet.

Shown below are perils or causes of loss that we exclude. If these are the cause of loss or damage, we do not cover loss or damage.

We do not cover loss or damage:

- a) caused by flood, surface water, waves, tidal waves, overflow of streams or other bodies of water, spray, ice, water borne ice, shoreline ice build-up, or water borne objects whether any of the former are driven by wind or not. We will, however, cover loss or damage if it is due to a sudden and unexpected escape of water from a swimming pool, hot tub or sauna or attached equipment, or fire fighting activities.
- b) 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. But we will cover if it was due to a sudden and unexpected escape of water from a swimming pool, hot tub or sauna or attached equipment, or fire fighting activities.
- c) caused by escape of water or steam from a plumbing, heating, fire sprinkler, air conditioning system, household appliance, swimming pools, hot tub or sauna or attached equipment, occurring after your dwelling becomes vacant or is under construction, even if we have given permission for construction or vacancy.
- d) caused by sudden and accidental bursting, tearing apart, cracking, burning, or bulging due to the pressure of or the lack of water or steam of a plumbing, heating, fire sprinkler or air conditioning system or an appliance for heating water occurring after your dwelling becomes vacant or is under construction, even if we have given permission for construction or vacancy.
- e) caused by freezing or resulting water escape from a plumbing, heating, fire sprinkler, or air conditioning system, or household appliance during the normal heating season and you have been away from your premises for four days in a row. In order to have this coverage, you must shut off the water supply and drain all pipes, attached fixtures, and appliances, or, have a reliable person come in daily to check the heating, or, have your heating system connected to a centrally monitored alarm system equipped for immediate response. But we will not cover if your dwelling is vacant or is under construction even if we have given permission for construction or vacancy.
- f) caused by continuous or repeated seepage or leakage of water or steam from a plumbing, heating, fire sprinkler, or air conditioning system, household appliance, a swimming pool, hot tub or sauna including attached equipment.
- g) to an outdoor swimming pool, hot tub or sauna and the attached equipment, any part of a plumbing, heating, fire sprinkler, or air conditioning system, or household appliance not in a heated building caused by rupture or freezing.
- h) caused by accidental discharge of sewage or water from a sewer, drain, sump, sump pump, septic tank, or eavestrough or downspout connected to a sewer. We do not cover damage caused by backup, escape, or overflow of water or sewage from public sewers or drains outside your dwelling. We do not cover ice damming, nor do we cover loss or damage caused by water from the accumulation of ice or snow on the roof, eavestrough or downspouts which enters the dwelling through a roof or walls.
- i) caused by water that enters through the dwelling exterior roof or walls, unless an opening is suddenly and accidentally created by a named peril.
- j) due to theft, attempted theft, vandalism or malicious acts caused by any tenant, tenant's guests or tenant's employees or members of their household.

- k) due to theft, attempted theft, vandalism, or malicious acts caused by you or anyone living in your household or while your dwelling is vacant, even if we have given permission for vacancy.
- l) caused by birds, vermin, squirrels, racoons, skunks, rodents, bats or insects and domesticated animals, except resultant damage and loss or damage to building glass caused by birds.
- m) caused by wear and tear, rust, corrosion, or deterioration.
- n) caused by smoke from agricultural or industrial operations.
- o) to sporting equipment due to the use of it.
- p) to contact lenses unless the loss or damage is caused by a **Listed Peril** as defined, theft, or attempted theft.
- q) to retaining walls not constituting part of an insured building, unless caused by a **Listed Peril**, as defined.
- r) caused by cracking of ceilings or walls.
- s) due to marring or scratching of any property or breakage of any fragile or brittle article unless caused by a **Listed Peril** as defined, theft, or attempted theft.
- t) to glass while your dwelling or outbuilding is vacant even if we have given permission for vacancy.
- u) caused by dampness of atmosphere, extremes of temperature, condensation, wet or dry rot, contamination, inherent vice, acid rain or contamination, unknown flaw and defect or mechanical breakdown.
- v)
 - i) caused directly or indirectly by any "fungi" or "spores" (as defined) unless such loss or damage is a direct result of a peril insured against by this policy;
 - ii) resulting from the cost or expense of any testing, monitoring, evaluating or assessing of "fungi" or "spores".

"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, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resulting mycotoxins, allergens or pathogens.

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

- w) caused by or resulting from contamination or pollution, or the release, discharge, or dispersal of contaminants or pollutants, unless the loss or damage is caused by the sudden and accidental bursting or overflowing of your domestic fixed fuel oil tank, apparatus or pipes. We will not pay for the cost of cleanup or removal of contaminated soil caused by the escape of fuel oil unless it is necessary in order to repair or replace insured property.

We do not cover the following three things if they happen at the same time as an excluded peril or cause of loss above or elsewhere in this policy or contribute with an excluded peril or cause of loss to produce a loss:

- weather conditions; or
- acts or decisions of any person, civic authorities, or government authorities; or
- faulty, inadequate, or defective planning, design, material, construction, or maintenance of public utilities or public structures.

The Listed Perils referred to previously, are fire, lightning, explosion or implosion, smoke, falling objects, impact by aircraft or land vehicles, riot, vandalism or malicious acts, water escape, rupture, windstorm, hail, electricity and transportation; all as defined under **Perils Insured – Named Perils**.

There are other causes of loss we will not cover under this policy. These are shown under "Property and Causes of Loss We Do Not Cover".

Additional Living Expenses – Coverage D

You have this coverage if it is shown on your Declaration Page.

The amount of insurance for any one or a combination of Additional Living Expenses, Lost Rental Income and Emergency Evacuation is an amount equal to 20% of the amount of protection on your dwelling. This amount adds to your total amount of protection.

1. **Additional Living Expenses.** If your dwelling becomes unfit for occupancy because of an insured peril and you have to move out while repairs are being made, we will pay any necessary increase in living expenses, including moving expenses you incur to maintain your normal standard of living. Payment will be made for the shortest period required to repair or rebuild your dwelling, or, if you permanently relocate, the reasonable time required to settle your household. We provide this coverage even if this time extends beyond the policy period. We will not pay for any expense that does not continue (such as heat, cable, water or power) while the dwelling is unfit for occupancy.
2. **Lost Rental Income.** If the part of your dwelling you rent, or are trying to rent to others, becomes unfit for occupancy because of an insured peril, we cover its full rental value for the shortest period of time required to repair or rebuild it. We provide this coverage even if this time extends beyond the policy period. We will not pay for any expense that does not continue (such as heat, cable, water or power) while the building is unfit for occupancy.
3. **Emergency Evacuation.** If a civil authority prohibits you from using your dwelling as a direct result of damage to neighbouring premises by an insured peril or collapse of the building, we insure any resulting **Additional Living Expenses and Lost Rental Income** for a period not exceeding two weeks. We provide this coverage even if this time extends beyond the policy period. If you have Comprehensive coverage, the cause must be from one of the perils listed under **Named Perils**.

