

**HOMEOWNER POLICY
NAMED PERILS FORM**

AGREEMENT	3
SECTION I – PROPERTY COVERAGE	3
DEFINITIONS	3
COVERAGE A – Dwelling Building	4
COVERAGE B – Detached Private Structures	5
COVERAGE C – Personal Property	5
Special Limits of Insurance	5
COVERAGE D – Additional Living Expenses	6
1. Additional Living Expense.....	6
2. Fair Rental Value.....	7
3. Mass Evacuation.....	7
EXTENSIONS OF COVERAGE.....	7
1. Outdoor Trees, Shrubs, Plants and Lawns	7
2. Consequential Loss	8
3. Freezer Foods	8
4. Debris Removal	8
5. Emergency Removal of Property.....	8
6. Credit Cards, Banking Cards, Forgery and Counterfeit Money	8
7. Property Insurance Adjustment	9
8. Fire Department Charges	9
9. Collapse.....	10
10. Dwelling Glass	10
11. Lock Replacement	10
12. Fuel Leakage (Applicable to Coverage A, B and C)	10
13. Fungi or Spores, Wet or Dry Rot Remediation	11
INSURED PERILS	11
LOSS OR DAMAGE NOT INSURED	13
BASIS OF CLAIM PAYMENT	15
OUR OPTIONS	16
HOW WE SETTLE A LOSS	
COVERAGE A – Dwelling Building	
COVERAGE B – Detached Private Structures	16
HOW WE SETTLE A LOSS	
COVERAGE C – Personal Property	17
Insurance Under More Than One Policy	17
Subrogation	18
STANDARD MORTGAGE CLAUSE	18
SECTION II – LIABILITY COVERAGE	19
DEFINITIONS (Applicable to Section II)	19
COVERAGE.....	20
COVERAGE X – Family Liability	20
1. Personal Liability	20
2. Premises Liability.....	21
3. Damage To Premises Liability.....	21
4. Employer’s Liability	21
Defence, Settlement, Supplementary Payments	21
Voluntary Payment for Damage to Property.....	22
Basis of Payment	22
COVERAGE Y – Voluntary Medical Payments.....	22
SPECIAL LIMITATIONS	23
LOSS OR DAMAGE NOT INSURED (Applying to Section II)	24
CONDITIONS.....	25
VOLUNTARY COMPENSATION	
FOR RESIDENCE EMPLOYEES	26

SECTION III – OPTIONAL COVERAGE	29
1. By-law Coverage.....	29
2. Earthquake Damage.....	29
3. Property in Storage.....	29
4. Water Damage Extension.....	30
5. Single Limit of Insurance	30
6. Tool Floater	30
CONDITIONS REQUIRED BY LAW	31
STATUTORY CONDITIONS	32
ADDITIONAL CONDITIONS.....	35
LIBERALIZATION CLAUSE	35
SHORT RATE CANCELLATION TABLE	36

**HOMEOWNER POLICY
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AGREEMENT

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

This policy consists of three Sections:

SECTION I describes the insurance for your property,

SECTION II describes the insurance for your legal liability to others because of Bodily Injury and Property Damage,

SECTION III describes optional coverage available to you that apply only when they are indicated on the Declaration page.

SECTION I – PROPERTY COVERAGE

DEFINITIONS

“**Business**” means any continuous or regular pursuit undertaken for financial gain including trade, profession or occupation.

“**Cash card and plastic money**” means a card storing electronic cash and used as a method of payment, which at the time of the purchase transaction does not require any personal identification number (PIN), signature or authorization time (no connection to a central system at the time of purchase).

“**Dwelling**” means the building described on the Declaration page occupied by you as a private residence.

“**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 resultant mycotoxins, allergens, or pathogens.

“**Spores**” includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any “fungi”.

“**Homeowner**” means an owner of a freehold Dwelling.

“**Insured**” means the person(s) named as Insured on the Coverage Summary page and, while living in the same household:

- his or her spouse;
- the relatives of either; and
- any person under 21 in their care.

Spouse means:

- either of a man and a woman who are married to each other or who have together entered into a marriage that is voidable or void; or
- either of two persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 3 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.

In addition, a student who is enrolled in and actually attends a school, college or university and is dependent on the named insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principal residence.

“**Premises**” – means the Dwelling and the land contained within the lot lines on which the Dwelling is located.

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

“Terrorism” means:

1. an act or omission, in or outside Canada,
 - (a) that is committed
 - (i) in whole or in part for a political, religious, social, philosophical or ideological purpose, objective or cause, and
 - (ii) in whole or in part with the intention or the apparent intention of intimidating the public, or any segment of the public, with regard to its security, including its economic security, or compelling a person, a government or a domestic or international organization, or any segment of those, to do or refrain from doing any act or thing and,
 - (b) that
 - (i) causes death or serious bodily harm to a person by the use of violence,
 - (ii) endangers a person’s life,
 - (iii) causes a serious risk to the health or safety of the public or any segment of the public,
 - (iv) causes property damage, whether to public or private property, if causing such damage is likely to result in the conduct or harm referred to in clauses (i) to (iii), or
 - (v) causes serious interference with or serious disruption of essential service, facility or system, whether public or private, other than as a result of advocacy, protest, dissent or stoppage of work that is not intended or apparently intended to result in the conduct or harm referred to in any of clauses (i) to (iii),and includes any attempt or threat to commit any such act or omission, or
2. any act or omission that at the time of its commission would be defined to be “Terrorist activity” within the meaning of that term under the *Criminal Code* (Canada), as amended from time to time.

“Unoccupied” means the absence of the insured or a representative in the described furnished dwelling.

“Vacant” or **“Vacancy”** means without occupants and/or furnishings nor used as a principal Dwelling. A newly constructed Dwelling is Vacant after it is completed and before the occupant(s) and/or furnishings are moved in. Furthermore, the Dwelling is also Vacant when the occupant(s) move(s) out with no intention to return permanently and before any new occupant(s) move(s) in.

“We” and “us” mean the company or Insurer providing this insurance.

“You” and “your” mean the person(s) named as insured on the Declaration page.

COVERAGE A – Dwelling Building

We insure:

1. The Dwelling and attached structures.

2. Permanently installed outdoor equipment on the Premises.
3. Outdoor domestic appliances, including in-ground and above ground swimming pools, hot tubs, saunas and attached equipment on the Premises.
4. Materials and supplies located on or adjacent to the Premises, intended for use in construction, alteration or repair of your Dwelling or detached private structures on the Premises. We insure against the peril of theft only when your Dwelling is completed and ready to be occupied.
5. Building fixtures and fittings while temporarily removed from the Premises for repair or seasonal storage.

COVERAGE B – Detached Private Structures

We insure structures or buildings separated from the Dwelling by a clear space, on your Premises but not insured under Coverage A. If they are connected to the Dwelling by only a fence, utility line or similar connection, they are considered to be a detached private structure.

COVERAGE C – Personal Property

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

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

This coverage also applies to personal property in a newly acquired residence for 30 days immediately after you begin to move property there. The amount of insurance granted by Coverage C will be divided between the personal property at the old location, in transit and at the new location in the same proportion that the value in each location has to the value of the insured personal property in all situations, at the time of loss.

If you wish, we will include uninsured personal property belonging to others while it is in your possession or belonging to a Residence Employee travelling on your behalf.

