

DOLCE VITA HOMEOWNERS POLICY

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

INSURING AGREEMENT

We provide the insurance described in this policy in return for payment of the premium and subject to the terms and conditions set out. All amounts of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

The Declaration page summarizes the coverage you have selected and the premiums and limits that apply to them. Among other things, the Declaration page identifies the policyholder and the policy term.

Only losses or claims that occur within the policy term shown on the Declaration page will be covered under this policy. There will be no coverage for any loss or claim that occurred or was in progress prior to the policy period inception date or after the policy period expiry date shown on the Declaration page.

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

This form consists of three Sections:

SECTION I describes the insurance for your property.

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

SECTION III describes **OPTIONAL COVERAGES** you have purchased for an additional premium.

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

SECTION I INSURANCE ON YOUR PROPERTY

Definitions

"You" or **"your"** means the person(s) named in the Declarations and, while living in the same household, his or her spouse, the relatives of either or any person under 21 in their care. This also includes any full time student at school, college or university; who is dependant on the named insured or spouse of the named insured. Spouse means either of two persons who have entered into a marriage, 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 legally adoptive parents of a child, for a period of 1 year.

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

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

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

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

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

"Vacant" means that regardless of the presence of furnishings, the occupants have moved out with no intention of returning, and no occupant has yet taken up residence; or in the case of a newly constructed dwelling, no occupant has yet taken up residence.

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

"Business Property" means property of any description related to a business pursuit conducted on the premises or elsewhere.

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

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

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

"Ice Damming" means the buildup of ice and water on the roof, or within the eavestrough and downspout system, caused by repeated thawing and freezing of ice and snow within the eavestrough and downspout system.

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

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

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

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

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

"Collection" means a group of related objects of the same type.

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

"Specified Perils" means the following, subject to the exclusions and conditions in this policy:

1. Fire;
2. Lightning;
3. Explosion of coal, natural or manufactured gas;
4. Smoke due to a sudden, unusual and faulty operation of a fireplace, or of any heating or cooking unit in or on the premises;
5. Falling object means a falling object which strikes the exterior of the building but not objects which strike the building because of snowslide, landslide or any other earth movement;
6. Impact by aircraft or land vehicle, animals are not insured under this peril;
7. Riot;
8. Vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
9. Water damage meaning damage caused by:
 - a. the sudden and accidental escape of water from a watermain;
 - b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler, air conditioning system or domestic appliance, which is located inside your dwelling;
 - c. the sudden and accidental escape of water from a domestic appliance located outside your dwelling. However, such damage is not covered when the escape of water is caused by freezing;

- d. water which enters through an opening which has been created suddenly and accidentally by an Insured Peril;
 - e. the backing up or escape of water from an eavestrough or down spout, or by ice damming, provided the water has not entered the ground and seeped through a basement or foundation wall.
10. Windstorm or hail, excluding loss or damage caused by weight of ice, snow or sleet, waves or floods, all whether driven by wind or not. This peril does not include loss or damage to your personal property within a building, caused by windstorm, hail or coincidental rain damage unless the storm first creates an opening in the building.

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

11. Transportation meaning loss or damage to your personal property while it is temporarily removed from your premises, caused by collision, upset, overturn, derailment, stranding or sinking of any motorized vehicle or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to property in a vacation or home trailer which you own or any watercraft, their furnishings, equipment or motors.

Coverage A - Your Principal Residence

We insure:

1. The principal dwelling and attached structures.
2. Permanently installed outdoor equipment on the premises.
3. Outdoor swimming pool and attached equipment on the premises.
4. Materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of your dwelling or private structures on the premises. We insure against the peril of theft only while your dwelling is completed and ready to be occupied but no occupant has yet taken up residence.
5. Temporary car shelters, once installed on the premises.

We do not insure losses or increased costs of repair due to the operation of any law that regulates the zoning, demolition, repair or construction of buildings or other private structures on the premises, and their related services, except as otherwise stated under the Basis of Claims Settlement section of this policy.

Tear Out

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

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

Building Fixtures and Fittings

You may apply up to 10% of the total amount of insurance on your dwelling to insure building fixtures and fittings 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 a fence, utility line or similar connection only, they are considered to be detached structures. If there is more than one detached structure or building, the available insurance under Coverage B will be proportioned among them, depending upon your election under Basis of Claims Settlement.

