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TENANTS BASIC FORM

A GUIDE TO YOUR POLICY

This form consists of three sections:

SECTION I

Describes the insurance on your property. It also includes additional living expenses and/or fair rental value in certain circumstances.

SECTION II

Describes the insurance for your legal liability for bodily injury to others or damage to property of others arising out of your premises or your personal actions. It also includes benefits following injury or damage to property of others in certain other circumstances.

SECTION III

Describes the insurance for your personal articles. It also includes special conditions and coverage available in the event of sewer back-up.

IMPORTANT

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

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

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 expressed in this policy are in Canadian Currency.

SECTION I - PROPERTY COVERAGES

DEFINITIONS

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

"**Coverage Summary Page**" means the Coverage Summary Page and/or the Declarations.

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

"**Dwelling**" means the building described on the Coverage Summary Page, wholly or partially occupied by you as a private residence.

"**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.

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

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

Husband and wife includes a man and a woman who are living together as husband and wife and have so lived together continuously for a period of 3 years or, if a child was born of their union, for a period of 1 year.

In addition, a student who is enrolled in and actually attends a school, college or university and who 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 stated on the Coverage Summary Page.

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

"**Premises**" means the land 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 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.

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

"**Vacant**" refers to the circumstance where, regardless of the presence of furnishings:

all occupants have moved out with no intention of returning and no new occupant has taken up residence; or

in the case of a newly constructed house, no occupant has yet taken up residence.

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

"**We**", "**us**" or "**our**" means the company providing this insurance.

"**You**" or "**your**" refers to the Insured.

COVERAGES

The amounts of insurance are shown on the Coverage Summary Page.

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 are not the owner of the dwelling, we also insure dwelling improvements and betterments made by you or acquired at your expense but only in the portion you occupy as a private 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.

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

Personal property stored in a warehouse is only insured for 30 days unless the loss or damage is caused by theft. To extend cover in storage for a further period we must be notified in writing and endorse your policy as required.

3. We insure the personal property of any student insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university.

WE DO NOT INSURE LOSS OR DAMAGE TO:

- a) motorized vehicles or their equipment (except for watercraft, lawn mowers, other gardening equipment, snow blowers, wheelchairs or scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability);
- b) camper units, truck caps, trailers, or their equipment;
- c) aircraft or their equipment.

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

SPECIAL LIMITS OF INSURANCE

We insure:

1. books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$2,000 in all, but only while on your premises. Other business property, including samples and goods held for sale, is not insured;
2. securities up to \$2,000 in all;
3. personal property used by a student insured by this policy who is temporarily living away from home, up to \$3,000 in all;
4. money or bullion up to \$300 in all;
5. garden-type tractors including attachments and accessories up to \$10,000 in all;
6. watercraft, their furnishings, equipment, accessories, trailers and motors up to \$1,000 in all;
7. computer software up to \$2,500 in all. We do not insure the cost of gathering or assembling information or data;

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

8. jewellery, watches, gems, fur garments and garments trimmed with fur up to \$2,000 in all;
9. numismatic property (such as coin collections) up to \$500 in all;
10. manuscripts, stamps and philatelic property (such as stamp collections) up to \$1,000 in all;
11. collectible cards (such as sports personality cards) up to \$1,000 in all;
12. each bicycle, its equipment and accessories, up to \$500 in all.
13. silverware, meaning silverware, silver-plated ware, goldware, gold-plated ware and pewterware up to \$5000 in all.

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.
3. **PROHIBITED ACCESS.** If a civil authority prohibits access to your dwelling:
 - a) 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; or
 - b) by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, we insure any resulting necessary and reasonable increase in living expense incurred by you for the period access is prohibited, not exceeding 2 weeks.

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

1. flood meaning waves, tides, tidal waves and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
2. earthquake;
3. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
4. 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.

The term "civil authority" referred to in Coverage D shall mean any person acting under the authority of the 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.

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

EXTENSIONS OF COVERAGE

Damage to dwelling

You may apply up to \$1,000 of your Personal Property insurance to pay for damage, not including fire damage:

1. to the portion of the dwelling you occupy as a private residence directly caused by theft or attempted theft;
2. to the interior of the dwelling directly caused by vandalism or malicious acts.