“Neighbouring premises” means a building or dwelling located within 300 meters of the location shown on the Declaration Page as your premises. We do not insure the cancellation of a lease or agreement.

Vacant Dwelling Coverage – Fire and Extended Coverage

If your Declaration Page shows that a dwelling insured on this policy is vacant, it means that we have given permission for coverage to continue while the dwelling is vacant or unoccupied. The coverage that you have is as described under **Fire and Extended Coverage** excluding the peril of Vandalism and Malicious Acts, for all insured property at the legal location shown on the Declaration Page. You must meet the following conditions through the period of vacancy:

- a) you must arrange for a competent person to check your dwelling and take care of any ongoing maintenance; and
- b) if it is during the normal heating season, you must have shut off and drained all water pipes and appliances; and
- c) all windows and doors must be closed and locked; and
- d) all rubbish must be removed from the dwelling.

Any claim for loss or damage that occurs while your dwelling is vacant shall be settled on an Actual Cash Value basis. Refer to the section titled **Settling a Claim**.

Dwelling Under Construction

You have this coverage if it is shown on the Declaration Page for a dwelling during the course of construction. Coverage is restricted to the legal location shown on the Declaration Page. For the purpose of this coverage, “dwelling” is defined as follows:

- **Dwelling** shall mean a newly constructed private dwelling building(s) and its outbuilding(s), including additions in contact with the dwelling building and outbuilding(s), building fixtures and fittings, frescoes, glass, materials and supplies intended for use in the construction of such building(s) but only while located on the premises stated on the Declaration Page, or while in the Insured's possession.

Where this policy covers a Dwelling under Construction, the **Basis of Settlement** shall be as follows:

Any loss under this policy shall be adjusted with the Named Insured or his/her authorized representative and any settlement shall be based on the lesser cost of repairing, replacing or reinstating with material of like kind and quality for the occupancy originally intended. The repair, replacement or reinstatement must take place on the same site and shall be subject to the following provisions:

1. Our payment shall in no event exceed the actual cost of repair, replacement or reinstatement;
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, any increase in costs shall not be paid by this policy.
3. The maximum amount that we will pay is the amount of protection shown on the Declaration Page.
4. The amount of protection shown on the Declaration Page shall be equal to at least 80% of the actual replacement cost of the dwelling. To calculate the 80% amount, we shall disregard the cost of excavation, underground flues and pipes, underground wiring and drains, brick, stone and concrete foundations, piers and other supports that are below the surface of the lowest basement floor. In the event that there is no basement, then those items that are below the surface of the ground inside the foundation walls shall be disregarded.
5. We will not pay for penalties for delay in completion or non-completion of contract or non-compliance with contract provisions.
6. We will not pay for loss or damage caused by or resulting from frost or freezing.
7. We will not pay for loss or damage caused by or resulting from earthquake.
8. We will not pay the cost of excavations, brick, stone or concrete foundations, piers or other supports which are below the under surface of the lowest basement floor, or if there is no basement, which are below the surface of the ground.
9. We will not pay for loss or damage to temporary coverings of polyethylene or other plastic materials, tarpaulins or fabrics.
10. We will not pay for loss or damage caused by fault, defect, error or omission in design, plan or specifications.
11. If this policy covers two or more buildings under construction, this **Basis of Settlement Clause** shall apply separately to each building. The deductible stated on the Declaration Page shall also apply separately to each building regardless of the number of building(s) involved in a claim.
12. Where the coverage provided is **Named Perils** as defined in this booklet, all other terms, conditions, exclusions and limitations of that coverage shall apply.
13. Where the coverage provided is **Comprehensive** as defined in this booklet, all other terms, conditions, exclusions and limitations of that coverage shall apply.

It is a condition of this policy that the dwelling(s) shall not be occupied unless you tell us and we show this on your Declaration Page.

When you have other insurance on property covered by this policy, we will pay only our share of the loss or damage. We will do this even if your other insurance covers different perils than this policy. Our share will be in the same proportion that the amount of our protection bears to the total of all your fire protection.

We shall be permitted at all reasonable times during the term of this policy, or within one year after its expiration to inspect the building(s) insured and to examine your books, records and such policies as relate to any building(s) insured. This inspection and/or examination shall not waive in any manner any of the terms or conditions of this policy.

Added Features Of Your Part 1 Coverage

We give you some "added features" along with your regular coverage. There is no extra cost. These could be special types of coverage available to you. They could be special uses of your regular coverage too. We have noted those features that **add** to your total amount of protection. Otherwise they are **part** of the amount.

Arson Conviction Reward

We will pay up to \$1,000 for information which leads to a conviction for arson in connection with a fire loss to property insured by this policy. The amount we pay adds to your total amount of protection. However, the \$1,000 limit will not be increased regardless of the number of persons providing information. This coverage is not subject to a deductible.

Automatic Acquisitions

Any insurable belongings you acquire after the effective date of this policy are automatically covered subject to the terms of this policy. This includes items you purchase while away on vacation.

Belongings of Guests and Employees

You may use up to 10% of your coverage for belongings of your employees or non-paying guests. These belongings must be at your home or in the care of employees carrying out duties of their employment away from your home. Loss must be due to a cause for which your own belongings are covered. Your guests or employees must not have any coverage on their belongings. All claims will be settled directly with you.

Debris Removal

The amount of protection on your dwelling includes the cost of removing insured property debris resulting from an insured loss. If the amount of loss is greater than the amount of protection available to you, we will allow an additional 5% of the dwelling building amount to cover the removal of debris.

Debris removal expenses shall not be considered for the purpose of applying any co-insurance.

Emergency Entry Property Damage

We will pay up to \$1,000 if your dwelling (permanent or temporary residence) is damaged as a result of forcible entry by police, ambulance, fire department, or other persons to save and preserve life. Coverage is automatically provided to repair or replace such damaged property. This coverage adds to your total amount of protection. This coverage is not subject to a deductible.

Fire Department Charges

We will pay up to \$1,000 for charges incurred by you if a fire department charges for attending your home because of an insured peril. You must be legally responsible for such charges. This coverage is not subject to a deductible.

Fraud Conviction Reward

We will pay up to \$1,000 for information that leads to a conviction for fraud in connection with an insured loss to property insured by this policy. The amount we pay adds to your total amount of protection. The \$1,000 limit will not be increased regardless of the number of persons providing information. This coverage is not subject to a deductible.

Inflation Protection

To help protect you in the event of a loss, we will raise the total amount of protection on your dwelling, outbuildings, and belongings by a portion of the Inflation Protection Factor (IPF) percentage shown on your Declaration Page:

- 3 months after inception date - 25% of the IPF.
- 6 months after inception date - 50% of the IPF.
- 9 months after inception date - 75% of the IPF.
- 11 months after inception date - 100% of the IPF.

"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 considered the "inception", until the next policy anniversary date.

Vacant buildings do not have this added feature.

Mass Evacuation

We will pay for increased living expenses when a public authority denies you access to your premises because of a mass evacuation order due to a sudden and unexpected event. We will pay these costs for up to four weeks. The amount we pay adds to your total amount of protection.