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

Coverage C - Your Personal Property

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

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

We do not insure loss or damage to motorized vehicles, trailers, camper units, truck caps and aircraft or their equipment. We do insure, lawn

mowers, other gardening equipment, snow blowers, remote controlled caddies, golf carts, motorized wheelchairs, wheelchair-scooters, electric personal mobility assistive devices and watercraft, other than personal watercraft powered by a jet-pump propulsion system. The word "equipment" includes audio, visual, recording or transmitting equipment designed to be specifically powered by the electrical system of a motor vehicle or aircraft.

2. We insure your personal property as described in subsection 1, while it is temporarily away from your premises, anywhere in the world. If you wish, we will include personal property belonging to others while it is in your possession or belonging to a residence employee traveling with or for you.

Personal property while situated at any location you own, rent or occupy, other than the principal residence, is insured up to \$10,000.

3. The personal property of a student, who is insured by this policy but is temporarily residing away from home for the purpose of attending a school, college or university, is insured at the student's residence up to the amount of insurance for Coverage C.
4. We insure the personal property of your father and/or mother or your spouse's father and/or mother who are living in a nursing home or a home for the aged, but who are in your legal custody, up to the amount of insurance for Coverage C. We will also insure the personal property of physically or mentally challenged persons, who are in your legal custody, while residing in a facility designed for the care of such persons.
5. If you are moving your personal property from your principal residence to a new location in Canada which you intend to occupy as your new principal residence, your limit of insurance on personal property may be apportioned among and applied at your present principal residence, your new one, and in transit between them. This extension comes into effect on the day that you actually commence the physical transfer of your personal property from the old premises to the new premises, and terminates 60 consecutive days afterwards or on any termination of the policy, whichever occurs first.
6. We insure your personal property damaged by change of temperature resulting from physical damage to your dwelling or equipment by an Insured Peril. This only applies to personal property kept in the dwelling.

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

Special Limits of Insurance

1. Securities up to \$10,000 in all.
2. Books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, passports, tickets and documents or other evidence to establish ownership or the right or claim to benefit, for an amount up to \$7,500 in all.
3. Money, bank notes or bullion up to \$1,000 in all.
4. Watercraft, their trailers, furnishings, equipment, accessories and motors up to \$6,000 in all, except we do not cover personal watercraft powered by a jet-pump propulsion system. Loss or damage from windstorm or hail is only insured if they were inside a fully enclosed building. Canoes and rowboats are also insured while in the open.
5. Tools, instruments, clothing, goods and other property pertaining to a business up to \$10,000 in all (on the premises).
6. Tools, instruments, clothing, goods and other property pertaining to a business up to \$5,000 in all (off premises).
7. Books pertaining to a business up to \$25,000 in all.

The following special limits of insurance do not apply to any claim caused by a Specified Peril:

8. We insure the following personal property up to a global limit of \$50,000 per claim:
 - Jewellery, watches, gems, fur garments and garments trimmed with fur;
 - Numismatic property (such as coin collections);
 - Manuscripts, stamps and philatelic property, (such as stamp collections);
 - Silverware, silver-plated ware, goldware, gold-plated ware and pewterware.
9. Any one bicycle, tricycle or unicycle up to \$3,000 per item, inclusive of equipment and accessories.
10. Works of art, such as paintings, photographs, drawings etchings, prints and lithographs, including their frames, sculptures, statuary and antiques, and hand-made rugs and tapestries up to \$20,000 in all.

11. Collectibles, including but not limited to sports cards, artistic personality cards, sports memorabilia and comic book collections, up to \$3,000 in all. The maximum is \$250 for any one item.
12. Collections up to \$6,000 in all.

Limitation of Coverage - Business Use of Premises

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

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

1. School, if not more than three students are involved at any one time;
2. Babysitting or daycare, if not more than three children under the age of 12 are involved at any one time, including your own children;
3. Storage of merchandise not exceeding \$5,000 in value.

Coverage D - Additional Living Expense/Fair Rental Value

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

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

If a civil authority prohibits access to your dwelling as a direct result of damage to neighbouring premises by an Insured Peril under this form, we insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding 2 weeks.