Debris removal

We will pay the cost of removing from your premises the debris of property insured which results from loss or damage insured by this form. If the amount payable for loss, including expense for debris removal, is greater than the amount of insurance, an additional 5% of that amount will be available to cover debris removal expense.

Property removed

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

Moving to another home

We insure your personal property while in transit to and at another location within Canada which is to be occupied by you as your principal residence. Coverage applies for 30 consecutive days commencing on the date personal property is removed from your principal residence, but not beyond the date the policy expires or is terminated. This coverage does not increase the amounts of insurance.

Fire department charges

We will reimburse you for up to \$1,000 for fire department charges incurred for attending your premises to save or protect insured property from loss or damage, or further loss or damage insured against by this form. This coverage is not subject to a deductible.

Change of temperature

We insure your personal property damaged by change of temperature resulting from physical damage to your dwelling or equipment by an Insured Peril. This only applies to personal property kept in the dwelling.

Freezer food

We will pay up to \$2,000 for loss or damage to food while contained in a freezer located on your premises caused by the accidental interruption of electrical power on or off the premises or by mechanical breakdown of the freezer. This coverage includes damage to the freezer when it is due to the insured food spoilage and also reasonable expenses incurred by you to save and preserve the food from spoilage while your freezer is being repaired.

We do not insure:

- loss from spoilage caused by the operation of an electrical circuit breaker or fuse or by accidental or intentional disconnection of the power supply in the building containing the freezer;
- expenses incurred in the acquisition of frozen food.

This coverage is not subject to a deductible.

Lock replacement

We will pay up to \$500 to replace or re-key, at our option, the locks on your principal residence if your keys are stolen, provided the theft is reported to the police or law enforcement agency having jurisdiction at the location of the theft. This coverage is not subject to a deductible.

Arson conviction reward

We will pay \$1,000 for information which leads to a conviction for arson in connection with a fire loss to property insured by this form. This coverage may increase the amount otherwise applicable. However, the \$1,000 limit will not be increased regardless of the number of persons providing information. This coverage is not subject to a deductible.

Credit or debit cards, forgery and counterfeit money

We will pay for:

1. your legal obligation under Canadian Law because of the unauthorized use by any person other than an insured of credit cards issued to you or registered in your name provided you have complied with all the conditions under which the card was issued;
2. loss caused by theft of debit or automated teller cards issued to you or registered in your name provided you have complied with all of the conditions under which the card was issued;
3. loss to you caused by forgery or alteration of cheques, drafts or other negotiable instruments;
4. loss arising from your acceptance in good faith of counterfeit Canadian or United States paper currency up to \$500 for any one transaction.

We will not pay under 1 or 2 above for your obligation arising from the use of a card by any person living in your household or any person entrusted with the card.

The most we will pay under this coverage is \$2,500 during the policy period. This coverage is not subject to deductible.

INFLATION PROTECTION

If there is a loss insured under Section I, we will automatically increase the amounts of insurance shown on the Coverage Summary Page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy, the latest renewal or anniversary date or from the date of the most recent change to the amounts of insurance shown on the Coverage Summary Page, whichever is the latest.

On renewal or anniversary date, we will automatically increase the amounts of insurance shown on the Coverage Summary Page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy or the latest renewal or anniversary date.

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 water hammer.
3. SMOKE. This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises.
4. FALLING OBJECT. This peril means a falling object which strikes the exterior of a building.
5. IMPACT BY AIRCRAFT or LAND VEHICLE. Animals are not insured under this peril.
6. RIOT.
7. VANDALISM or MALICIOUS ACTS. This peril does not include loss or damage:
 - a. occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us;
 - b. caused by you;
 - c. caused by theft or attempted theft.