2. We insure your personal property for up to 20% of the amount of insurance on your personal property while it is temporarily away from your Premises anywhere in the world.

The personal property of a student, who is insured by this policy but is temporarily residing away from home, is insured at the student’s residence for an amount up to \$5000.

The personal property of a family member, who is insured by this policy but is residing in a nursing home, is insured at the nursing home for an amount not exceeding \$5000. In the event of theft of property, we will only insure for an amount not exceeding \$1000.

“Nursing Home” is defined as an institution that provides health care services to person’s who live on the facility’s premises, but does not include a hospital, rooming or boarding home, alcoholism or drug rehabilitation facility, reformatory or correctional institution or halfway house.

Personal property normally kept at any other location you own is not insured. Personal property stored in a warehouse is only insured against the peril of theft.

Special Limits of Insurance:

The maximum we will pay for any one loss is:

- (1) \$500 in the aggregate – Money, including cash cards and plastic money, bullion, and bank notes;
- (2) \$500 in the aggregate – Utility trailers not used with watercraft;
- (3) \$2000 in the aggregate – Books, tools and instruments pertaining to a Business only while on your Premises. Other Business property, including samples and goods held for sale, is not insured;
- (4) \$2000 in the aggregate – Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, or tickets;
- (5) \$1000 in the aggregate – Watercraft, including their trailers, furnishings, equipment and outboard motors;
- (6) \$2000 in the aggregate – Computer software. We do not insure the cost of gathering or assembling information or data;
- (7) \$1000 in the aggregate – Sports and celebrity cards, sports and entertainment memorabilia and comic books. The maximum we will pay for any one article is \$250;
- (8) \$1000 in the aggregate – Animals, birds and fish;
- (9) \$5000 in the aggregate – Garden tractors and drawn machinery or equipment;
- (10) \$1000 in the aggregate – Spare Automobile Parts. The maximum we will pay for any one item is \$250.

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

- (11) \$3000 in the aggregate – Jewellery, watches, precious and semi-precious stones and furs, including any item containing fur which represents its principal value;
- (12) \$10000 in the aggregate – Any items not otherwise limited, of which pewter, platinum, silver and gold constitute its principal value, goldware stamped with carat content, and silverware stamped in Sterling or Hallmark;
- (13) \$500 in the aggregate – Coins, medals and other numismatic property;
- (14) \$1000 in the aggregate – Stamps, including philatelic property and manuscripts;
- (15) \$500 in the aggregate – Any single bicycle, including its equipment and accessories;
- (16) \$2500 in the aggregate – Golf clubs, including their accessories.

COVERAGE D – Additional Living Expenses

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

1. **Additional Living Expense:** If an insured peril makes your Dwelling unfit for occupancy, or you have to move out while repairs are being made, we insure any necessary increase in living expenses, including moving expenses incurred by you, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild your Dwelling or, if you permanently relocate, the reasonable time required for your household to settle elsewhere.

2. **Fair Rental Value:** If an insured peril makes that part of the Dwelling or detached private structures rented to others or held for rental by you unfit for occupancy, we insure its fair rental value. Payment shall be for the reasonable time required to repair or replace that part of the Dwelling or detached private structures rented or held for rental. Fair rental value shall not include any expense that does not continue while that part of the Dwelling or detached private structures rented or held for rental is unfit for occupancy.

If a civil authority prohibits access to your Dwelling as a direct result of damage to neighbouring property by an insured peril, we insure any resulting additional living expense and fair rental value for a period not exceeding two weeks.

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

3. **Mass Evacuation:** We will reimburse you for any necessary and reasonable increase in living expenses you incur while access to your Dwelling is prohibited by order of civil authority but only when such order is given for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America. You are insured for a period not exceeding two weeks from the date of the order of evacuation and up to \$2000. You are not insured for any claim arising from evacuation resulting from:

- (a) flood: meaning waves, tides, tidal waves and the rising of, breaking out or the overflow of, any body of water, whether natural or man-made;
- (b) earth movement;
- (c) civil commotion, act of foreign enemy, invasion, war or civil war, Terrorism, insurrection, rebellion, revolution, military power or by operation of armed forces while engaged in hostilities, whether war be declared or not;
- (d) nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- (e) loss or damage directly or indirectly caused by or sustained in connection with crisis, civil disobedience, siege, blockade or any resistance to any authority in place, whether or not with the intention to either overthrow such authority or to prevent the execution of Law.

Definition: The term “civil authority” referred to in this policy shall mean 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.

Any deductible specified in the Declaration page does not apply to Coverage D.

EXTENSIONS OF COVERAGE

1. **Outdoor Trees, Shrubs, Plants and Lawns:**

You may apply up to 5% of the amount of insurance on your Dwelling to trees, shrubs, plants and lawns on your Premises. We will not pay more than \$500 for any one tree, shrub, plant or lawn, including debris removal expenses.

We insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts, as described under insured perils.

This protection does not increase the amount of insurance applying to Coverage A – Dwelling Building.

2. Consequential Loss:

We insure your personal property damaged by change of temperature resulting from physical damage, to your Dwelling or equipment, by an insured peril. This only applies to personal property kept in the Dwelling.

This protection does not increase the amount of insurance applying to Coverage C – Personal Property.

3. Freezer Foods:

We will pay up to \$2500 per occurrence for freezer foods, while contained in a freezer unit in your Dwelling when loss due to spoilage is caused by power failure outside the freezer unit or mechanical breakdown of the freezer unit.

We will not pay for loss:

- (a) caused by disconnection of the freezer unit from the power supply within your Dwelling;
- (b) caused by or resulting from repair or other work performed upon the freezer unit; or
- (c) from natural spoilage.

When a breakdown or power failure occurs, you must take all reasonable steps to save and preserve the food from spoilage and arrange for restoration of electrical power.

This coverage also includes loss or damage to the freezer itself resulting from the spoilage of the foods contained within.

This protection does not increase the amount of insurance applying to Coverage C – Personal Property.

Any deductible specified in the Declaration page does not apply to this coverage.

4. Debris Removal:

We will pay the reasonable cost charged for the necessary removal of the debris of covered property damaged in a loss we insure. We will also pay for the removal from the Premises of a tree or limb that has caused damage to the insured building or buildings as a result of an insured peril.

This protection does not increase the amount of insurance applying to the property being removed. However, when the amount payable for the property damaged or destroyed equals the amount of coverage available in this policy, we will pay up to an additional 5% of that coverage for debris removal expenses if the damaged property is repaired or replaced at your Premises.

5. Emergency Removal of Property:

We will pay for insured property damaged in any way while removed from your Premises because of danger from a loss we insure. Protection is limited to a 30 day period from the date of removal.

This protection does not increase the amount of insurance applying to the property being removed.

6. Credit Cards, Banking Cards, Forgery and Counterfeit Money:

You are insured for losses arising from your legal obligation to pay due to the unauthorized use of credit cards and/or banking cards,

issued to or registered in your name, which have been lost or stolen.

The maximum we will pay under this coverage is \$5000 in the aggregate per occurrence. An occurrence is the loss or theft of one or more cards, regardless of the number of cards lost or stolen or how many times they are used.

We will pay for losses, which occur while this policy is in effect, and which are discovered up to one year after its cancellation or termination.

We will also pay up to \$5000 for any loss caused by forgery or alteration of any cheques or negotiable instruments when the loss is caused by any one person or group of persons regardless of the number of cheques or instruments involved.