We will not pay costs due to:

- a) flood, meaning waves, tides, tidal waves and the rising of, the breaking out or the overflow of any body of water, whether natural or man-made;
- b) earthquake;
- c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), acts of terrorism, civil war, rebellion, insurrection or military power;
- d) any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.

Outdoor Trees, Shrubs, Plants and Lawns

You may use up to 5% of the amount of protection on your dwelling to pay for loss or damage to outdoor trees, shrubs, plants and lawns. The loss or damage must be as a result of one of these named causes: fire, lightning, explosion or implosion, riot, impact by aircraft, spacecraft or land vehicle, vandalism and malicious acts.

We will pay up to \$1,000 for your lawn or single tree, plant or shrub. We do not insure any items grown for commercial purposes or sale. We do not insure any item located more than 65 metres (200 feet) from your dwelling.

Property Protection Coverage

We will pay for property that is damaged or used trying to protect your dwelling, outbuildings, or belongings from a loss. For example, we will pay to recharge a neighbor's fire extinguisher if it was used to fight your fire. We will not pay for property owned by a fire department. The amount we pay adds to your total protection. This coverage is not subject to a deductible.

Removal of Property for Protection

We will insure your property for 30 days, or to the expiry date of your policy, whichever comes first, when you move it to another location to protect it from loss or damage which is covered by this policy. The amount of protection at each location will be pro-rated based on the value at each location compared to the amount of protection.

Renter's Property Improvement Coverage

You have this feature if you live in a rented dwelling. You may use up to 10% of your coverage to pay for loss to any improvements or other changes you have made in your dwelling. Loss must be due to a peril for which your belongings are insured.

Tear Out

We will pay to remove and replace or repair parts of your dwelling or premises if that is necessary to repair rupture damage to plumbing, heating, fire sprinklers or air conditioning systems. Such rupture damage must be covered by this policy in order to have this coverage.

We will not pay the cost for tearing out and replacing or repairing property damage related to swimming pools, hot tubs, saunas or similar installations, public water mains, or sewers.

Temperature Change

If there is a failure of any system in your dwelling or outbuildings that maintains an artificial temperature, such as your furnace or freezer, we will pay for the loss or damage to your belongings that is caused by the resulting change in temperature. The belongings must be in a building. Under Fire and Extended Coverage and named Perils Coverage, the failure must be the result of a peril for which you are insured.

Optional Coverages:

Your Declaration Page will show which of the following optional coverages apply to your policy.

Burglary and Robbery

If your Declaration Page shows that you have this coverage, we will pay for theft of personal property from the premises insured by Burglary or Robbery as defined. This peril does not include loss or damage:

- i) to animals, birds or fish; or
- ii) occurring while the dwelling is vacant, even if we have given permission for vacancy; or
- iii) caused by any tenant, tenant's guest, any boarder of yours, employee or member of the tenant's household.

The following special limits apply if loss or damage is caused by Burglary or Robbery:

- \$1,000 in all for securities, passports and manuscripts
- \$500 in all for money or bullion
- \$2,000 in all for jewellery, watches, fur garments, and garments trimmed with fur.
- \$100 in all for numismatic property
- \$500 in all for philatelic property
- \$2,000 in all for silverware, goldware, pewterware
- \$1,000 in all for collectible cards, comic books and sports memorabilia
- \$500 in all for each bicycle including equipment and accessories
- \$500 in all for damage to the building caused by Burglary

Water Extension Endorsement

If this coverage is shown on your Declaration Page, we will pay for loss or damage caused by accidental discharge of sewage or water from a sewer, drain, sump pump, septic tank, or eavestrough or downspout connected to a sewer. We do not cover the loss or damage caused by backup, escape or overflow of water or sewage from public sewers or drains outside your dwelling.

We do not cover your dwelling or personal property while your dwelling is vacant or under construction, even if we have given permission for vacancy or construction.

The amount of protection is shown on your Declaration Page. This coverage is subject to the deductible shown at the location indicated on the declaration page.

Lost Rental Income

We will pay for a loss of rental income. We will pay for your actual loss of rental income for those parts of your dwelling or outbuildings that were rented out when the loss took place. We will pay until you have had a reasonable length of time to fix your dwelling or outbuildings. Loss or damage must be due to a peril for which your dwelling is insured. If you have Comprehensive coverage, it must be due to a **Listed Peril** as defined. We will deduct any savings in expenses, such as electric and water bills, which stop because of the loss.

We will also pay when a public authority denies you access to your premises. We will pay these costs for up to two weeks. The denial can be due to actual or threatened damage to your dwelling, but it must be due to a peril for which your dwelling is insured. If you have Comprehensive coverage, it must be due to a **Listed Peril** as defined.

Earthquake Damage Extension

You have this coverage only if it is shown on your Declaration Page. When shown, it means we insure direct loss or damage caused by Earthquake. You are also covered for direct loss or damage caused by snowslide, landslide and other earth movements occurring at the same time as the earthquake shock. For the purpose of this coverage Extension, all earthquake shocks occurring within any 168 consecutive hours shall be considered a single occurrence. The initial earthquake shock must occur within the term of the policy.

We will apply the deductible shown on the declaration page for Earthquake coverage. The deductible is a percentage amount of the insurance carried and applies to each claim for a single occurrence as defined.

Under this coverage Extension, we do not cover loss or damage caused by or resulting from:

- a) any of the following perils whether or not attributable to earthquake: leakage from fire fighting equipment, flood of any nature, waves including tidal waves, high water, waterborne objects or ice;
- b) wind, hail, rain or snow unless the building insured or containing property insured, is first damaged by the direct force of an earthquake making an opening in the roof or walls of the building. Then we will pay for damages caused by wind, hail, rain or snow which enters the building through such an opening;
- c) your neglect or failure to take all reasonable measures to save, preserve and protect your property during or following an earthquake;
- d) any earthquake shock that occurs before this Extension takes effect or after the expiration of the policy.

All other terms, conditions, exclusions and limitations of this apply.

Personal Articles Coverage

Your Declaration Page will show if you have **Personal Articles Coverage** with a description of the property covered. It will show the perils you are insured against. The coverages are as outlined under **Comprehensive** coverage shown under Part 1. Except where this Personal Articles Coverage provides broader coverage, all exclusions, limitations and conditions as described under **Comprehensive** coverage apply.

The "**Property with Specific Amounts of Protection**" clause does not apply to the belonging(s) that are specifically scheduled on the Declaration Page as Personal Articles when there is an amount of protection shown for that item(s). Personal Articles are covered only while

at your premises or while temporarily removed from your premises. Some additional exclusions, limitations and conditions apply specifically to some types of Personal Articles as described herein.

Boats, Outboard Motors, Equipment, Accessories and Unlicensed Boat Trailers

Coverage for boats, outboard motors, attached equipment, accessories and unlicensed boat trailers is limited to Canada and the Continental United States. We will not pay for loss or damage when:

- you rent your boat, motor, accessories or equipment or trailers to others or if these items are used to carry passengers for a fee; or
- these items are in collision with ice while in any waterway; or
- these items are used in any race or speed test; or
- they are not being operated in accordance with the Canada Shipping Act regulations governing age and horse power restrictions and operator competency requirements; or
- caused by freezing.