8. WATER DAMAGE - This peril means loss or damage caused by:
- a. the sudden and accidental escape of water from a watermain;
 - b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or 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 other than Water Damage; but we do not insure loss or damage:
 - i) caused by continuous or repeated seepage or leakage of water;
 - ii) caused by the backing up or escape of water from a sewer, sump or septic tank;
 - iii) caused by ground water or rising of the water table;
 - iv) caused by surface waters, unless the water escapes as described in a. above;
 - v) to a watermain;
 - vi) to a system or appliance from which the water escaped;
 - vii) occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
 - viii) caused by freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance unless within a portion of your dwelling heated during the usual heating season, if you have been away from your premises 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.
9. WINDSTORM or HAIL. This peril does not include loss or damage to your personal property within a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.
This peril does not include loss or damage:
- a. to outdoor radio and TV antennae (including satellite receivers) and their attachments;
 - b. due to weight, pressure or melting of ice or snow, whether driven by wind or not;
 - c. due to waves or floods, whether driven by wind or not.
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 of a common carrier.
This peril means loss or damage to your personal property while it is temporarily removed from your premises.
This peril does not include loss or damage to:
- a. property in a vacation or home trailer which you own;
 - b. any watercraft, their furnishings, equipment or motors.

11. THEFT, INCLUDING DAMAGE CAUSED BY ATTEMPTED THEFT.

This peril does not include loss or damage:

- a. which happens at any other dwelling which you own, rent or occupy, except while you are temporarily living there;
 - b. caused by theft from the part of the dwelling rented to others by any tenant, tenant's employee or member of the tenant's household;
 - 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;
 - d. to animals, birds or fish;
 - e. resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud.
12. ELECTRICITY. This peril means sudden and accidental damage from artificially generated electrical current.
13. ESCAPE OF FUEL OIL. We cover loss or damage to personal property caused by the accidental escape of fuel oil from an interior fixed household-type tank or from an interior apparatus and pipes which are part of a heating unit for the dwelling subject to the following exclusions:
- (a) Damage caused by continuous or repeated seepage or leakage.
 - (b) Damage caused by rust or corrosion.

Notice to Authorities

Where loss or damage is, or is suspected to be, due to malicious acts, burglary, robbery, theft or attempted theft, you must give immediate notice of such loss to the police or other law enforcement agency having jurisdiction.

EXCLUSIONS -SECTION I

Property not insured

We do not insure:

1. property at any fairground, exhibition or exposition for the purpose of exhibition;
2. loss of or damage to any property illegally acquired, kept stored or transported, or property subject to forfeiture;
3. evidences of debt or title;
4. lawns and outdoor trees, shrubs and plants.

Loss or damage not insured

Nor do we insure loss or damage:

5. to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
6. occurring after the portion of your dwelling which you occupy has, to your knowledge, been vacant for more than 30 consecutive days;
7. 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, except for ensuing loss or damage which results directly from fire, lightning or explosion.
8. caused by contamination by radioactive material;
9. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
10. resulting from any intentional or criminal act or failure to act by:
 - a. any person insured by this policy; or
 - b. any other person at the direction of any person insured by this policy;
11. to personal property while undergoing a process involving the application of heat, but resulting damage to other property is insured;
12. caused by snowslide, earthquake, landslide or any other earth movement. If any of these result in fire or explosion, we will pay only for the resulting loss or damage;
13. caused by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminant's or pollutant.

Basis of Claim Payment

We will pay for insured loss of or damage to personal property and dwelling improvements and betterments as described below 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.

Personal Property

1. For electronic media we will pay the cost of reproduction from duplicates or from originals of the previous generation of the media. We will not pay the cost of gathering or assembling information or data for reproduction.
2. For other records, including books of account, drawings or card index systems, we will pay the cost of blank books, pages, cards or other materials plus the cost of actually transcribing or copying the records.
3. We will pay on the basis of replacement cost for all other personal property except:
 - a) articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings and statuary;
 - b) articles for which their age or history substantially contributes to their value, such as memorabilia, souvenirs, and collectors items;
 - c) property that has not been maintained in good or workable condition;
 - d) property that is no longer used for its original purpose; for which we will pay only on the basis of actual cash value.