If a claim is made or a suit is brought against you for liability under this coverage, We will provide a defence at our expense by counsel of our choice.

We may make any investigation and settle any claim or suit that we decide is appropriate.

We do not pay for loss arising out of Business pursuits unless from the unauthorized use of a credit card and/or banking card issued or registered to you and for which you are personally liable. We do not pay for any loss arising out of your dishonesty or use of a card by a resident of your household or any person who has been entrusted with the card.

You must comply with all the conditions under which the card was issued and notify the issuing card company or companies and us as soon as you discover the loss.

We will pay any loss sustained through acceptance in good faith of counterfeit United States or Canadian paper currency up to \$1000 in any one policy term.

This protection does not increase the amount of insurance in this policy.

Any deductible specified in the Declaration page does not apply to this coverage.

7. Property Insurance Adjustment:

During the term of this policy, we will automatically increase the amount of insurance on your Dwelling Building (Coverage A) to reflect the increased value of your property since the inception date of this policy or the latest renewal or anniversary date.

We will automatically increase the amounts of insurance on your Detached Private Structures (Coverage B), Personal Property (Coverage C) and Additional Living Expenses (Coverage D) by the same proportion.

On renewal or anniversary date, we will automatically increase the amounts of insurance shown on the Declaration page in the same way and adjust the premium.

All other terms and conditions of the policy to which this provision applies remain unchanged.

8. Fire Department Charges:

We will reimburse you up to \$2000 for fire department charges you are required to pay when a fire department attends your Dwelling because of an insured peril. We will not pay for charges incurred as a result of a false alarm

We do not pay for any liability claim arising from the use of the responding fire equipment or caused by the actions of any member or members of the responding fire department.

This protection does not increase the amount of insurance in this policy.

Any deductible specified in the Declaration page does not apply to this coverage.

9. Collapse:

We will insure:

- (a) entire or partial collapse of the Dwelling and detached private structures insured under Coverage A and B of this policy; and
- (b) the personal property insured under Coverage C of this policy, which is directly damaged as a result of the collapse referred to in (a).

For coverage to apply, the collapse must be directly caused by one or more of the following items:

- (i) a loss from an insured peril;
- (ii) hidden decay or damage caused by vermin, rodents and/or racoons;
- (iii) weight of persons, animals, equipment or contents;
- (iv) weight of rain, snow or ice, which collects on a roof; or
- (v) defective methods or materials used in repair, remodelling or renovation, but only if the collapse occurs in the course of the repair, remodelling or renovation.

Collapse does not include settling, contraction, moving, shifting, bulging, buckling or cracking.

This protection does not increase the amount of insurance in this policy.

10. Dwelling Glass:

Glass that forms part of your Dwelling or detached private structures on your Premises including glass which forms part of storm windows and doors, is insured against accidental breakage.

This coverage does not include repairs to, or replacement of the structure to permit installation of the glass.

This coverage does not include loss or damage occurring while a building is under construction, even if permission for construction has been given by us.

11. Lock Replacement:

We will pay up to \$500 for the replacement of locks on your Dwelling if your keys are stolen.

This protection does not increase the amount of insurance in this policy.

Any deductible specified in the Declaration page does not apply to this coverage.

12. Fuel Leakage: (Applicable to Coverage A, B and C)

This protection means loss or damage caused by the sudden and accidental escape of fuel oil from a fixed household-type tank or apparatus and pipes which feeds the Dwelling's existing heating system(s). Coverage is not included for damage caused by continuous or repeated seepage or leakage.

We do not insure loss or damage caused by the escape of fuel oil from a household-type storage tank or apparatus and pipes located below ground outside the Dwelling, whether in active service or not.

We do not insure loss or damage to the land on which the dwelling is situated.

13. Fungi or Spores, Wet or Dry Rot Remediation as a Direct Result of a Covered Water Loss:

We will pay up to a maximum of \$10,000 in the aggregate per occurrence for the remediation of Fungi or Spores, or wet or dry rot, as a direct result of a covered water loss.

This extension of coverage applies to Coverage A - Dwelling Building, Coverage B - Detached Private Structures, Coverage C - Personal Property, and Coverage D - Additional Living Expenses.

This protection does not increase the amount of insurance in this policy.

Definition: Remediation means the reasonable and necessary treatment, removal or disposal of Fungi or Spores, wet or dry rot, as required to complete repair or replacement of property we cover under Coverage A - Dwelling Building, Coverage B - Detached Private Structures or Coverage C - Personal Property damaged by a covered water loss. Remediation also includes any investigation or testing to detect, measure or evaluate Fungi or Spores, wet or dry rot, as well as payment for any reasonable increase in living expenses necessary to maintain your normal standard of living if Fungi or Spores, wet or dry rot makes your residence premises uninhabitable.

INSURED PERILS

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

- 1. FIRE OR LIGHTNING.
- 2. EXPLOSION: This peril does not include electric arcing, water hammer or rupture of any vessel or conduit due to water or ice pressure therein.
- 3. SMOKE: This peril means smoke due to the sudden, unusual and faulty operation of any heating or cooking unit in or on the Premises.
- 4. FALLING OBJECT: This peril means a falling object which strikes the exterior of a building but not objects which strike the building due to earth movement.
- 5. IMPACT BY AIRCRAFT OR LAND VEHICLE: Animals, birds and fish are not insured under this peril.
- 6. RIOT.
- 7. VANDALISM OR MALICIOUS ACTS: This peril does not include loss or damage:
 - (a) occurring while the Dwelling is under construction or Vacant even if permission for construction or Vacancy has been given by us;
 - (b) caused by you; or
 - (c) caused by any tenant, tenant's guest, member of a tenant's household or employee of the tenant.

8. WATER ESCAPE, RUPTURE, FREEZING: This peril means:

- (a) accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, waterbed, aquarium, hot tub, appliance for heating or storing water, swimming pool or equipment and enclosed public watermains;
- (b) sudden and accidental bursting, tearing apart, cracking, burning and bulging, all due to the pressure of water or steam, or lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water; or
- (c) freezing of any part of a plumbing, heating, sprinkler or air conditioning system, or domestic appliance, provided any such system or appliance is within a building heated during the usual heating season.

This peril does not include damage:

- (i) caused by continuous or repeated seepage or leakage, whether evident or not;
- (ii) to the system or appliance caused by rust or corrosion;
- (iii) to public watermains, waterbeds, aquariums, outdoor swimming pools or their equipment;
- (iv) occurring while the Dwelling is under construction or Vacant even if we have given permission for construction or Vacancy;
- (v) which occurs during the usual heating season if you have been away from your Dwelling for more than 4 consecutive days. However, if you had arranged for a competent person to enter your Dwelling daily to ensure that heating was being maintained or if you had shut off the water supply and had drained all the pipes and appliances, you would still be insured;
- (vi) caused by freezing, rupture or bursting, or escape of water from a sewer, sump, septic tank, weeping tiles, eavestrough or downspout, unless the loss or damage resulted from the escape of water from a public watermain, swimming pool or equipment attached; or
- (vii) caused by the escape of water from a drain unless the loss or damage resulted from the escape of water from a public watermain, swimming pool or equipment attached.

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

We will replace or repair any parts of the Dwelling that must be removed or torn apart before any insured damage can be repaired, except damage related to public watermains.

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

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

This peril does not include loss or damage due to weight or pressure of ice, snow or sleet.