We do not pay for loss or damage to a propeller or impeller if no other damage occurs. We will, however, cover damage to the propeller or impeller when the damage occurs at the same time as other loss or damage that is covered by this policy.

The premium paid is subject to special cancellation rates and minimum retained premiums:

- 15% of the annual premium is earned for each month or partial month that coverage is in effect from May through September.
- 5% of the annual premium is earned for each month that coverage is in effect from October through April.

Added Feature: If you have coverage for a boat or motor, we will pay up to \$2,000 for damage to a new unit that is not purchased to replace an existing unit. If the new unit is purchased to replace an existing unit, then we will cover the new unit for the amount of protection shown on your Declaration Page if it is more than \$2,000. You must tell us within 30 days of the purchase of the new or replacement unit in order to qualify for this coverage. If you do not tell us within 30 days of purchase, we will not cover any loss or damage.

Home Computers

If shown on your Declaration Page, you have coverage for your computer equipment, component parts and active data processing media that you own, lease or rent. We do not cover these things if they are used professionally or for any business including farming, unless this use is shown on your Declaration Page.

“Active data processing media” means all forms of converted data, program vehicles and instruction vehicles that you use.

We do not cover loss or damage:

- to accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they may be converted to a data processing media form and then only in that form; or
- to any data processing media which cannot be replaced with other media of similar kind and quality; or
- to data processing media caused by failure, breakdown or malfunction of the system on which it is being run unless a fire or explosion ensues and then coverage is provided for loss or damage caused by such fire or explosion only; or
- caused by dryness or dampness of atmosphere, extremes of temperature, corrosion, rust, mould or mildew unless loss or damage is a direct result of physical damage to the data processing system's air conditioning facilities caused by an insured peril; or
- caused by electronic or magnetic injury, disturbance or erasure of electronic recordings unless caused by lightning striking the dwelling.

Special Limit of Liability: We will not pay more than the actual reproduction costs for loss or damage to active data processing media or, if it is not replaced, we will pay only the value of the blank media.

Collectibles

Coin, Stamp, Card and Sports Memorabilia Collections

We will not pay more than \$200 for any single item in any collection unless such items are specifically described and listed on the Declaration Page with an amount of protection applying to that item. Any single item means any one stamp, coin or other individual article, pair, strip, block, series sheet, cover, frame, card or similar item. We do not cover any collection in whole or in part while on exhibit or display or while it is being held by someone else for sale or on consignment.

Automatic Acquisitions (not applicable to boats, their equipment and accessories, outboard motors and unlicensed boat trailers)

When an amount of protection is shown on your Declaration Page for Personal Articles, additional articles in the same class of property that you acquire ownership of during the policy term will be covered automatically. You must tell us about the new article(s) within 30 days of acquisition and pay any additional premium required. The new article(s) will be covered for the same perils as the articles in that class on your policy.

Under this agreement, we will pay up to 25% of the amount of protection shown on your Declaration page for the same class of property for a new article(s) or \$5,000 whichever is the lesser amount.

The term “**class of property**” as used in this policy shall mean property scheduled by description such as “jewellery”, or “furs”, or “stamp collection”, or “coin collection”, or “professional tools” and so on.

Settling a Claim

Your Declaration Page will show the amounts of protection on property insured in Part 1. These amounts, along with the features we have said add to your amount of protection, are the most we will pay for your loss. We will pay up to your financial interest in the property. Our payment will also depend on your share of the loss and other rules used to settle claims. These are explained below.

Deductible

A deductible is used for losses covered in Part 1.

A deductible means that you will have to bear the first part of your loss yourself. We will subtract this amount from the total amount of the loss. We will then pay for the rest of your loss. We will pay up to your total amount of protection. We will **not** pay if your loss is less than the deductible. The deductible is shown on your Declaration Page.

You may have different deductibles, depending on the type of property and the type of loss that we cover. When two or more items are lost or damaged in one loss, or several insured perils occur at the same time to contribute to the loss, we will use only one deductible. We will use the largest single deductible of all that apply.

After a loss, we will use a separate deductible for each location shown on the Declaration Page. We will do this even if property at more than one location was lost at the same time as a result of the same cause.

Replacement Cost and Actual Cash Value

The basis of settlement for all losses shall be Actual Cash Value unless your Declaration Page states that Replacement Cost Coverage applies.

Replacement Cost: This is the cost to replace or repair property with material of similar kind and quality at today's prices. We will pay for replacement cost only where Replacement Cost is shown on your Declaration Page.

Actual Cash Value: This is the cost to replace or repair your property considering depreciation which includes such things as its age, condition, resale value, obsolescence, and normal life expectancy at the time of loss. The value of property usually falls as it ages. Thus, actual cash value is normally lower than the cost to replace your property at today's prices.

The basis of settlement for swimming pool liners will be actual cash value in all situations, even if your Declaration Page shows that you have Replacement Cost Coverage on your dwelling building. In both cases, you must be sure you are protecting your property to the proper amount. An explanation of what the "property amount" is, is explained in "**How You May Share in a Loss**".

Matching Property – Dwelling

In the event of an insured loss where part of your dwelling (including fittings and fixtures) is damaged, we will replace or repair only the damaged portion without consideration to matching exact colours or textures. For example, if the siding on one side of your dwelling is damaged due to a windstorm, we will repair or replace that siding. If we cannot exactly match the colour or texture to other undamaged sides of the dwelling, we will match as close as possible with material of like kind and quality. We will not pay to replace the siding on the entire dwelling.

Obsolescence – Dwelling, Outbuildings and Personal Property

We will not pay for increased costs that result when you cannot fix or replace your property because material or parts are unavailable, obsolete or outmoded. We will only pay the cost that would have been needed if materials or parts were available. We will pay the last known cost of material or parts.

Roof and Roof Covering Limitation

Loss or damage to roofs and roof coverings shall be settled on an Actual Cash Value basis when the roof covering is twenty (20) years of age or older. This means that depreciation of the roof coverings will be applied to the amount of loss.

Where direct loss or damage is caused by wind, hail, rain, ice or snow, such loss or damage to your roof coverings is subject to repair or replacement, considering depreciation, of only the damaged portion when the roof covering is twenty (20) years of age or older. This means that all reasonable steps will be taken to match the colour and style of roof coverings but will not extend to replacing undamaged coverings in order to match colour and style.

Your Dwelling and Outbuildings

We will pay for the actual cash value of the loss or damage to your dwelling and outbuilding or we will pay up to the total amount of protection, whichever is the lower amount. We will pay actual cash value only for loss or damage to your roof caused by windstorm or hail. We will only pay for the replacement cost amount to your dwelling and outbuildings if your Declaration Page shows that you have Replacement Cost coverage. Your Declaration Page will also show if you have Replacement Cost coverage on your roof.