Dwelling improvements and betterments

If you replace or repair damaged or destroyed building improvements at your expense with materials of similar quality within a reasonable time after damage we will pay for the actual cost of repairs or replacement (whichever is less) without deduction for depreciation.

If loss or damage is not replaced or repaired we will pay the actual cash value of the loss or damage at the date of the occurrence.

Replacement cost

Replacement cost means the cost, on the date of the loss or damage, of the lower of:

- i) repairing the property with materials of similar kind and quality; or
 - ii) new articles of similar kind, quality and usefulness;
- without any deduction for depreciation.

We will pay on the basis of replacement cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise we will pay on the basis of actual cash value.

You may choose payment on the basis of actual cash value initially. If you later decide to replace any destroyed or stolen property you may make an additional claim for the difference between the actual cash value and replacement cost basis within 180 days after the date of loss.

For personal property described under "special limits of liability" we will not pay more than the applicable limit under either the replacement cost or actual cash value basis.

Actual cash value

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

Pair and set

In the case of loss or damage to any article(s) which is(are) part of a set the measure of loss of or damage to such article(s) will be a reasonable and fair proportion of the total value of the set, but in no event will such loss or damage be construed to mean total loss of the set.

Parts

In the case of loss or damage to any part of the insured property consisting, when complete for use, of several parts, we will not pay for more than the insured value of the part lost or damaged, including the cost of installation.

Deductible

We are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible shown on the Coverage Summary Page in any one occurrence.

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

Amounts not reduced

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

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 rateable proportion of the loss or claim under this policy.

Subrogation

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

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

Statutory Conditions

All of the conditions set out under the title Statutory Conditions apply with respect to all of the perils insured under Section I except that these conditions may be modified or supplemented by the provisions of the said Section I or by forms or endorsements which modify Section I.

TENANTS COMPREHENSIVE FORM

A GUIDE TO YOUR POLICY

This form consists of three sections:

SECTION I

Describes the insurance on your property. It also includes additional living expenses and/or fair rental value in certain circumstances.

SECTION II

Describes the insurance for your legal liability for bodily injury to others or damage to property of others arising out of your premises or your personal actions. It also includes benefits following injury or damage to property of others in certain other circumstances.

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Describes the insurance for your personal articles. It also includes special conditions and coverage available in the event of sewer back-up.

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

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

SECTION I - PROPERTY COVERAGES

DEFINITIONS

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"Insured" means the person(s) named as Insured on the Coverage Summary Page and, while living in the same household:

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

Husband and wife includes a man and a woman who are living together as husband and wife and have so lived together continuously for a period of 3 years or, if a child was born of their union, for a period of 1 year.

In addition, a student who is enrolled in and actually attends a school, college or university and who 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 stated on the Coverage Summary Page.

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

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"Residence Employee" means a person employed by you to perform duties in connection with the maintenance or use of the 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.

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

"Vacant" refers to the circumstance where, regardless of the presence of furnishings:

all occupants have moved out with no intention of returning and no new occupant has taken up residence; or

in the case of a newly constructed house, no occupant has yet taken up residence.

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

"We", "us" or "our" means the company providing this insurance.

"You" or "your" refers to the Insured.

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The amounts of insurance are shown on the Coverage Summary Page.

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 are not the owner of the dwelling, we also insure dwelling improvements and betterments made by you or acquired at your expense but only in the portion you occupy as a private 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.

2. We insure your personal property while it is temporarily away from your premises, anywhere in the world. However, personal property normally kept at any other location you own is not insured.

Personal property stored in a warehouse is only insured for 30 days unless the loss or damage is caused by theft. To extend cover in storage for a further period we must be notified in writing and endorse your policy as required.

If you wish, we will include personal property belonging to others while it is in your possession or belonging to a residence employee travelling for you.

3. We insure the personal property of any student insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university.

WE DO NOT INSURE LOSS OR DAMAGE TO:

- a) motorized vehicles or their equipment (except for watercraft, lawn mowers, other gardening equipment, snow blowers, wheelchairs or scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability);
- b) camper units, truck caps, trailers, or their equipment;
- c) aircraft or their equipment.