10. TRANSPORTATION: This peril means loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance by a common carrier.

This peril means loss or damage to:

- (a) your personal property while it is temporarily removed from your Premises; or
- (b) building fixtures and fittings when they are temporarily removed from your Premises for repair or seasonal storage.

This peril does not include loss or damage to:

- (i) property carried in a tent trailer, travel trailer, mobile home or motor home which you own; or
- (ii) any watercraft, their furnishings, equipment or motors.

11. THEFT, INCLUDING DAMAGE CAUSED BY ATTEMPTED THEFT:

This peril does not include loss or damage:

- (a) which happens at any other location which you own, rent or occupy, except while you are temporarily living there;
- (b) caused by any tenant, employee or member of the tenant's household if the part of the Dwelling containing the property insured normally occupied by you is rented to others;
- (c) to property in or from a Dwelling under construction or of materials and supplies for use in the construction until the Dwelling is completed and ready to be occupied; or
- (d) to animals, birds or fish.

12. ELECTRICITY: This peril means the sudden and accidental damage caused by artificially generated electricity.

LOSS OR DAMAGE NOT INSURED

We do not insure:

- (1) wear and tear, deterioration, inherent vice, flaw, latent or physical defect, mechanical breakdown, rust or corrosion, dampness of atmosphere, extremes of temperature, condensation, wet or dry rot or by any Fungi or Spores, or contamination, and in no event shall there be any liability under this policy for the resultant cost or expense of replacing or repairing property or any defective part thereof;
- (2) loss or damage occurring after your Dwelling has, to your knowledge, been Vacant for more than 30 consecutive days;
- (3) loss or damage caused by:
 - (a) any nuclear incident as defined in the Nuclear Liability Act, or any nuclear liability act, law or statute, or any amendments thereof, or nuclear explosion, except for the ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas; or
 - (b) contamination by radioactive material.
- (4) loss or damage caused by civil commotion, act of foreign enemy, invasion, war or civil war, insurrection, rebellion, revolution, military power or by operation of armed forces while engaged in hostilities, whether war be declared or not;

- (5) loss or damage directly or indirectly caused by or sustained in connection with crisis, civil disobedience, siege, blockade or any resistance to any authority in place, whether or not with the intention to either overthrow such authority or prevent the execution of Law;
- (6) Dwellings or structures used in whole or in part for business or farming purposes unless declared on the Declaration page;
- (7) losses or increased costs of repair or cost of improving or upgrading the Dwellings or structures due to the operation of any by-law regulating the zoning, demolition, repair or construction of buildings and their related services;
- (8) loss or damage resulting from any intentional or criminal acts or failure to act by:
 - (a) any person insured by this policy; or
 - (b) any person at the direction of any person insured by this policy;
- (9) loss or damage caused to property undergoing any process whether involving the application of heat or not, or while being worked on, where the damage results from such process or work, but resulting damage to other property caused by an insured peril is insured;
- (10) loss of, or damage to any property illegally acquired, imported, kept or transported;
- (11) loss or damage to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (12) lawns or items grown for commercial purposes;
- (13) loss or damage caused by earth movement, which includes but is not limited to:
 - (a) earthquake;
 - (b) volcanic eruption;
 - (c) snowslide;
 - (d) landslide;
 - (e) subsidence;
 - (f) mudflow;
 - (g) sinkhole;
 - (h) erosion; or
 - (i) the sinking, rising, shifting, expanding or contracting of the earth.

This exclusion applies whether or not the earth movement is combined with water.

We will insure loss that follows earth movement if the loss is directly caused by fire, explosion, glass breakage or theft;

- (14) any sound reproducing, recording, transmitting or receiving system in or upon a motorized land vehicle which can be operated by power from the electrical system of the motorized land vehicle, and any tape or similar item usable with that system while any of this property is in or upon a motorized land vehicle;
- (15) loss or damage caused by groundwater or rising of the water table;
- (16) loss or damage caused by flood, surface water, waves, tidal water or tidal waves, overflow of streams or other bodies of water or spray

from any of the foregoing, ice or waterborne objects, all whether driven by wind or not, unless the loss or damage resulted from the escape of water from a public water main, swimming pool or equipment attached;

- (17) loss or damage to motorized vehicles, travel trailers, campers and aircraft, or their equipment (except for watercraft, motorized lawn mowers, other gardening equipment, motorized wheel chairs, scooters for the handicapped or snow blowers);
- (18) loss or damage resulting directly or indirectly from one or more of the items listed below, if that item is one of two or more causes of loss or damage, and if the other cause(s) of the loss or damage is (are) excluded by this policy:
 - (a) Conduct, act, failure to act, or decision of any person, group, organization or governmental body whether intentional, wrongful, negligent or without fault;
 - (b) Defect, weakness, inadequacy, fault or unsoundness in:
 - (i) planning, zoning, development, surveying, siting; or
 - (ii) design, specifications, workmanship, construction, grading, compaction; or
 - (iii) materials used in construction or repair; or
 - (iv) maintenance

of any property including but not limited to land, structures or improvements of any kind, whether on or off the Premises; or
 - (c) Weather conditions, which includes but is not limited to heat, cold, rain, ice, snow, sleet, wind, hail or drought.
- (19) Business property or registered or unregistered securities except items otherwise covered under Special Limits of Insurance;
- (20) loss or damage arising out of the actual or threatened discharge, dispersal, release or escape of "pollutants". "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste;
- (21) loss or damage caused by birds, vermin, rodents, racoons or insects, or domesticated animals, except loss or damage to building glass;
- (22) loss or damage resulting from any illegal activities within your knowledge or control; or due to any legal or illegal activities relating to either the growing, cultivation, harvesting, manufacture, distribution, or sale of any non-prescription controlled substance or substances enumerated in *Schedule (Section 2) of the federal Controlled Drugs and Substances Act Narcotic Control Regulations C.R.C., c. 1041* (as amended from time to time), whether you are aware of such activity or not;
- (23) loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government, government agency or other entity to prevent, respond to or terminate Terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

BASIS OF CLAIM PAYMENT

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

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

Deductible: We will be responsible only for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of the applicable deductible shown on the Declaration page in any one occurrence.

If your claim involves personal property to which the special limits of insurance apply, the limitations apply to losses exceeding the deductible amount.

OUR OPTIONS

In the event of loss, we have the option of taking all or part of the covered property at the agreed or appraised value. We have the option to repair, rebuild or replace the damaged or destroyed property with property of like kind and quality within a reasonable time. We must give you notice of our intention within 30 days after we receive your signed, sworn proof of loss.

HOW WE SETTLE A LOSS

Applicable to:

COVERAGE A – Dwelling Building

COVERAGE B – Detached Private Structures

Home Replacement Cost Guarantee

In consideration of your agreement to insure your Dwelling and other building structures in accordance with the following provisions, we agree that the limit of liability under Coverage A – Dwelling Building, and or Coverage B – Detached Private Structures are not limited by the amount shown on the Declaration page, provided:

- (1) You have insured your Dwelling and other building structures to 100% of their replacement cost, as determined by a valuation guide acceptable to us;
- (2) You have accepted the property insurance adjustment provision in the policy, agree to accept each annual adjustment in the Dwelling coverage limits of liability and pay the premium charged; and
- (3) You notify us within 90 days of the start of any additions or other physical changes which increase the value of your Dwelling or other building structures on the residence premises by \$5000 or more, and pay any resulting additional premium.