We will not pay for increased costs due to any law dealing with building or repair. You must also do these two things: 1) repair or rebuild within one year of the loss, and 2) repair or rebuild your dwelling on its original site.

If you choose not to rebuild or repair or if a public authority does not allow you to, we will only pay for the actual cash value of your loss, and we will not make you share in the loss as outlined in "**How You May Share in a Loss**". We will pay no more than the amount shown on the Declaration Page. We will include Inflation Protection as well.

Personal Property and Personal Articles

We will pay the cost of repair or the cost of new belongings or scheduled Personal Articles (whichever is less) of similar kind, quality, and usefulness up to the total amount of protection for your belongings or to

the amount of protection shown for Personal Articles. If you replace a belonging or Personal Article with one of lesser quality, we will pay only the amount you paid for the replacement. You must give us written proof of replacement or repair in order to get replacement cost. You may choose payment on an Actual Cash Value basis initially. You may make a subsequent claim on a Replacement Cost basis but not later than 180 days after the date of loss or damage. We will not pay for increased costs due to unnecessary delays on your part. We will keep any salvage or proceeds from salvage.

We will only pay the Actual Cash Value for loss or damage to these six types of unscheduled belongings or scheduled Personal Articles unless otherwise shown on the Declaration Page:

- 1) A belonging that is not in good, useable condition at the time of loss.
- 2) A belonging not in current use by you at the time of loss that you stored away and for which you had no specific future use.
- 3) A belonging of an age or condition that makes it out of date or no longer useable for its original purpose.
- 4) Art works, antiques, collectibles, rare objects, and other items that cannot be replaced.
- 5) A belonging that has not been fixed or replaced after a loss.
- 6) Belongings rented to others included with a dwelling you rent to others.

Furs, fur garments, garments trimmed with fur, boats, and outboard motors are covered for replacement cost where Replacement Cost is shown on your Declaration Page, if they are not more than five years of age from the date they were originally purchased as new. If they are more than five years of age, they are covered for Actual Cash Value.

- Other scheduled Personal Articles are covered for Replacement Cost, unless your Declaration Page shows Actual Cash Value.
- The amount of protection for each scheduled item of **Personal Articles** must be maintained to 80% of its value. If you fail to do so you shall become a co-insurer and bear that proportion of the loss to bring the total amount of protection up to 80% of its value. We will pay in the proportion that the applicable amount of protection bears to 80% of the value of the lost or damaged property. When we say value we mean, replacement cost or actual cash value, whichever applies, as explained above.

How You May Share in a Loss

The amount of protection shown on your Declaration Page must be equal to **at least 80%** of the total "value" of the property insured. If it is not, our payment could be less than your actual loss. You would be responsible for the rest.

This is how we find out how much we will pay:

Total Amount of Protection x Actual Loss = Our Payment
80% of the "value"

Suppose,

You have \$60,000 of protection on your dwelling. Its "value" is really \$100,000. A fire does \$40,000 damage. We will pay
\$60,000 x \$40,000 = \$30,000
80% of \$100,000

Since you were not protected to the proper amount (\$80,000) you must pay the remaining \$10,000.

When we say "value", we mean the "actual cash value" unless Replacement Cost is shown on the Declaration Page, in which case we mean "replacement cost value".

Pairs and Sets

Pairs: If there is a loss to half of a pair, we will pay you as though the complete pair had the loss. The undamaged piece becomes our property.

Sets: For items that are part of a set of two or more pieces, we will only pay for those parts that had the loss. For example, if your chair is destroyed, we would pay for that damage. We would not pay for the

matching chesterfield, unless it was damaged as well.

Property with Specific Amounts of Protection

For certain types of property the amount we will pay is explained below. The deductible on your Declaration Page applies. If your Declaration Page shows that you have Personal Articles Coverage, these limits do not apply to those scheduled items.

(1) For losses due to any insured peril we will pay up to these amounts:

- a) 10% of the amount of protection, to a maximum of \$2,500 in all for books, tools, and instruments pertaining to a business, profession, trade, or occupation. We will pay up to 10% of the amount of protection, to a maximum of \$2,500 in all for computer hardware used in a business, trade or occupation. They are covered only at your dwelling. We do not cover other business or farm property, such as samples, supplies, or goods held for sale.
- b) \$500 in all for bullion and money. We will pay for loss of bullion and money only while these items are in your dwelling, a place you are living for a short time (like a hotel room), a bank or trust company; but we will cover loss due to the peril of theft, where covered, at any location except where such property is on exhibit or display, or any time such property is being held for sale by others.
- c) \$2,000 in all for boats, their equipment, accessories, outboard motors, and unlicensed boat trailers that are not required to be licensed. Coverage applies anywhere in Canada and continental USA for the perils of fire or lightning and theft including damage caused by attempted theft. Loss or damage from windstorm or hail is also insured if this property is located inside a fully enclosed building and damage happens immediately after wind or hail first makes an opening in the building.
- d) 10% of the amount of protection, to a maximum amount of \$5,000 in all for computer software. We will not pay the cost of gathering or assembling information or data.
- e) 10% of the amount of protection, to a maximum amount of \$2,500 in all for the death of domesticated animals, birds or fish. We will pay only when death occurs within 30 days of injury caused by fire, lightning, explosion or smoke.
- f) 10% of the amount of protection, to a maximum amount of \$7,500 in all for belongings of each unmarried student while temporarily residing away from your dwelling, for the purpose of attending a school, college or university.
- g) 10% of the amount of protection, to a maximum amount of \$10,000 in all for lawnmowers, garden tractors or snowblowers and their attachment and accessories.
- h) \$5,000 in all for belongings of relatives while residing away from your dwelling in a nursing or special care home, provided that such relatives are under your legal custody.
- i) \$250 on any one item and a total amount of \$2,500 in all, for losses, in any one policy term, for trading cards, comic books and sports memorabilia.
- j) \$250 on any one item, to a maximum of \$1,000 in all for auto parts and accessories.

(2) For losses due to Peril 12 — Theft and Comprehensive (excluding the Listed Perils) we will pay up to these amounts:

- a) \$5,000 in all for jewellery, watches, gems, furs, fur garments, and garments trimmed with fur.
- b) \$5,000 in all for securities, passports and manuscripts.
- c) \$500 in all for numismatic property (such as coin collections).
- d) \$2,000 in all for stamps and philatelic property (such as stamp collections).
- e) \$10,000 in all for silverware, silver-plated ware, goldware, gold-

plated ware, and pewterware.

- f) \$1,000 for each bicycle, tricycle or unicycle, including accessories and attached equipment.
- g) \$200 in all for audio cassettes, and compact discs away from your dwelling.
- h) \$1,500 in all for personal property from within the passenger compartment of a motor vehicle. There must be signs of forced entry into the vehicle. "Passenger compartment" means the interior of the vehicle but does not include any fully enclosed compartment used solely for the purpose of holding property.

If you are away from your premises for more than two consecutive days, we will increase this limit to \$2,500 for the time period that you are away.