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

Insured Perils

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

Loss or Damage not Insured

We do not insure:

1. buildings or structures used in whole or in part for business or farming purposes or business property pertaining to a business actually conducted on the residence premises, or business property away from the residence premises, other than as provided and limited under the Special Limits of Insurance, unless stated in the Declarations;
2. retaining walls, except for fire, lightning, impact by aircraft or land vehicle, or vandalism or malicious acts;
3. animals, birds or fish unless the loss or damage is caused by a Specified Peril, but not by impact by aircraft or land vehicle;
4. samples, goods and other property at any fairground, exhibition or exposition for the purpose of exhibition or sale;
5. any property illegally acquired, used, kept, stored, imported or transported or any property subject to forfeiture;
6. property of roomers or boarders;
7. securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right or claim to a benefit, other than as provided and limited under Special Limits of Insurance;
8. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
9. marring or scratching of any property unless caused by a Specified Peril, impact by watercraft, or theft or attempted theft;
10. loss or damage caused by breakage of fragile or brittle articles, including figurines, china, porcelain, statuary, glassware and bric-a-brac, unless

caused by a Specified Peril, impact by watercraft, or theft or attempted theft;

11. wear and tear, deterioration, defect, design fault or mechanical or electrical breakdown, rust or corrosion, extremes of temperature, wet or dry rot, fungi or spores, and contamination except that resulting damage by an insured peril is covered;
12. inherent vice or latent defect;
13. the cost of making good faulty material or workmanship or any damage that occurs due to any fault in design except that resulting damage by an insured peril is covered;
14. against loss or damage caused directly or indirectly by the failure of any computer or other equipment, including embedded microchips, computer programme or software to correctly read, recognize, process, distinguish, interpret or accept any date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to any loss caused by a Specified Peril;
15. data, or loss or damage caused directly or indirectly by data problem. However, if loss or damage caused by data problem results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, water damage, all as described Specified Perils, this exclusion shall not apply to such resulting loss or damage;

We do not insure loss or damage:

16. resulting directly from settling, expansion, contraction, moving, bulging, buckling or cracking of pavements, patios, foundations, walls, floors, roofs or ceilings, except resulting damage to building glass;
17. occurring after your dwelling has become vacant for a period in excess of 30 consecutive days;
18. caused directly or indirectly by:
 - a. any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of coal, natural or manufactured gas;
 - b. contamination by radioactive material;
19. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
20. caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;
21. resulting from an intentional or criminal act or failure to act by:
 - a. any person insured by this policy; or
 - b. any other person at the direction of any person insured by this policy;
 - c. any tenant; tenants' guests, tenants' boarders, or tenants' employees; or any member of the tenants' household, whether you have any knowledge of these activities or not;
22. caused by theft or attempted theft by any tenant or tenant's guest, any boarder, or any 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;
23. arising directly or indirectly from the growing, manufacturing, processing, storing, possession or distribution, by anyone of any drug, narcotic or illegal substances or items of any kind. This includes any alteration of the premises to facilitate such activity whether or not you have any knowledge of such activity;
24. to personal property undergoing any process involving the application of heat, or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
25. caused directly or indirectly by animals owned by or in the care, custody or control of anyone included in the definition of "you" and "your", except for ensuing loss or damage caused by fire;
26. caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, sprinkler or air conditioning system, or domestic appliance, including but not limited to a waterbed, aquarium, hot tub, whirlpool, or swimming pool;
27. caused by birds, vermin, skunks, rodents, including raccoons and squirrels), bats or insects, except for resulting damage caused by fire, and loss or damage to building glass caused by birds;
28. caused by smoke from agricultural smudging or industrial operations;

29. resulting directly from earth movement, meaning any loss caused by, resulting from, contributed to or aggravated by: earthquake, snowslide, landslide, mudflow, earth sinking, rising or shifting, unless fire, explosion or breakage of glass or safety glazing material which is part of a building, storm door or storm window, ensues and then we will pay only the resulting loss;
30. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant even if permission for construction or vacancy has been given by us;
31. resulting from a change in ownership of property, whether agreed to or not, even if that change was brought about by trickery or fraud;
32. caused by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants; unless, as indicated in "Domestic Fuel Leakage" under the "Special Coverage Features" section of this policy;
33. caused by theft or attempted theft of property in or from a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and ready to be occupied;
34. caused by flood, surface water, spray, waves, storm surge, tides, tidal waves, 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 watermain, swimming pool or equipment attached;
35. caused by water unless the loss or damage resulted from:
 - a. the sudden and accidental escape of water from a watermain;
 - b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler, air conditioning system or domestic appliance, which is located inside your dwelling;
 - c. the sudden and accidental escape of water from a domestic appliance located outside your dwelling. However, such damage is not covered when the escape of water is caused by freezing;
 - d. water which enters through an opening which has been created suddenly and accidentally by a Specified Peril other than water damage;
 - e. the backing up or escape of water from an eavestrough or down spout, or by ice damming, provided the water has not entered the ground and seeped through a basement or foundation wall;