In all other respects, the policy provisions and limits of liability remain unchanged.

The limit of insurance on Coverage C – Personal Property and Coverage D – Additional Living Expenses is not affected by the home replacement cost guarantee and remains unchanged.

This guarantee is void if you fail to comply with its provisions.

If you do not comply with its provisions, losses will be settled by one of the following methods:

- (a) **Replacement Cost.** This means there will not be a deduction for depreciation. This coverage shall be applicable only to the dwelling and detached private structures insured under this policy. In making a replacement cost settlement, payment will not exceed the smallest of the following amounts:

- (i) the replacement cost of any part of the Dwelling damaged, with equivalent material, on the same Premises;
- (ii) the amount actually and necessarily spent to repair or replace the damaged Dwelling; or
- (iii) the applicable limit of insurance.

We will not pay more than the actual cash value of the damage until the repair or replacement is completed.

- (b) **Actual Cash Value.** This means there may be a deduction for depreciation.

If you decide not to repair or replace the damaged property, settlement will be on an actual cash value basis, not to exceed the limit of liability applying to the property. You may make claim within 180 days after the loss for any additional payment on a replacement cost basis.

HOW WE SETTLE A LOSS

Applicable to:

COVERAGE C – Personal Property

We agree that in the event of loss under Coverage C – Personal Property, we will pay for the full cost of repair or replacement of property owned by an insured person, without deduction for depreciation.

The replacement cost of any single item of personal property is limited to the amount it would cost to replace the item with a similar item of personal property of like kind and quality.

At the time of loss, the most we will pay on any one item of personal property is the smallest of the following amounts:

- (a) the replacement cost at the time of loss;
- (b) the cost of repair or restoration; or
- (c) the limit of liability of this policy applicable to the damaged or destroyed property.

If you do not repair or replace the damaged, destroyed or stolen items, loss settlement will be made on an actual cash value basis rather than on a replacement cost basis. However, you have the right to make further claim within 180 days after loss for any additional liability brought about by this provision.

Replacement cost does not apply to:

- (i) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced with new articles;
- (ii) articles, whose age or history contribute substantially to their value including but not limited to memorabilia, souvenirs and collectors' items; or
- (iii) property, the age or condition of which has rendered it obsolete or unusable for the purpose for which it was originally intended.

All other provisions of the policy apply.

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

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

Co-operation: You are required to:

- (1) help us obtain witnesses, information and evidence about the loss or claim and co-operate with us in any legal action if we ask you; and

- (2) immediately send us everything received in writing concerning the claim including legal documents; and
- (3) in the event of a loss, after submission of the Proof of Loss, submit to examination under oath and produce for examination all documents that relate to the matters in question, and you shall permit extracts and copies to be made, all at such reasonable place and time as designated by us.

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

You agree to co-operate and assist us in recovering against such other persons or organizations.

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

STANDARD MORTGAGE CLAUSE

This clause applies to Dwelling protection and appears as approved by the Insurance Bureau of Canada. This clause is void unless the name of the mortgagee is inserted on the Declaration page.

IT IS HEREBY PROVIDED AND AGREED THAT:

1. **Breach of Conditions by Mortgagor Owner or Occupant** – This insurance and every documented renewal thereof – AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN – is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

2. **Right of Subrogation** – Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that – as to the Mortgagor or Owner – no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. **Other Insurance** – If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee – at law or in equity – then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. **Who May Give Proof of Loss** – In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

5. **Termination All Provinces Except Quebec** – The term of this mortgage clause coincides with the term of the policy;

PROVIDED ALWAYS that the Insurer reserves the right to cancel the policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.

6. **Foreclosure – Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.**

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.

SECTION II – LIABILITY COVERAGE

DEFINITIONS (Applicable to Section II)

“**Bodily Injury**” means bodily injury or death, except that “Bodily Injury” does not include the transmission of any communicable disease, including but not limited to:

- (1) any venereal disease;
- (2) Herpes;
- (3) Acquired Immune Deficiency Syndrome (AIDS);
- (4) AIDS Related Complex (ARC);
- (5) Human Immunodeficiency Virus (HIV); or any related or resulting symptom, effect, condition, disease or illness.

“**Business**” in this Section has the same meaning as in Section I.

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

“**Fungi**” and “**Spores**” in this Section has the same meaning as in Section I.

“**Legal Liability**” means responsibility which courts recognize and enforce between persons who sue one another, and “Legally Liable” and similar expressions have a corresponding meaning.

“**Premises**” in this Section means all Premises where the person(s) named as Insured on the Declaration page, or their spouse, maintains a residence. It also includes:

- (1) other residential Premises specified on the Declaration page, except Business property and farms;
- (2) individual or family cemetery plots or burial vaults;
- (3) vacant land in Canada you own or rent, excluding farm land;
- (4) land in Canada where an independent contractor is building a one or two-family residence to be occupied by you; and
- (5) Premises you are using or where you are temporarily residing if you do not own such Premises;
- (6) Premises in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession, but not beyond the earliest of :

- a) 30 consecutive days;
 - b) the date the policy expires or is terminated;
 - c) the date upon which specific liability is arranged for such premises.
- (7) Premises in Canada where a student who is enrolled in and actually attends a school, college or university, is residing temporarily, or which they are using temporarily.

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

“**Residence Employee**” in this Section has the same meaning as in Section I.

“**Terrorism**” in this Section has the same meaning as in Section I.

“**We**” and “**us**” in this Section have the same meaning as in Section I.

“**You**” and “**your**” in this Section have the same meaning as in Section I. In addition, the following are included in the definition of “**you**” and “**your**”:

- (1) any person or organization Legally Liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any Business or without the owner's permission;
- (2) any person while performing duties as your Residence Employee;
- (3) your legal representative who would have temporary custody of the insured Premises if you die while insured by this policy, is insured for Legal Liability arising out of the insured Premises; and
- (4) any person who is insured by this policy at the same time as your death and who continues residing on the insured Premises.

COVERAGE

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

The amounts of insurance are shown on the Declaration page. Each person insured is a separate Insured but this does not increase the limit of insurance.

COVERAGE X – Family Liability

We will pay all sums which you become Legally Liable to pay as compensatory damages because of Bodily Injury or Property Damage.

The amount of insurance is the maximum amount that we will pay, under one or more Sections of Coverage X, for all compensatory damages in respect of one accident or occurrence.

You are insured for claims made against you arising from:

1. Personal Liability –

Legal Liability arising out of your personal actions anywhere in the world.

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

- (a) the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those insured in this policy;
- (b) damage to property you own, use, occupy or lease;
- (c) damage to property in your care, custody or control;
- (d) damage to personal property or fixtures as a result of work performed by you or anyone on your behalf; or
- (e) Bodily Injury to you or to any person residing in your household other than a Residence Employee.

2. Premises Liability –

Legal Liability arising out of your ownership, use or occupancy of the Premises defined in Section II. This insurance also applies if you assume, by a written contract, the Legal Liability of other persons in relation to your Premises.

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

- (a) damage to property you own, use, occupy or lease;
- (b) damage to property in your care, custody or control;
- (c) damage to personal property or fixtures as a result of work performed by you or anyone on your behalf; or
- (d) Bodily Injury to you or to any other person residing in your household other than a Residence Employee.