Property and Causes of Loss We Do Not Cover

We do not cover the following:

- a) buildings, outbuildings, structures, belongings and any other property when designed, used, or intended for use in whole or in part for:
 - (i) business or farming purposes; but we do give permission to use personal computers and related office equipment for farming purposes; or,
 - (ii) storage, housing, or upkeep of agricultural products, supplies, livestock, or animals other than household pets; except as provided under Property with Specific Amounts of Protection.
- b) property illegally acquired, used, kept, or imported.
- c) books of account, evidence of debt or title, and documents or other evidence to establish ownership or the right or claim to a benefit or thing.
- d) property lawfully seized or confiscated. But we will cover such property if it is destroyed to prevent the spread of fire.
- e) motorized vehicles, trailers, and aircraft. This includes such things as a car, truck, motorcycle, dirt bike, snowmobile, all terrain vehicle, go-cart, dune buggy, and hang glider, ultralight, or other similar aircraft of any name. Nor do we cover any parts, furnishings, or equipment of those things. For example: a CB, tape deck, tire, or antenna. However, we cover motorized wheelchairs, lawnmowers, garden equipment, golf carts, and snowblowers.

An unlicensed boat trailer kept at your premises is a special case. This is shown in Property with Specific Amounts of Protection.
- f) losses or increased costs of repair due to the operation of any by-law, ordinance or law regulating the zoning, demolition, repair, or construction of buildings and their related services.
- g) the cost of making good any faulty design, material, or workmanship.
- h) settling, expansion, contraction, moving, shifting, bulging, buckling or cracking, unless fire or explosion follows, then we will pay for the resulting damage.
- i) property undergoing any process, including cleaning or being worked on, where the damage results from such process. Resulting damage to other property caused by an insured peril is covered.
- j) loss or damage caused by snowslide, earthquake, landslide, or any earth movement. If any of those results in fire or explosion, we will pay for the resulting loss or damage.
- k) loss or damage to property on exhibit or display, or any time your property is being held for sale by others.
- l) loss or damage not due to a sudden, unexpected event.
- m) loss or damage caused by a nuclear incident as defined in the Nuclear Liability Act. Nor do we cover nuclear explosion or contamination by radioactive material.
- n) loss or damage caused by war, invasion, act of a foreign enemy,

declared or undeclared hostilities, civil war, rebellion, revolution, insurrection, or military power.

- o) loss or damage caused by criminal or wilful acts done by you or by any person whose property is insured under this policy, including acts done for you by someone else.
 - p) loss or damage caused by acts you deliberately did or acts you failed to do.
 - q) dwellings, outbuildings and belongings contained therein that have been placarded or condemned by any authority.
 - r) loss or damage resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud.
 - s) loss or damage caused by vandalism or malicious acts to dwellings, rooms or belongings you rent to other unless this coverage is shown on your Declaration Page.
 - t)
 - i) caused directly or indirectly by any "fungi" or "spores" (as defined) unless such loss or damage is a direct result of a peril insured against by this policy;
 - ii) resulting from the cost or expense of any testing, monitoring, evaluating or assessing of "fungi" or "spores".
- "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, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resulting mycotoxins, allergens or pathogens.
- "Spores" includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi"
- u) caused by or resulting from contamination or pollution, or the release, discharge, or dispersal of contaminants or pollutants, unless the loss or damage is caused by the sudden and accidental bursting or overflowing of your domestic fixed fuel oil tank, apparatus or pipes. We will not pay for the cost of cleanup or removal of contaminated soil caused by the escape of fuel oil unless it is necessary in order to repair or replace insured property.
 - v) Loss or damage 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 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.
 - w) wind turbine systems including all related equipment and structures manufactured for a rated power generation exceeding 1kw.

Deferred Loss Settlement Clause

Your Declaration Page will show if this clause applies to your policy and which dwelling(s) it applies to.

- 1. The amount we will pay if your dwelling is damaged or destroyed by fire or lightning will be limited to 50% of the amount this policy would normally have paid had this clause not been in force.
- 2. You have 9 months from the date of loss to show us that you spent at least 100% of the amount this policy would normally have paid had this clause not been in force, to repair or rebuild the dwelling on its original site. If you do this we will pay the balance owing on the loss plus interest.
 - (a) The balance owing is the amount this policy would normally have paid less the amount paid from 1. above.
 - (b) The interest is 5% per year and is calculated on the amount determined in a). We will only pay the interest calculated from 60 days after all Proofs of Loss have been completed until the final payment is made.

- 3. If you decide not to repair or rebuild the dwelling on its original site we will only pay the amount set out in 1. above.

If you send us a written request we will refund any over-payment of premiums based on the original amount of protection less the cost for an amount of protection equal to the payment received.

- 4. If you have any other coverage on this dwelling we will only pay our share of any loss. This is based on the amount determined above compared to the total of all fire coverages.

General Conditions for Part 1

The following general conditions apply to Part 1 of this policy:

- 1) When you pay someone else a fee for holding, storing or transporting your property, we do not cover such people for loss or damage that occurs while your property is in their care, custody or control.
- 2) After we pay your claim, we may find that someone else is legally responsible for your loss. We have the right to recover our payment from that person. If we ask, you must co-operate with us in any legal action we take against the responsible person. We will pay any legal fees involved and use our lawyers. You may release another person from legal responsibility for loss or damage to your property but you must tell us if you do. The agreement must be in writing and you must have made the agreement before any loss or damage occurs.
- 3) Any payment we make for a loss to your property will not reduce the total amount of protection you have for the remainder of the policy term.
- 4) In case of loss, the premium you paid for that coverage is considered to be fully earned. This means that if you cancel your policy after a loss, you are not entitled to a refund of premium on the coverage you claimed in your loss.
- 5) The Statutory Conditions printed in this booklet apply to Part 1 of this policy.
- 6) When you have other insurance on property covered by Part 1 of this policy, we will pay only our share of the loss or damage. We will do this even if your other insurance covers different perils than this policy. Our share will be in the same proportion that the amount of our protection bears to the total amount of all your fire protection.
- 7) You must tell us when your premises becomes vacant as defined by this policy. You must tell us when no one had been living in your dwelling for a full year, even if you intend to return to it.

If you do not tell us within 30 days from the day your dwelling becomes vacant, we will not cover any loss or damage that happens after 30 consecutive days of vacancy.

Refer to "**Settling a Claim**" for further limitations. Any permission for vacancy that we allow in this condition does not change any coverage restriction due to vacancy, stated in other parts of this policy.

- 8) If your loss is due to a crime, you must report the loss to the police or other policing authorities immediately. This includes such crimes as theft, burglary, vandalism and malicious acts.
- 9) You must take all reasonable steps to protect your property.
- 10) If Comprehensive coverage applies to a loss and it is more restrictive than Named Perils coverage shown in this booklet, we will adjust your claim using the coverage that is most beneficial to you.
- 11) If we adopt any revision that would broaden coverage under your policy during the policy term, and we do not charge additional premium, the broadened coverage will immediately apply to your policy.