We do not insure loss or damage:

- i. caused by continuous or repeated seepage or leakage of water;
- ii. caused by the backing up, escape or overflow of water from a sewer, sump or septic tank, retention tank, French drain or water leader;
- iii. caused by ground water or rising of the water table;
- iv. caused by surface waters, unless the water escapes as described in a. above;
- v. to a watermain;
- vi. to a system or appliance from which the water escaped;
- vii. caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
- viii. occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
- ix. caused by freezing of any part of a plumbing, heating, sprinkler, air conditioning system or domestic appliance unless within a portion of your dwelling heated during the usual heating season;
- x. caused by freezing during the usual heating season within a heated portion of your dwelling if you have been away from your premises more than 7 consecutive days;

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

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

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

Special Coverage Features

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

Safety Deposit Box

We will pay up to \$20,000 for loss or damage to your Personal Property while contained in a Bank (or Trust Company) Safety Deposit Box caused by any of the Insured Perils which apply to Coverage C, Personal Property.

The deductible applies to this coverage.

Debris & Protective Removal

This coverage may be applied to Coverage A, B or C

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

If the amount payable for loss, including expense for debris removal, is greater than the Limit of Insurance under Coverage A, B or C, an additional 5% of that limit will be available to cover debris removal expense.

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

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

Inflation Guard

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

- 2 months after inception - increased to ¼ of the BIR
- 5 months after inception - increased to ½ of the BIR
- 8 months after inception - increased to ¾ of the BIR
- 11 months after inception - increased to the full BIR

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

Outdoor Greenery

You may apply up to 5% in all, of the amount of insurance on your dwelling to trees, plants, shrubs and lawns on your premises. We will not pay more than \$2,000 for any one tree, plant or shrub including the cost of removing its debris.

We insure these items against loss caused by fire, theft, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts. We do not insure items or lawns grown for commercial purposes.

The deductible applies to this coverage.

Mortgage Rate Protector

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

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

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

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

Mass Evacuation

We will pay any necessary and reasonable increase in living expense and fair rental value up to the limit of insurance for coverage D incurred by you while access to the residence premises is prohibited by order of civil authority, but only when such order is given for a mass evacuation as a direct result of a sudden and accidental event.

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

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

1. flood meaning waves, tides, tidal waves and the rising of, or the breaking out of, or the overflow of, any body of water, whether natural or man-made;
2. earthquake, unless the Earthquake peril is added to this policy by a Section III form;

3. caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage;
4. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
5. nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.

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

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

This coverage is not subject to a deductible.

Fire Department Charges

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

This coverage is not subject to a deductible.

Lock Replacement

If your exterior door keys are lost or stolen, your policy provides up to \$1,000 to re-key your locks or to repair or replace them if it is not possible to re-key them. If your car keys are stolen, we will pay up to \$1,000 to re-key your locks or to repair or replace them if it is not possible to re-key them. You must notify us within 72 hours of the discovery of the keys being lost.

This coverage is not subject to a deductible.

Frozen Food Protection

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

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

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

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

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

The deductible applies to this coverage.

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

We will pay for:

1. Your legal obligation to pay because of the theft or unauthorized use of credit cards issued to you or registered in your name provided you have complied with all of the conditions under which the card was issued;
2. loss caused by the theft of your automated teller card provided you have complied with all of the conditions under which the card was issued;
3. loss to you caused by forgery or alteration of cheques, drafts or other negotiable instruments;
4. loss by your acceptance in good faith of counterfeit Canadian or United States paper currency.

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

The most we will pay under this coverage during the term of this policy is \$25,000.

This coverage is not subject to a deductible.

Reward Coverage

We will pay up to \$1,000 to any individual or organization for information leading to the arrest and conviction of any person(s) who robs from any person insured under this policy or steals, vandalizes, burglarizes or commits arson to any covered property. Regardless of the number of persons providing information, payment will not exceed \$1,000 in total.

Personal Records Stored in a Personal Computer

We will pay up to \$10,000 to recreate personal records stored in a home computer located on your residence premises if the loss of those records is caused by a covered peril. This coverage does not apply to business records stored in the personal computer.