3. Damage To Premises Liability –

Legal Liability for Property Damage to Premises, or their contents, which you are using, renting or have in your custody or control caused by:

- (a) fire, explosion or smoke;
- (b) accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, waterbed, domestic appliance, swimming pool or attached equipment and public water mains; or
- (c) freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance within a building heated during the usual heating season.

You are not insured for liability you have assumed by contract unless your Legal Liability would have applied even if no contract had been in force.

4. Employer's Liability –

Legal Liability for Bodily Injury to Residence Employees arising out of and in the course of their employment by you.

You are not insured for claims made against you resulting from the ownership, use or operation of aircraft while being operated or maintained by your employee.

You are not insured for liability imposed upon or assumed by you under any Workmen's Compensation Statute.

Defence, Settlement, Supplementary Payments

Under Coverage X, we will defend any suit against you alleging Bodily Injury or Property Damage and seeking compensatory damages for which coverage is provided under this policy, even if it is groundless, false or fraudulent. We reserve the right to select legal counsel, investigate, negotiate and settle any claim or suit, if we decide this is appropriate. We will pay only for the legal counsel we select.

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

- (1) all expenses which we incur;
- (2) all costs charged against you in any suit insured under Coverage X;
- (3) any interest accruing after judgement, or where applicable, interest accruing from the date of the action, or determined by the Court, on that part of the judgement which is within the amount of insurance of Coverage X;
- (4) premiums for appeal bonds required in any insured law suit

involving you and bonds to release any property that is being held as security, up to the amount of insurance, but we are not obligated to apply for or provide these bonds;

- (5) expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this policy; and
- (6) reasonable expenses including actual loss of income up to \$100 per day, which you incur at our request.

Voluntary Payment for Damage to Property

We will pay up to \$500 per incident for unintentional direct damage you cause to property even though you are not Legally Liable. You may also use this coverage to reimburse others for direct Property Damage caused intentionally by an insured 12 years of age or under.

You are not insured for claims:

- (1) resulting from the ownership, use or operation of automobiles or watercraft;
- (2) for property you or your tenants own or rent;
- (3) which are insured under Section I; or
- (4) caused by the loss of use, disappearance or theft of property.

Basis of Payment:

We will pay whichever is the least of the following:

- (i) the actual cash value of the property at the time of loss;
- (ii) what it would cost to repair or replace the property with materials of similar quality at the time of loss; or
- (iii) the limit shown above, in this coverage.

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

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

- (a) the amount, place, time and cause of loss;
- (b) the interest of all persons in the property affected; and
- (c) the actual cash value of the property at the time of loss.

If necessary, you must help us verify the damage.

COVERAGE Y – Voluntary Medical Payments

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

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

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

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

We will not pay medical expenses of any person covered by any Workmen's Compensation Statute.

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

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

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

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

SPECIAL LIMITATIONS

Watercraft You Own:

You are insured against claims arising out of your ownership, use or operation of watercraft equipped with an outboard motor or motors of not more than 19 kW (25 HP) in total when used with or on a single watercraft. You are also insured if your watercraft has an inboard or an inboard-outboard motor of not more than 38 kW (50 HP) or for any other type of watercraft of not more than 8 metres (26 feet) in length.

If you own any motors or watercraft larger than those stated above, you are insured only if they are shown on the policy. If they are acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of their acquisition.

Watercraft You Do Not Own:

You are insured against claims arising out of your use or operation of watercraft which you do not own, but not for damage to the watercraft itself.

Motorized Vehicles You Own:

You are insured against claims arising out of your ownership, use or operation of the following:

- (1) self-propelled lawn mowers, snow blowers, garden-type tractors, or implements used or operated mainly on your property, provided they are not used for compensation or hire;
- (2) motorized golf carts and remote control caddies while in use on a golf course; and
- (3) motorized wheel chairs, including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability.

Motorized Vehicles You Do Not Own:

You are insured against claims arising out of your use or operation of any self-propelled land vehicles, amphibious vehicle or air cushion vehicle which you do not own, provided that:

- (1) the vehicle is not licensed and is designed primarily for use off public roads; and
- (2) you are not using it for Business or organized racing. You are not insured for damage to the vehicle itself.

Trailers:

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

LOSS OR DAMAGE NOT INSURED (Applying to Section II)

You are not insured for claims arising from:

- (1) civil commotion, act of foreign enemy, invasion, war or civil war, insurrection, rebellion, revolution, military power or by operation of armed forces while engaged in hostilities, whether war be declared or not;
- (2) Bodily Injury or Property Damage directly or indirectly caused or sustained in connection with crisis, civil disobedience, siege, blockade or resistance to any authority in place, whether or not with the intention to either overthrow such authority or prevent the execution of Law;
- (3) Bodily Injury or Property Damage which is also insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of Insurers regardless of exhaustion of such policy limits or its termination;
- (4) Bodily Injury or Property Damage arising out of the Business pursuits of an insured person;

We do insure:

- (a) activities normally considered non-Business; and
 - (b) the following occasional or part-time Business activities of an insured person who is a student under 21 years of age: snow-shovelling, baby-sitting, grass cutting or delivering newspapers.
- (5) the rendering of, or failure to render, any professional service;
 - (6) Bodily Injury or Property Damage caused by any intentional or criminal acts or failure to act by:
 1. Any person insured by this policy, or
 2. Any other person at the direction of any person insured by this policy.
 - (7) the ownership, use or operation of any aircraft or Premises used as an airport or landing strip, and all necessary or incidental operations;
 - (8) sexual battery, physical contact or touching of a sexual nature and emotional abuse or harassment of a sexual nature committed by any person insured under this policy;
 - (9) the taking of or failure to take any action to prevent, stop or report a sexual battery, physical contact or touching of a sexual nature and emotional abuse or harassment of a sexual nature committed by any person;
 - (10) Bodily Injury or Property Damage arising out of the actual or threatened discharge, dispersal, release or escape of "pollutants". "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste;
 - (11) Bodily Injury or Property Damage arising out of the use, operation or ownership of any watercraft contrary to or not in accordance with the requirements of the Regulations of the Canada Shipping Act.

Among other things this means particularly that you are not insured for any use, operation or ownership of a personal watercraft, as defined under the Canada Shipping Act, by any person under the age of sixteen (16) years;

- (12) Bodily Injury or Property Damage resulting from any illegal

activities within your knowledge or control; or due to any legal or illegal activities relating to either the growing, cultivation, harvesting, manufacture, distribution, or sale of any non-prescription controlled substance or substances enumerated in *Schedule (Section 2) of the federal Controlled Drugs and Substances Act Narcotic Control Regulations* C.R.C., c. 1041 (as amended from time to time), whether you are aware of such activity or not;

- (13) whether directly or indirectly, in whole or in part, out of Terrorism or out of any activity or decision of a government, government agency or other entity to prevent, respond to or terminate Terrorism. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the claim;
- (14) fuel oil, except for loss or damage, or environmental cleanup costs caused by the sudden and accidental discharge or escape of fuel oil from a household-type storage tank or apparatus and pipes which feeds the dwelling's existing heating system. Coverage is not included for damage caused by continuous or repeated seepage or leakage;
- (15) any type of discrimination due to sex, age or marital status, colour, race, creed or national origin;
- (16) punitive or exemplary damages, meaning that part of any award by a court which is in excess of compensatory damages and is stated or intended to be punishment to you;
- (17) fungi and fungal derivatives;

This insurance shall not apply to:

a. "bodily injury", "property damage", "personal injury" or Medical Payments or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" or otherwise caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores"; or

b. any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or

c. any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

CONDITIONS

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

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

Co-operation: You are required to:

- (1) help us obtain witnesses, information and evidence about the accident and co-operate with us in any legal action if we ask you; and
- (2) immediately send us everything received in writing concerning the claim including legal documents;
- (3) in the event of a loss, after submission of the Proof of Loss, submit to examination under oath and produce for examination all documents that relate to the matters in question, and you shall permit extracts and copies to be made, all at such reasonable place and time as designated by us.