Part 2 – Personal Liability – Coverage E – What We Cover

“**Bodily Injury**” means bodily injury, sickness or disease or resulting death.

“**Property Damage**” means physical damage to, or destruction of, tangible property, including the loss of use of this property.

You must take reasonable care that you or your property do not harm someone else or their property. If you do not, you may be negligent.

People who are hurt or whose property is unintentionally damaged because of your negligence may have a legal right to be paid for their losses. Part 2 will cover only compensatory damages if you are found to be legally at fault (that is, liable) for Bodily Injury or Property Damage. We will pay up to the amount shown on your Declaration Page for the losses you cause. As explained later, we will also pay for certain related costs.

We will not pay for bodily injury or property damage caused by:

- a) the ownership of a swimming pool, or rented dwelling; or
- b) the renting of a room or suite to others; or
- c) the ownership of a seasonal dwelling and related property at the same location; or
- d) the use of and ownership of a jet propulsion personal watercraft

These will be covered only if shown on your Declaration Page as extensions under Personal Liability. There is one exception to this. If your Declaration Page shows that you have **Seasonal Homeowners** coverage the Personal Liability is already extended. A further “extension” is not required.

Except as provided under “Bodily Injury and Property Damage” cause of loss (f) for non-owned off road vehicles, we will pay claims only where you are at fault. But we may pay in cases where you are not legally liable. These are the two Added Features of your Part 2 coverage.

A liability claim or suit against you can come from a single event or it can come from a continuing or repeated condition. We will treat this as if all damage was from a single event.

Claims We Cover In Part 2

When we say premises in Part 2, we mean your property at the location shown on your Declaration Page.

We will cover claims due to the condition or use of your premises. If it is shown on your Declaration Page, we will also cover business use of your premises.

We will cover claims due to your personal actions. We will not cover claims due to any business, farming or professional acts. But there are some exceptions to this. We will cover you when you work for someone else in one of these six jobs: 1) teacher 2) clerical workers 3) sales person 4) bill or money collector 5) messenger 6) lifeguard. We will cover bodily injury or property damage claims against you due to your actions in these jobs. We will cover bodily injury or property damage claims against you due to your actions while engaged in volunteer work for a charitable organization. We will not cover bodily injury to a co-worker while you are on the job.

Whom We Cover in Part 2

In Part 2, the words “you” and “your” mean those people defined as “Insured” in Part 1. In Part 2, “you” and “your” also mean these additional people:

- household employees. We cover them while they are working for you at or away from your premises. Their jobs must deal with the upkeep of your premises. Business or farm employees are not covered.
- people or organizations that you allow to use your boats or animals. We cover them for claims due to their personal use of these things. We do not cover them if they are used for any business purpose or if they use these things without your expressed permission.
- in case of your death, your executors or administrators. We will only cover them while they are tending to your premises. And we will cover the other people insured by Part 2 until the end of the policy term.
- workers during construction of your dwelling. The workers can be paid or unpaid. But we will not pay for the liability claims of an independent contractor or employees of the contractor.

Additional Locations We Cover

We will cover you for claims due to the condition or use of three more locations:

- a place you live in for a short time, but that you do not own. For example, a hotel or motel room.
- your own or your family’s burial site in Canada.
- a non-business location you become owner of during the policy term. You are covered for 30 days after you become owner.

Bodily Injury and Property Damage

We will pay if you are legally liable to someone else for bodily injury or property damage. This includes these causes:

- a) Claims due to an agreement you sign that accepts the liability of another as it relates to premises owned by you.
- b) Claims for your liability if your household employee is hurt while on the job. You are also covered if the employee is hurt using motor vehicles or boats for you. But we will not cover for injuries caused by aircraft or air cushion vehicles.
- c) Claims for your liability if other people are hurt while they are working for you during construction on your premises. They can be paid or unpaid.
- d) Claims for your liability for loss caused by an independent contractor or employees of the contractor. But only during construction at a location shown on your Declaration Page.
- e) Claims due to motorized wheelchairs, lawnmowers, snowblowers, garden equipment or golf carts that you own or use. We also cover you when someone else uses this equipment for you.
- f) Claims due to your use of motorized vehicles that are owned by someone else. Those vehicles must be intended for off-road use. They must not have a license, nor be required by law to have one.

Example – A go-cart at an amusement park. We will not cover claims caused by or arising from use in a race or speed test or claims caused by or arising from business use.

- g) Claims due to boats and motors you own. But if they are of more than 25 horsepower, this must be shown on your Declaration Page for coverage to apply.
- h) Claims due to your use of boats and motors that are owned by someone else.

Tenants and Renters

We will cover your legal liability for certain damage to premises or property within such premises that you rent or use but do not own. For example, a rented dwelling, suite, or a hotel or motel room.

We will not pay if the only reason you are liable is that you have agreed to accept another's liability. But if you would be liable without the agreement, you are covered.

Under this section we will only cover claims arising from:

- fire.
- explosion or implosion.
- smoke due to sudden and unusual failure of a heating or cooking unit, excluding smoke damage resulting from your failure to open the chimney flue.
- water escape.
- impact by land vehicle.

Added Features of Your Part 2 Coverage

We give you two added features as part of your liability coverage. The amounts paid add to your total amount of protection. There are no deductibles.

Voluntary Medical Payments – Coverage F. We will pay up to \$5,000 for medical and related costs of each person hurt in an accident. The bodily injury must be due to your actions or the condition or use of your premises. We will pay even if you are not legally liable.

We will pay for these types of costs: 1) first aid 2) ambulance 3) medical 4) surgical 5) dental 6) professional nursing 7) funeral costs. We will only pay for reasonable costs.

We will only pay for those costs not covered by a health plan the injured people may have. This includes a Worker's Compensation law.

We will not pay for bodily injury to you or any other member of your household. But we will pay for bodily injury to your household employees. And we will pay for bodily injury to paid or unpaid workers who are hurt during construction work on your premises. We will not pay for bodily injury to an independent contractor or employees of the contractor.

Voluntary Property Damage Payments – Coverage G. We will pay up to \$1,000 for direct damage to the property of someone else. The damage must be due to your actions or the conditions or use of your premises. We will pay even if you are not legally liable. We will not pay for four types of loss:

- theft or disappearance of property; or
- losses caused because the person lost the use of the property before it is replaced or fixed; or
- damage to property of your tenant; or
- losses caused by your business activities.

Optional Extensions

Jet Propulsion Personal Watercraft Liability Coverage

Your Personal Liability will extend to cover "bodily injury" or "property damage" arising out of the ownership, maintenance, operation or use of a personal watercraft unit, if your Declaration Page shows that this extension of coverage applies. It will also show which option applies to you and to which personal watercraft unit(s) it applies. We will automatically provide coverage for newly acquired units for a period of 30 days from the date of acquisition. The Amount of Protection shown on your Declaration Page for this extension of coverage, is the maximum

amount we will pay for claims arising from the newly acquired unit.