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

SPECIAL LIMITS OF INSURANCE

We insure:

- (1) jewellery, watches, gems, fur garments and garments trimmed with fur, up to \$2,000 in all;
- (2) numismatic property (such as coin collections) up to \$500 in all;
- (3) manuscripts, stamps and philatelic property (such as stamp collections) up to \$1,000 in all;
- (4) collectible cards (such as sports personality cards) up to \$1,000 in all;
- (5) each bicycle, its equipment and accessories, up to \$750 in all.

The above limits do not apply to any claim caused by a Specified Peril:

- (6) books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$2,000 in all, but only while on your premises. Other business property, including samples and goods held for sale, is not insured;
- (7) securities up to \$3,000 in all;
- (8) personal property used by any student insured by this policy who is temporarily living away from home, up to \$3,000 in all;
- (9) money or bullion up to \$300 in all;
- (10) garden type tractors including attachments and accessories up to \$10,000 in all;
- (11) watercraft, their furnishings, equipment, accessories, trailers and motors up to \$2,000 in all. These are insured only for specified perils and theft or attempted theft.
- (12) computer software up to \$2,500 in all. We do not insure the cost of gathering or assembling information or data;
- (13) silverware, meaning silverware, silver-plated ware, goldware, gold-plated ware and pewterware up to \$8,000 in all.

SPECIFIED PERILS

Subject to the exclusions and conditions in this policy,

Specified perils mean:

1. fire;
2. lightning;
3. explosion;
4. smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises;
5. falling object which strikes the exterior of a building;
6. impact by aircraft or land vehicle;
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 or 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;
10. windstorm or hail;
11. transportation meaning loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to property in a vacation or home trailer which you own.

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.
3. **PROHIBITED ACCESS.** If a civil authority prohibits access to your dwelling:
 - a) 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; or
 - b) by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, we insure any resulting necessary and reasonable increase in living expense incurred by you for the period access is prohibited, not exceeding 2 weeks.

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

1. flood meaning waves, tides, tidal waves and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
2. earthquake;
3. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
4. 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.
5. contamination by radioactive material.

The term "civil authority" referred to in Coverage D 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.

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

EXTENSIONS OF COVERAGE

Damage to dwelling

You may apply up to \$1000 of your Personal Property insurance to pay for damage, not including fire damage:

1. to the portion of the dwelling you occupy as a private residence directly caused by theft or attempted theft;
2. to the interior of the portion of the dwelling you occupy as a private residence directly caused by vandalism or malicious acts;

Debris removal

We will pay the cost of removing from your premises the debris of property insured which results from loss or damage insured by this form.

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

Property removed

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

Moving to another home

We insure your personal property while in transit to and at another location within Canada which is to be occupied by you as your principal dwelling. Coverage applies for 30 consecutive days commencing on the date personal property is removed from your principal dwelling, but not beyond the date the policy expires or is terminated. This coverage does not increase the amounts of insurance.

Fire department charges

We will reimburse you for up to \$1,000 for fire department charges incurred for attending your premises to save or protect insured property from loss or damage, or further loss or damage insured against by this form. This coverage is not subject to a deductible.

Change of temperature

We insure your personal property damaged by change of temperature resulting from physical damage to your dwelling or equipment by an Insured Peril. This only applies to personal property kept in the dwelling.

Freezer food

We will pay up to \$2,000 for loss or damage to food while contained in a freezer located on your premises caused by the accidental interruption of electrical power on or off the premises or by mechanical breakdown of the freezer. This coverage includes damage to the freezer when it is due to the insured food spoilage and also reasonable expenses incurred by you to save and preserve the food from spoilage while your freezer is being repaired.

We do not insure:

- loss from spoilage caused by the operation of an electrical circuit breaker or fuse or by accidental or intentional disconnection of the power supply in the building containing the freezer;
- expenses incurred in the acquisition of frozen food.

This coverage is not subject to a deductible.

Lock replacement

We will pay up to \$500 to replace or re-key, at our option, the locks on your principal residence if your keys are stolen, provided the theft is reported to the police or law enforcement agency having jurisdiction at the location of the theft. This coverage is not subject to a deductible.