The deductible applies to this coverage.

Funeral Monuments

Funeral monuments situated in a burial place for any amount not exceeding \$10,000, but only if loss or damage is caused by a Specified Peril as defined in this policy.

Domestic Fuel Leakage

We will pay for loss or damage caused directly to property by the sudden and accidental escape or overflow of domestic fuel from your fixed tanks or supply pipes.

We do not insure:

- a. Loss or damage:
 - i. to sewers;
 - ii. to a system, tank or appliance from which the fuel oil escaped;
 - iii. caused by continuous or repeated seepage or leakage;
- b. Loss or damage occurring while the dwelling is under construction or vacant, even if we have given permission for construction or vacancy.

Loss of Income

If your dwelling or part thereof are rendered unusable, we will reimburse you for loss of income if you or your spouse must be away from work following the loss and during the loss settlement procedures, up to a maximum daily limit of \$250 and for a maximum of 10 days. This extension of coverage also applies if the dwelling or detached private structures are rented to others, provided they are covered under the present policy.

Automatic Insurance for Substitute Residence

The following paragraph applies to each of Coverage A, B or D to the extent that insurance has been purchased for each such coverage:

In the event that you purchase a new residence in substitution for the residence insured under this policy, and provided that we are notified of such purchase within thirty (30) days of registration of the conveyance of title of such residence to you, then for a period of thirty (30) days before and after that registration all insurances under this policy shall be in effect at both residences, for your benefit.

Additional Babysitting Costs

If your dwelling, or part thereof, is rendered unusable, we will reimburse you for Additional Babysitting Costs following the loss and during the loss settlement procedures, up to a maximum daily limit of \$50 and for a maximum of 10 days. We will pay for children below the age of 14. This extension of coverage also applies if the dwelling or detached private structures are rented to others, provided they are covered under the present policy.

Wine Coverage Extension

We insure your wine, on the premises, for replacement cost against all risk of direct physical loss or damage subject to the terms and conditions of this form, for an amount up to \$10,000 in all. Such property is also covered while away from the premises for an amount up to \$2,000, but this limit of insurance does not apply when the wine is stored in the cellars of a wine club or similar location.

Wine is defined as an alcoholic or non-alcoholic beverage produced by the fermentation of grapes at a commercial winery, including wine containers and their contents, storage units, climate control systems, wine cellar furnishings and accessories, all associated with the wine.

Under this extension, we do not insure:

- a. any property carried or held as samples, or for sale or for delivery after sale;
- b. loss or damage to wine caused by spoilage, or any loss due to sudden and accidental spoilage due to:
 - i. change in temperature or temperature extremes due to loss of utility service or power supply, or mechanical or electrical breakdown of climate control equipment;
 - ii. extremes in humidity;
 - iii. vibration, or
 - iv. light.

Permissions Granted

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

- a. make alterations, additions and repairs to the dwelling that you occupy. (You may, however, need to request an increase in your Limits of Insurance.) We must be notified within 30 days of the commencement of any addition, extension or improvement that may increase the full replacement cost of the dwelling by \$10,000 or more.

- b. keep and use reasonable and normal quantities of fuel oil, L.P.G. gasoline, benzene, naphtha or other similar materials.

Basis of Claims Settlement

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

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

If any property is subject to more than one limitation, only the lowest limitation will apply.

Deductible

All coverages under Section I are subject to a deductible, unless otherwise stated. The deductible amount is shown on the Declaration page.

We pay only the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible in any one occurrence. If your claim exceeds \$25,000, the deductible will no longer apply in all cases where the applicable deductible is up to and including \$1,000.

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

For your Principal Residence, you are entitled to a decreasing deductible of \$100 for every year that you have been continuously insured from the inception date of this policy, and for which you are claims free. At the end of the fifth year, the deductible will reduce by \$500. The maximum reduction in your deductible is limited to \$1,000.

Single Limit

Single Limit means that the separate limits for Coverages A, B, C and D are cumulative.

If the loss or damage occurs that is covered by this policy, and if one or more of the separate Coverage A, B, C, D limits are exhausted, you may apply the unused part(s) of the remaining separate limits to make up any shortfall under an exhausted one. This coverage does not alter any underlying limits in the policy.

If due to Guaranteed Replacement Cost, the amount payable for your dwelling exceeds the Coverage A limit shown in the Declaration page, this additional amount will not affect the remaining combined limit of Coverages B, C, and D.