Passenger Hazard Option (applies only if shown on your Declaration Page)

You may be legally liable for bodily injury to a passenger of a personal watercraft unit. A passenger is anyone being carried upon, getting on to, or alighting from the unit.

We will not pay for claims when the seating capacity, as established by the manufacturer, has been exceeded.

Claims We Will Not Cover

We will not cover:

- 1) claims due to the bodily injury to a passenger unless the **Passenger Hazard Option** is shown on your Declaration Page;
- 2) claims due to bodily injury or property damage caused by an operator under 16 years of age;
- 3) claims due to bodily injury or property damage caused by an operator under the influence of intoxicating liquor or drugs;
- 4) claims due to bodily injury or property damage caused by an operator in any race or speed test;
- 5) claims due to bodily injury or property damage resulting from any illicit, prohibited trade or transportation;
- 6) claims due to bodily injury or property damage resulting from carrying passengers for a fee;
- 7) claims due to bodily injury or property damage caused while the personal watercraft unit is rented or leased to others;
- 8) claims due to bodily injury or property damage resulting from the operation of personal watercraft units in any area where their use and operation is restricted or prohibited. This includes designated areas within a lake or at any park;
- 9) claims due to 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.

Claims we will not cover. This applies to all coverages in Part 2 Personal Liability.

We will not cover:

- a) claims due to bodily injury or property damage deliberately caused by you or for you by someone else. The added feature Voluntary Property Damage Payments can cover deliberate damage but it must be caused by a person we cover who is 12 years of age or less.
- b) claims to property you own, rent or have in your care except as shown under **Tenants and Renters**.
- c) claims due to any obligation of the insured under Workers Compensation, disability benefits or Employment Insurance law or any similar law.
- d) 1) claims arising from bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants;
 - a) at or from the premises owned, rented or occupied by an Insured;
 - b) 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;
 - c) 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

- d) 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:
 - i) if the pollutants are brought on or to the site or location in connection with such operations; or
 - ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
 - 2) 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.
- Sub-paragraphs a) and d) i) 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 that becomes uncontrollable or breaks out from where it was intended to be.
- e) claims caused by radioactive contamination or fallout.
 - f) claims caused by a vehicle that is licensed and registered or is required by law to be licensed and registered.
 - g) claims due to motorized vehicles, trailers, aircraft, airstrips, or air cushion vehicles you own or use. This includes cars, trucks, motorcycles, all terrain vehicles, dirt bikes, hang gliders, ultralights or other similar aircraft of any name, snowmobiles, dune buggies, and the like. We do not cover the use of these things for you by others or claims due to you having entrusted these things to others. There are some exceptions to this. They relate to golf carts, off-road vehicles, and vehicles used by your household employees. Model aircraft are not part of this exclusion, but we cover them only when kept or used for amusement purposes as part of your hobby.
 - h) claims caused by bodily injury to a co-worker while you are on the job.
 - i) claims arising from war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.
 - j) claims caused by bodily injury to, or damage to property of persons covered by this policy, except those persons called “additional people” under “Whom We Cover in Part 2.”
 - k) claims due to bodily injury resulting from transmission of any communicable disease.
 - l) claims caused by a motor boat when it is used in a race or speed test.
 - m) claims caused by any intentional, illegal or criminal act or failure to act by:
 - (i) any person insured by this policy; or
 - (ii) any other person at the direction of any person insured by this policy.
 - n) claims caused by the use and ownership of a jet propulsion personal watercraft, all terrain vehicle or dirt bike unless coverage extension is shown on your Declaration Page.
 - o) claims caused by sexual, physical, psychological, or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy, or failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.
 - p) claims due to bodily injury or property damage when a motor boat is not being operated in accordance with the Canada Shipping Act regulations governing age and horse power restrictions and operator competency requirements.
 - q) claims due to:

- (i) the erasure, obstruction, 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
- (ii) 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.

If you have a loss what you must do:

- you must tell us at once of a liability claim against you or of anything that could cause such a claim. You must do this in writing.
- you must give us any letters or papers you get from the people or the representatives of the people making the claim. You must do this as soon as you get them.
- you must co-operate fully with us while we handle your claim.
- you must follow all conditions of the policy that deal with your loss.
- you must not admit that you are at fault. You may not know all of the facts. This means that you must not pay or offer to pay for injury or damage. It could be taken as an admission that you are at fault.
- you must co-operate fully in the legal matters we are handling for you. You must not interfere in any legal action or discussion.

What we will do:

- we will investigate claims and defend you against law suits. We will do this even if the suit is groundless or false. We will try to settle the claim out of court if we feel that is the best thing to do.
- we will pay up to \$100 a day for your actual loss of wages or salary when we ask you to do something for us. For example, if we ask you to appear in court.
- we will pay for other reasonable expenses and court costs charged against you.
- we will buy any appeal bonds.
- we will buy any bonds needed to release property held by the court because of the law suit. But the total face value of these bonds cannot be more than your total Part 2 Amount of Protection.
- we will pay the interest a court charges on the part of the final judgment that we are paying.

How we settle a Part 2 claim

We will not pay until your legal liability and the amount of the claim has been determined. This can take place through a court judgement. But if we agree to it, settlement can take place out of court.

If we feel that you have done nothing wrong, we may refuse to pay a claim. This does not mean that you will not be covered. It means we feel that you are not legally liable. If, after we deny a claim on your behalf, a court finds that you are legally liable, you are covered.

General Conditions for Part 2

The following general conditions apply to Part 2 of this policy:

- 1) The bodily injury or property damage must take place during the policy term.
- 2) Part 2 can insure more than one person however your Amount of Protection for any one event will stay the same.

- 3) There are only two ways to cancel Part 2 coverage before the end of your policy term:
 - a) You must tell us that you wish to cancel and when you wish your coverage to end; or
 - b) We must tell you in writing that we wish to cancel. We do this by registered mail or in person. If our notice to you comes by registered mail, your coverage will end 15 days after your Post Office gets the letter. When we give you the notice in person, your coverage will end 5 days later.
 We will refund the premium for the time between the cancellation date and the end of the policy term.
- 4) If we pay a claim under Part 2 the premium for Part 2 is fully earned. This means if you cancel your policy we will not refund this part of your premium.
- 5) If you take legal action against us, you must do so within one year of the date on which you had cause to take such action.
- 6) If you have other personal liability insurance, we will pay only our share of the claim. Our share will be in the same proportion that the amount of our coverage bears to the total of all your personal liability coverages.

Statutory Conditions

The law requires that the following be made part of Part 1 of your policy. In the following “you”, the name shown on the Declaration Page, are called the “Insured”. “We” are called the “Insurer”.

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 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 shall be 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 void 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 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 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 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 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, cost, 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 sub-paragraph (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 sub-paragraph (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

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract shall be absolutely barred unless commenced within one year next after the loss or damage occurs.

In those jurisdictions where statute prescribes another period for right of action, every action or proceeding against the Insurer shall be commenced within such prescribed period and not afterwards.

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.