Arson conviction reward

We will pay \$1,000 for information which leads to a conviction for arson in connection with a fire loss to property insured by this form. This coverage may increase the amount otherwise applicable. However, the \$1,000 limit will not be increased regardless of the number of persons providing information.

This coverage is not subject to a deductible.

Credit or debit cards, forgery and counterfeit money

We will pay for:

1. your legal obligation under Canadian Law because of the unauthorized use by any person other than an insured of credit cards issued to you or registered in your name provided you have complied with all the conditions under which the card was issued;
2. loss caused by theft of debit or automated teller cards issued to you or registered in your name provided you have complied with all of the conditions under which the card was issued;
3. loss to you caused by forgery or alteration of cheques, drafts or other negotiable instruments;
4. loss arising from your acceptance in good faith of counterfeit Canadian or United States paper currency up to \$500 for any one transaction.

We will not pay under 1 or 2 above for your obligation arising from the use of a card by any person living in your household or any person entrusted with the card.

The most we will pay under this coverage is \$2,500 during the policy period. This coverage is not subject to a deductible.

INFLATION PROTECTION

If there is a loss insured under Section I, we will automatically increase the amounts of insurance shown on the Coverage Summary Page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy, the latest renewal or anniversary date or from the date of the most recent change to the amounts of insurance shown on the Coverage Summary Page, whichever is the latest.

On renewal or anniversary date, we will automatically increase the amounts of insurance shown on the Coverage Summary Page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy or the latest renewal or anniversary date.

INSURED PERILS

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

Notice to Authorities

Where loss or damage is, or is suspected to be, due to malicious acts, burglary, robbery, theft or attempted theft, you must give immediate notice of such loss to the police or other law enforcement agency having jurisdiction.

EXCLUSIONS - SECTION I

Property not insured

We do not insure:

1. property at any fairground, exhibition or exposition for the purpose of exhibition;
2. loss of or damage to any property illegally acquired, kept, stored or transported, or property subject to forfeiture;
3. evidences of debt or title;
4. lawns and outdoor trees, shrubs and plants;

Loss or damage not insured

5. sporting equipment where the loss or damage is due to its use;
6. animals, birds or fish unless the loss or damage is caused by a Specified Peril other than impact by aircraft or land vehicle;
7. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
8. scratching, abrasion or chipping of any personal property or breakage of any fragile or brittle articles unless caused by a Specified Peril, accident to a land vehicle, watercraft or aircraft or theft or attempted theft;
9. wear and tear, deterioration, defect or mechanical breakdown;
10. the cost of making good faulty material or workmanship;
11. settling, expansion, contraction, moving, bulging, buckling or cracking;

Nor do we insure loss or damage

12. to outdoor radio and T.V. antennae (including satellite receivers) and their attachments caused by windstorm or hail, weight of ice, snow or sleet, or collapse;
13. occurring after the portion of your dwelling which you occupy has, to your knowledge, been vacant for more than 30 consecutive days;
14. 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, except for ensuing loss or damage which results directly from fire, lightning or explosion;
15. caused by contamination by radioactive material;
16. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
17. resulting from any intentional or criminal act or failure to act by:
 - a. any person insured by this policy; or
 - b. any other person at the direction of any person insured by this policy;
18. to personal property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
19. 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 or 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;

but we do not insure loss or damage:

- i) caused by continuous or repeated seepage or leakage of water;
- ii) caused by the backing up or escape of water from a sewer, sump or septic tank;
- iii) caused by ground water or rising of the water table;
- v) caused by surface waters, unless the water escapes as described in a above;
- v) to a watermain;
- vi) to a system or appliance from which the water escaped;
- vii) occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy;
- viii) caused by freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance unless within a portion of your dwelling heated during the usual heating season, if you have been away from your premises 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;
20. caused by birds, vermin, raccoons, rodents or insects;
21. caused by smoke from agricultural smudging or industrial operations;
22. caused by snowslide, earthquake, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;
23. caused by theft or attempted theft from the part of the dwelling rented to others by any tenant, tenant's employee, or member of the tenant's household;
24. 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;
25. caused by theft or attempted theft of property in or from a dwelling under construction until the dwelling is completed and ready to be occupied;
26. caused by rust or corrosion, extremes of temperature, wet or dry rot or mould, or resulting from contamination or pollution, or the release, discharge or dispersal of contaminant's or pollutants;
27. resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud.
28. to contact lenses unless the loss or damage is caused by a Specified Peril.