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

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

Action Against Us – Voluntary Payments for Medical Expenses and Property Damage : You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until 60 days after the required Proof of Loss Form has been filed with us.

Insurance Under More Than One Policy: If other valid insurance or indemnity exists protecting the insured or any person or organization entitled to protection hereunder from liability for Bodily Injuries, shock, mental anguish, sickness or disease, personal injury or damage to property of others, this policy shall be null and void in respect to such specific hazards otherwise covered, whether the insured is specifically named in said other policy or not; provided, however, that if the limits of insurance in this policy are in excess of the limits provided by said other insurance, this policy shall provide excess insurance against said hazard in an amount sufficient to give the insured a combined amount of protection equal to the limits of this policy.

ADDITIONAL COVERAGE

VOLUNTARY COMPENSATION FOR RESIDENCE EMPLOYEES

This coverage is automatically provided for all your occasional Residence Employees. It will be extended to your permanent Residence Employees, **IF SO STATED ON THE DECLARATION PAGE.**

DEFINITIONS

“You” and “your” in this Section refer to the Insured, as defined in Section II of the policy. “We” and “us” refer to the Company providing this insurance.

Words and phrases that appear in bold face have special meanings as defined below.

Employee means your residence employee, as defined in Section II of the policy.

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

Terrorism in this Section has the same meaning as in Section I.

COVERAGE

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

If your **employee** or any person acting on his or her behalf does not accept these benefits or sues you, we may withdraw our offer, but this will not affect your legal liability insurance.

An **employee** or any person acting on his or her behalf who accepts these benefits must sign a release giving up any right to sue you. We have the right to recover from anyone, other than you, who is responsible for the **employee’s** injury or death.

EXCLUSIONS

WE WILL NOT PAY BENEFITS:

1. for any hernia injury;
2. for injury or death caused by civil commotion, act of foreign enemy, invasion, war or civil war, **Terrorism**, insurrection, rebellion, revolution, military power or by operation of armed forces while engaged in hostilities, whether war be declared or not;
3. for injury or death caused by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion.

SCHEDULE OF BENEFITS

1. Loss of Life

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

- (a) to those wholly dependent upon him or her, a total of 100 times the **weekly indemnity** in addition to any benefit for temporary total disability paid up to the date of death; and
- (b) actual funeral expenses up to \$500.

2. Temporary Total Disability

If your **employee** temporarily becomes totally disabled from injuries received in the accident within the following 14 days and cannot work at any job, we will pay **weekly indemnity** up to 26 weeks while such disability continues. We will not pay for the first 7 days unless the disability lasts for 6 weeks or more.

3. Permanent Total Disability

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

4. Injury Benefits

If, as a result of the accident, your **employee** suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, we will pay **weekly indemnity** for the number of weeks shown. These benefits will be paid in addition to temporary total disability benefits but no others and for not more than 100 times the **weekly indemnity**.

For loss of:	No. of Weeks
1. Arm	
(a) at or above elbow or	100
(b) below elbow or	80
2. Hand at wrist or	80
3. *(i) Thumb	
(a) at or above the second phalangeal joint or	25
(b) below the second phalangeal joint, involving a portion of the second phalange or	18
* (ii) Index Finger	
(a) at or above the second phalangeal joint or	25
(b) at or above the third phalangeal joint or	18
(c) below the third phalangeal joint, involving a portion of the third phalange	12
* (iii) Any Other Finger	
(a) at or above the second phalangeal joint or	15
(b) at or above the third phalangeal joint or	15
(c) below the third phalangeal joint, involving a portion of the third phalange	5
4. Leg	
(a) at or above knee or	100
(b) below knee or	75
5. Foot at ankle or	75
6.** (i) Great Toe	
(a) at or above the second phalangeal joint or	15
(b) below the second phalangeal joint, involving a portion of the second phalange	8
(ii) Any Other Toe	
(a) at or above the second phalangeal joint or	10
(b) at or above the third phalangeal joint or	5
(c) below the third phalangeal joint, involving a portion of the third phalange	3
7. (i) One eye or	50
(ii) Both eyes	100
8. (i) Hearing of one ear or	50
(ii) Hearing of both ears	100

NOTE: For a combination of two or more of the items marked *, we will not pay more than 80 times the **weekly indemnity**.

For a combination of two or more items marked **, we will not pay more than 35 times the **weekly indemnity**.

Medical Expenses

If, as a result of the accident, your **employee** incurs medical expenses including surgical, dental, hospital, licensed nursing and ambulance

expenses within the following 26 weeks, we will pay up to a maximum of \$1000 in addition to all other benefits.

We will pay for the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5000.

WE DO NOT INSURE you for costs recoverable from other insurance plans.

SECTION III – OPTIONAL COVERAGE

OPTIONAL COVERAGE YOU MAY BUY

The following optional coverages apply only when they are indicated on the Declaration page and premiums are shown. The provisions of this policy apply to each optional coverage in this section unless modified by the terms of the specific optional coverage.

1. By-law Coverage

We will pay up to the amount shown for By-law Coverage on the Declaration page when the cost of repairing or improving or upgrading or replacing the Dwelling in a claim we cover under this policy is increased due to the operation of any by-law regulating the zoning, demolition, repair or construction of buildings and their related services.

2. Earthquake Damage

(Applicable to Coverage A, B and C)

We will pay for direct physical loss or damage to the property described in Section I of this policy caused by earthquake or volcanic eruption.

If more than one earthquake shock occurs in a 168 hour period, they will be considered a single earthquake, the effective date and time of which is the date and time of the first earthquake shock. We will not pay for any loss caused by an earthquake shock or volcanic eruption that occurs before this coverage is effective or after this policy or endorsement has terminated.

We do not insure loss or damage caused directly or indirectly by flood, waves, tidal waves, high water, waterborne objects or ice, whether or not caused by, resulting from, contributed to or aggravated by earthquake (earth movement) or volcanic eruption.

Direct loss that follows an earthquake or volcanic eruption and is caused by fire, explosion or theft is only insured under Section I of this policy.

This protection does not increase the amount of insurance provided under this section.

The deductible applying to this coverage is shown on the Declaration page.

3. Property in Storage

In consideration of the additional premium shown on the Declaration page, it is agreed and understood that we insure your personal property in storage against loss or damage caused by the following perils as described and limited to: Fire or Lightning, Explosion, Theft, or Vandalism or Malicious Acts.

Coverage hereunder commences to run on the date and time this endorsement is added to your policy and will terminate on the earliest date and time of the following:

- (a) The expiry of the policy to which this endorsement is attached; or
- (b) 12:01 am on the ninetieth (90th) day following the day on which this endorsement was added to your policy.

This coverage does not increase the amount of insurance provided under Section I of the policy.