Your Principal Residence and Detached Private Structures

For damage to your dwelling and/or detached private structures you may choose as the basis of loss settlement either 1 or 2.

1. The Guaranteed Replacement Cost, in which case we will pay the actual cost of repairs or replacement even if it is more than the amount of insurance for Coverage A, provided:
 - a. the amount of insurance for Coverage A shown on the Declaration page:
 - i. on the inception date of the policy; or
 - ii. the most recent renewal date; or
 - iii. as the increased amount under the inflation protection coverage on the date the increase took effect;was not less than 100% of the cost to replace the dwelling, as determined by a valuation guide acceptable to us; and
 - b. Repair or replacement is effected on the same location with materials of similar quality within a reasonable time after the loss or damage;
 - c. The building occupancy is the same as prior to the loss;
 - d. You notify us within 30 days of completion of any addition, extension and/or improvement that increases the value of your Principal Residence building by \$10,000 or more of the building limit shown in the Declaration page.
2. Replacement Cost; means the cost of repairs or replacement (whichever is less) without deduction for depreciation, subject to the applicable amount of insurance as stated on the Declaration page.

In determining the actual cost of repairs or replacement, any increased cost that results from the operation of any law, by-law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services will be limited to a maximum of 15% of the Coverage A limit applicable at the time of loss or damage.

If you fail to comply with the provisions set out in 1., settlement will be as in 2.

If you decide not to repair or replace the damaged or destroyed dwelling or detached private structure, we will indemnify you on the Replacement Cost basis.

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

Personal Property

For loss or damage to Personal Property, subject to the applicable limit of insurance we will pay the actual cost, of repairs or replacement (whichever is less) at the time of the loss with new property of similar kind and quality, without deduction for depreciation, regardless of whether you decide to repair or replace the Personal Property.

This is subject to the condition that property, at the time of loss, was useable for its original purpose.

For damage to:

1. articles that cannot be replaced with new articles because of their inherent nature including antiques, fine arts, paintings and statuary;
2. articles for which their age or history substantially contributes to their value, such as memorabilia, souvenirs, and collectors items;
3. property that has not been maintained in good or workable condition;
4. property that is no longer manufactured or no longer available;

the claim settlement shall be based on property of like quality and capable of performing the same function.

Insurance Under More Than One Policy

If you have insurance on specifically described property, this policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

In all other cases, we will pay our ratable proportion of the loss or claim under this policy.

Conditions

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

Notice to Authorities

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

Sue and Labour

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

Subrogation

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

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

No Benefit to Bailee

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

Pairs, Sets and Parts

In the event of a covered loss to pair, set or parts of an article which consists of several parts when complete, we have the option to:

- repair or replace any part to restore the property to its value before the loss; or
- pay the difference between the value of the property before and after the loss.

However, if you agree to surrender the undamaged article(s) of the pair, set or parts to us we agree, we will pay the full replacement cost of the entire pair, set or parts.

SECTION II INSURANCE ON YOUR LIABILITY TO OTHERS

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

Definitions

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

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without the owner's permission;
2. a residence employee while performing duties in connection with the ownership, use or operation of motorized vehicles and trailers for which coverage is provided in this form;
3. your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the insured premises;
4. any person who is insured by this form at the time of your death and who continues residing on the insured premises.

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

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

Personal Injury means:

1. false arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution, unfair discrimination, humiliation;
2. libel, slander, defamation of character, wrongful entry or invasion of rights of privacy.

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

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

"**Weekly Indemnity**" means two-thirds of your employee's weekly wage at the date of the accident, but we will not pay more than \$200 per week.

"**Premises**" has the same meaning as in Section I. It also includes:

1. other seasonal and residential premises specified in the Declarations except business premises and farms.
2. individual or family cemetery plots or burial vaults.
3. vacant land in Canada you own or rent, excluding farm land.
4. land in Canada where an independent contractor is building a one or two-family residence to be occupied by you.
5. premises you are using or where you are temporarily residing if you do not own such premises.
6. a swimming pool on your premises.
7. provided they are not insured under any other policy, premises contained within the lot lines on which your new principal residence in Canada is situated, from the date you acquire ownership of or occupy the premises but not beyond the earlier of 30 consecutive days or the date the policy expires or is terminated.

"**Business or Business Pursuits**" means any continuous regular full-time or occasional activity of any kind undertaken for financial gain including a trade, profession or occupation.