Basis of Claim Payment

We will pay for insured loss of or damage to personal property and dwelling improvements and betterments as described below 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.

Personal Property

1. For electronic media we will pay the cost of reproduction from duplicates or from originals of the previous generation of the media. We will not pay the cost of gathering or assembling information or data for reproduction.
2. For other records, including books of account, drawings or card index systems, we will pay the cost of blank books, pages, cards or other materials plus the cost of actually transcribing or copying the records.
3. We will pay on the basis of replacement cost for all other personal property except:
 - a) articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings and statuary;
 - b) articles for which their age or history substantially contributes to their value, such as memorabilia, souvenirs, and collectors items;
 - c) property that has not been maintained in good or workable condition;
 - d) property that is no longer used for its original purpose; for which we will pay only on the basis of actual cash value.

Dwelling improvements and betterments

If you replace or repair damaged or destroyed building improvements and betterments at your expense with materials of similar quality within a reasonable time after damage we will pay for the actual cost of repairs or replacement (whichever is less) without deduction for depreciation.

If loss or damage is not replaced or repaired we will pay the actual cash value of the loss or damage at the date of the occurrence.

Replacement cost

Replacement cost means the cost, on the date of the loss or damage, of the lower of:

- i) repairing the property with materials of similar kind and quality; or
- ii) new articles of similar kind, quality and usefulness; without any deduction for depreciation.

We will pay on the basis of replacement cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise we will pay on the basis of actual cash value.

You may choose payment on the basis of actual cash value initially. If you later decide to replace any destroyed or stolen property you may make an additional claim for the difference between the actual cash value and replacement cost basis within 180 days after the date of loss.

For personal property described under "special limits of liability" we will not pay more than the applicable limit under either the replacement cost or actual cash value basis.

Actual cash value

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

Pair and set

In the case of loss or damage to any article(s) which is(are) part of a set the measure of loss of or damage to such article(s) will be a reasonable and fair proportion of the total value of the set, but in no event will such loss or damage be construed to mean total loss of the set.

Parts

In the case of loss or damage to any part of the insured property consisting, when complete for use, of several parts, we will not pay for more than the insured value of the part lost or damaged, including the cost of installation.

Deductible

We are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible shown on the Coverage Summary Page in any one occurrence.

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

Amounts not reduced

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

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 rateable proportion of the loss or claim under this policy.

Subrogation

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

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

Statutory Conditions

All of the conditions set out under the title Statutory Conditions apply with respect to all of the perils insured under Section I except that these conditions may be modified or supplemented by the provisions of the said Section I or by forms or endorsements which modify Section I.

SECTION II - LIABILITY COVERAGES

DEFINITIONS (Applicable to Section II)

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

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

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

"Coverage Summary Page" in this Section has the same meaning as in Section I.

"Dwelling" in this Section has the same meaning as in Section I;

"Insured" in this Section has the same meaning as in Section I.

In addition, we will insure:

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 premises;
4. any person who is insured by this form at the time of your death and who continues residing on the premises.

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

"Premises" means all premises where the person(s) named as Insured on the Coverage Summary Page, or their spouse, maintains a residence, including seasonal and other residences, provided such premises are specifically described on the Coverage Summary Page.

It also includes:

1. premises where you are residing temporarily or which you are using temporarily, as long as you are not:
 - a) the owner of the premises;
 - b) the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days;
2. 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 insurance is arranged for such premises;
3. individual or family cemetery plots or burial vaults;
4. vacant land in Canada you own or rent, other than farm land;
5. land in Canada where an independent contractor is building a one, two or three-family residence to be occupied by you.