This coverage is subject to the applicable deductible(s) shown on the Declaration page.

All other terms, limitations and conditions of the policy to which this endorsement is attached apply.

4. **Water Damage Extension**

When this coverage is purchased, coverage for the damages caused by the escape of water from a sewer, drain, sump, or septic tank on your Premises, up to the limits specified on the Declaration page, is afforded.

This coverage does not increase the amount of insurance provided under this section.

This coverage is subject to the applicable deductible(s) shown on the Declaration page.

All other terms and conditions of the policy remain unchanged.

5. **Single Limit of Insurance**

This coverage provides a single limit of insurance for on-Premises losses at the insured Dwelling location equal to the total of the separate limits afforded under the following coverages: A – Dwelling Building; B – Detached Private Structures; C – Personal Property and D – Additional Living Expenses.

If however, due to operation of “home replacement cost guarantee”, the amount payable for a loss, that we cover, to Dwelling or detached private structures, exceeds the Coverage A or B limit shown in the Declaration page, this single limit of insurance feature applies only to the total of the separate limits afforded for Coverage C and D. The “home replacement cost guarantee” over-rides this single limit of insurance.

This protection does not increase the amount of insurance provided under Section I of this policy.

This coverage is subject to the applicable deductible(s) shown on the Declaration page.

6. **Tool Floater**

INSURING AGREEMENT

In consideration of the premium stated on the Declaration page and subject to the terms, provisions and conditions specifically stated in this endorsement, the Insurer agrees to indemnify the Insured for loss, destruction or damage, by the perils insured against below, to the property specified in the schedule for not more than the limit set opposite the respective item(s). All other terms, limitations and conditions of the policy to which this endorsement is attached apply.

PERILS INSURED AGAINST

This form insures against direct physical loss or damage caused by:

- (a) fire or lightning, explosion of natural or manufactured gas or earthquake;
- (b) windstorm or hail;

- (c) sprinkler leakage;
- (d) flood (meaning the rising of navigable waters);
- (e) collision, derailment or overturning of land conveyances while the insured property is being transported thereon;
- (f) collapse of docks, bridges and culverts;
- (g) stranding, sinking, fire or collision, including general average and salvage charges, while being transported on a regular ferry;
- (h) burglary or theft, and
- (i) strikes, riot, civil commotion, vandalism or malicious damage.

DEDUCTIBLE CLAUSE

We are liable only for the amount by which any loss covered under this endorsement exceeds the sum of \$100 in any one occurrence unless specified otherwise on the Declaration page.

LOSSES EXCLUDED

This endorsement does not insure against:

- (a) loss or damage by theft resulting from infidelity or any dishonest act you, your employees or agents or any person or persons to whom the insured property is entrusted (bailees for hire excepted);
- (b) any mysterious disappearance;
- (c) loss of or damage to electrical apparatus (including wiring) caused by artificial electricity unless fire or explosion ensues and then only for loss or damage caused by such ensuing fire or explosion;
- (d) loss or damage sustained while the property insured is being worked upon and directly resulting therefrom unless fire or explosion ensues and then only for loss or damage caused by such ensuing fire or explosion; or
- (e) loss or damage resulting from loss of use.

SPECIAL CONDITIONS

Locked vehicle warranty: There is no liability under this endorsement for loss or damage caused by theft of your property while in or on any vehicle or trailer, unless the loss follows forcible entry (of which there must be visible evidence) into a fully enclosed body or luggage compartment, the doors and windows of which have been locked.

Other Insurance: Where there is any other valid insurance providing indemnity for loss for which this endorsement provides indemnity, we shall be liable only for our rateable proportion of the loss.

DEFINITIONS

Burglary: means theft following the felonious entry into or exit from the premises by actual force and violence of which there shall be visible marks upon the premises at the place of such entry or exit.

Replacement Cost does not apply to this coverage, and all losses hereunder will be settled for their actual cash value.

The amount(s) of insurance scheduled hereunder are in addition to the limit of insurance in Section I – Coverage C – Personal Property, and items scheduled hereunder are not covered under Coverage C – Personal Property.

CONDITIONS REQUIRED BY LAW

All conditions set forth under the titles Statutory Conditions and Additional Conditions in this policy apply with respect to all insurance

provided by this policy and any forms or endorsements attached hereto, included with this policy or printed in this policy except as these Conditions may be modified or supplemented by the forms or endorsements within or attached to or included with the policy documents.

STATUTORY CONDITIONS

ALL PROVINCES AND TERRITORIES (excluding Quebec)

1. **MISREPRESENTATION** – If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
2. **PROPERTY OF OTHERS** – Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.
3. **CHANGE OF INTEREST** – The Insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy Act (Canada)* 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 avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
5. **TERMINATION** –
 - (1) This contract may be terminated,
 - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - (b) by the Insured at any time on request.
 - (2) Where this contract is terminated by the Insurer,
 - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the *pro rata* premium for the expired time, but, in no event, shall the *pro rata* premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or 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 (1)(a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. REQUIREMENTS AFTER LOSS –

- (1) Upon the occurrence of any loss or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
 - (a) forthwith give notice thereof in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other Insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the property insured was at the time of loss;
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
 - (2) The evidence furnished under clauses (1) (c) and (d) 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 vitiates 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 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 interest of the parties.

10. **ENTRY, CONTROL, ABANDONMENT** – After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

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 is 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 a claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

In those jurisdictions where shortening or abridging a limitation period prescribed by statute is prohibited, every action or proceeding against the Insurer shall be commenced within such prescribed limitation 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 or Territory. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to the him at his latest post office address as notified to the Insurer. In this condition, the expression “registered” means registered in or outside Canada.

ADDITIONAL CONDITIONS

In the following paragraphs “Insured” means the person(s) named as insured on the Declaration page.

- I. **NOTICE TO AUTHORITIES.** Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.
- II. **NO BENEFIT TO BAILEE.** This insurance shall in no way enure directly or indirectly to the benefit of any carrier or other bailee.
- III. **PAIR AND SET.** In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of a set.
- IV. **PARTS.** In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damage, including the cost of installation.
- V. **SUE AND LABOUR.** It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute *pro rata* towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.
- VI. **BASIS OF SETTLEMENT.** Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
- VII. **SUBROGATION.** The Insurer, upon making any payment or assuming liability therefore under this policy, shall be subrogated to all rights of recovery of the Insured or the person to who or on whose behalf payment is made hereunder against any person, and may bring action in the name of the Insured or such person to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

LIBERALIZATION CLAUSE

If, after the issuance of this policy and before its expiration, there be adopted and published by the Insurer for use in this Province, any forms, endorsements or rules by which the insurance provided by this policy could be extended or broadened without additional premium charge, either by endorsement or substitution of form, then, as to loss occurring after the effective date of such adoption and publication, such extended or broadened insurance shall enure to the benefit of the Insured hereunder as though such endorsement or substitution of form has been made.

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

SHORT RATE CANCELLATION TABLE

Number of Days	Percentage
0	100%
1-15	87%
16-30	81%
31-45	78%
46-60	75%
61-75	69%
76-90	65%
91-105	61%
106-120	57%
121-135	53%
136-150	50%
151-165	49%
166-180	48%
181-195	45%
196-210	40%
211-225	35%
226-240	27%
241-255	24%
256-270	20%
271-285	17%
286-300	14%
301-315	10%
316-330	7%
331-345	4%
346-365	0%