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

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

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

Coverages

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

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

Coverage E - Your Liability Protection

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

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

You are insured for claims made against you arising from:

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

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

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

If the dwelling described on the Declaration page is not occupied by you as a principal residence, you are only insured for legal liability arising out of the ownership, use or occupancy of the premises described on the Declaration page.

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

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

- a. damage to property you own, use, occupy, or rent or lease from others;
 - b. damage to property in your care, custody or control;
 - c. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
 - d. bodily injury to you or to any person residing in your household other than a residence employee;
 - e. claims arising from liability you have assumed by contract with a railway company.
3. **Tenants' Legal Liability:** legal liability for property damage to premises of others or the contents contained therein belonging to others, which you are using, renting or have in your custody or control, provided such property damage is caused by fire; explosion; sudden and accidental water damage including escape of water from a waterbed or aquarium, hot tub, whirlpool or swimming pool; or smoke; all as defined or limited in Section I.

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

4. **Employers' Liability:** legal liability for bodily injury to residence employees arising out of and in the course of their employment by you.

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

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

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

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

5. Personal Injury - As Defined

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

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

Except as noted in the foregoing endorsement all conditions, exclusions and limitations of the policy remain in full force and effect.

Defence, Settlement Supplementary Payments

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

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

1. all expenses which we incur;
2. all costs charged against you in any suit insured under Coverage E;
3. any interest accruing after judgement on that part of the judgement which is within the limit of insurance of Coverage E;
4. premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the limit of insurance, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this form;
6. reasonable expense, except loss of earnings, which you incur at our request.

Coverage F - Voluntary Medical Payments

We will pay reasonable expenses incurred within 1 year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured on your premises. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses. Medical expenses for residence employees are insured.

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

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

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

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

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

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

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

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

Coverage G - Voluntary Payment for Damage to Property

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by anyone included in the definition of "you" or "your" of Section II of this form, 12 years of age or under.

You are not insured for claims:

1. resulting from the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is provided by this form;

2. for property you or your tenants own or rent;
3. which are insured under Section I;
4. caused by the loss of use, disappearance or theft of property.

Basis of Payment

We will pay whichever is the least of the following:

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

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

Within 60 days after the loss, you must submit to us (under oath if required) a PROOF OF LOSS FORM containing the following information:

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

If necessary, you must help us verify the damage.

Coverage H - Voluntary Compensation for Residence Employees

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

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

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

An injured employee will, if requested:

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

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

We will not pay benefits:

1. unless your employee was actually performing duties for you when the accident happened;
2. for any hernia injury;
3. for injury or death caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
4. for injury or death caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.

Schedule of Benefits

1. Loss of Life

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

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

2. Temporary Total Disability

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

3. Permanent Total Disability

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

4. Injury Benefits

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

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

FOR LOSS OF:	Number of Weeks
A. One or more of the following:	
Hand	100
Arm	100
Foot	100
Leg	100
B. One finger or toe..... 25	
OR	
More than one finger or toe	50
C. One eye..... 50	
OR	
Both eyes	100
D. Hearing of one ear..... 25	
OR	
Hearing of both ears.....	100

5. Medical Expenses

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

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

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

Special Limitations

Watercraft

Watercraft You Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your ownership, use or operation of watercraft equipped with an outboard motor or motors of not more than 19 kW (25hp) in total when used with or on a single watercraft. You are also insured if your watercraft has an inboard or an inboard-outboard motor of not more than 38 kW (50 hp) or for any other type of watercraft not more than 8 metres (26 feet) in length, excluding personal watercraft powered by a jet-pump propulsion system.

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

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

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

You are not insured for damage to the watercraft itself.

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

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

Motorized Vehicles

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

1. self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 19 kW (25 hp) used or operated mainly on your property;
2. motorized golf carts while in use on a golf course;
3. motorized wheelchairs (including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability; and electric personal mobility assistive devices when used in compliance with the Highway Traffic Act and local or municipal by-laws).

Vehicles You Do Not Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your use or operation of any self-propelled land vehicle, amphibious vehicle or air cushion vehicle including their trailers, which you do not own, provided that:

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

You are not insured for damage to the vehicle itself.

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

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

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

Trailers

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

Business Pursuits and Business Property

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

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

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

Loss or Damage Not Insured

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

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. directly or indirectly, in whole or in part, out of Terrorism or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the bodily injury or property damage;
3. bodily injury or property damage caused directly or indirectly by:
 - a. any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of coal, natural or manufactured gas;
 - b. contamination by radioactive material;

4. your business or any business use of your premises except as specified in this policy;
5. arising directly or indirectly from the growing, manufacturing, processing, storing, possession or distribution, by anyone of any drug, narcotic or illegal substances or items of any kind. This includes any alteration of the premises to facilitate such activity whether or not you have any knowledge of such activity;
6. the rendering or failure to render any professional service;
7. caused intentionally by you, at your direction, or by or through any criminal act or failure to act by:
 - a. any person insured by this policy; or
 - b. any other person at the direction of any person insured by this policy.
8. the ownership, use or operation of any aircraft or premises used as an airport or landing strip, and all necessary or incidental operations;
9. the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this form;
10. the transmission of communicable disease by any person insured by this policy;
11. abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological, mental and/or emotional abuse, molestation or harassment, including corporal punishment, directly or indirectly, by:
 - a. any person or named insured who is insured by this policy;
 - b. any person or named insured who is insured by this policy having knowledge of such an activity taking place;
 - c. any person or named insured who is insured by this policy failing to prevent such activity from taking place;
 - d. at the direction of any person or any named insured who is insured by this policy;
12. punitive or exemplary damages, meaning that part of any award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you;
13. bodily injury or property damage caused by:
 - a. erasure, destruction, corruption, misappropriation or misinterpretation of data;
 - b. error in creating, amending, entering, deleting or using data;
14. the distribution or display of data via a Website, the internet, intranet or similar device or system designed or intended for electronic communication data.

06/07

GENERAL POLICY CONDITIONS

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

Notice of Accident or Occurrence

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

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

Co-operation

You are required to:

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

Unauthorized Settlements - Coverage E

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

Action Against Us - Coverage E

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

Action Against Us - Coverages F and G

You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until 60 days after the required PROOF OF LOSS FORM has been filed with us.

Insurance Under More Than One Policy

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

Waiver

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

Examination Under Oath

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

GENERAL POLICY CONDITIONS

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

Notice of Accident or Occurrence

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

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

Co-operation

You are required to:

1. help us obtain witnesses, information and evidence about the accident and co-operate with us in any legal actions if we ask you;

2. immediately send us everything received in writing concerning the claim including legal documents.

Waiver

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

STATUTORY CONDITIONS

The conditions set forth in this section shall be deemed to be part of every contract in force in Ontario and shall be printed in English or French in every policy with the heading "Statutory Conditions" or "Conditions légales", as may be appropriate, and no variation or omission of or addition to any statutory condition is binding on the Insured.

Statutory Conditions 1, 3, 4, 5 and 15 incorporated in this policy apply as conditions to all Coverages under Section II. Otherwise, all of the conditions set out under the title Statutory Conditions apply with respect to all of the perils insured under this policy except as these Conditions may be modified or supplemented by the provisions of the said policy or by forms or endorsements which may be attached.

Misrepresentation

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

Property of Others

2. Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

Change of Interest

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

Material Change

4. Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such a payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

Termination

5. (1) This contract may be terminated:
 - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - (b) by the Insured at any time on request.(2) Where this contract is terminated by the Insurer:
 - (a) the Insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.(3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (1)(a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Requirements After Loss

6. (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
 - (a) forthwith give notice thereof in writing to the Insurer;

- (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, cost, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the property insured was at the time of loss,
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract;
- (2) The evidence furnished under clauses 1(c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13;
 - (3) After submission of the Proof of Loss in respect of a loss which may be insured under Section I each of you may be required separately to:
 - (a) submit to examination under oath,
 - (b) produce for examination all documents in your possession or control that relate to the application for insurance and Proof of Loss, and
 - (c) permit extracts and copies of such documents to be made, all at a reasonable place and time designated by us.

Fraud

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

Who May Give Notice and Proof

8. Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

Salvage

9. (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-condition (1) of this condition according to the respective interests of the parties.

Entry, Control, Abandonment

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

Appraisal

11. In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefore is made in writing and until after proof of loss has been delivered.

When Loss Payable

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

Replacement

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

Action

14. Where permitted by law, every action or proceeding against the Insurer for the recovery of a claim, under or by virtue of this contract, shall be absolutely barred unless commenced within one year * next after the loss or damage occurs:
 - Two years in the Yukon Territory and in the Provinces of Ontario and Manitoba.

Notice

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