"Property Damage" means:

1. physical damage to, or destruction of, tangible property;
2. loss of use of tangible property.

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

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

"You" or **"Your"** in this Section refer to the Insured.

COVERAGES

This insurance applies:

1. to accidents or occurrences which take place during the period this policy is in force;
2. separately to each insured against whom the claim is made or action is brought.

COVERAGE E - PERSONAL LIABILITY

This is the part of the policy you look to for protection if you are sued.

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

1. your personal actions anywhere in the world;
 2. your ownership, use or occupancy of the premises defined in Section II.
- The amount of insurance shown on the Coverage Summary page is the maximum amount we will pay for all compensatory damages in respect of one accident or occurrence regardless of the number of insureds against whom the claim is made or action is brought.

We do not insure claims made against you arising from:

1. liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force, but we do insure claims made against you for the legal liability of other persons in relation to your premises that you have assumed under a written contract;
2. damage to property owned, used, occupied or leased by an insured;
3. damage to property in your care, custody or control, except for unintentional property damage to premises owned by others, or their contents, which you are using, renting or have in your custody or control caused by fire, explosion, water damage or smoke. This means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises, but not smoke from fireplaces. Water Damage has the same meaning as in Section I;
4. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
5. bodily injury to you or to any person residing in your household other than a residence employee;
6. the personal actions of a named insured who does not reside on the premises described on the Coverage Summary Page.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

Defense, settlement, supplementary payments

If a claim is made against you for which you are insured under Coverage E we will defend you, even if the claim is groundless, false, or fraudulent. We reserve the right to select legal counsel, investigate, negotiate and settle any claim if we decide this is appropriate. We will pay only for the legal counsel we select. Defense, settlement, supplementary payments are in addition to the amount of insurance.

We will also pay:

1. all expenses which we incur;
2. all costs charged against you in any suit insured under Coverage E;
3. any interest accruing after judgment on that part of the judgment which is within the amount 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 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 form;
6. reasonable expenses including actual loss of income up to \$100 per day, which you incur at our request.

What you must do after an accident or occurrence

1. When an accident or occurrence takes place you must promptly give us notice (in writing if requested by us). The notice must include:
 - a. the date, time, place and circumstances of the accident or occurrence;
 - b. names and addresses of witnesses and potential claimants.
2. You must also:
 - a. co-operate with us in any legal actions including obtaining witnesses, information and evidence about the accident or occurrence, if we ask you;
 - b. immediately send to us legal documents and any other written communications you receive concerning the accident or occurrence.

Action against us

No suit may be brought against us:

- a. until you have fully complied with all the terms of this Coverage, nor until the amount of your obligation to pay has been finally determined, either by a judgment against you or by an agreement which has our consent;
- b. more than one year after either the date of an agreement which has our consent or of the final determination of the action against you, including appeals, if any.

Unauthorized settlements

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.

COVERAGE F -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.

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

We will not pay:

- a) expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract;
- b) your medical expenses or those of persons residing with you, other than residence employees;
- c) medical expenses of any person covered by any Workers' Compensation Statute.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

What you must do after an accident or occurrence

1. When an accident or occurrence takes place you must promptly give us notice (in writing if requested by us). The notice must include:
 - a. the date, time, place and circumstances of the accident or occurrence including the name and address of each injured person;
 - b. names and addresses of witnesses.
2. If requested by us, you must arrange for the injured person(s) to:
 - a. give us written proof of claim as soon as possible, under oath if required;
 - b. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
 - c. authorize us to obtain medical and other records.

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

Action against us

No suit may be brought against us until you have fully complied with all the terms of this Coverage.

COVERAGE G - VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY

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

We do not insure:

1. damage to property owned or rented by an insured or an insured's tenant;
2. damage to property which is insured under Section I;
3. claims resulting from the loss of use, disappearance or theft of property.

There are exclusions that apply to all Coverages under Section II.

Please refer to "Exclusions - Section II".

Basis of payment

We will pay whichever is the lower amount of:

1. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
2. the amount of insurance shown on the Coverage Summary Page.

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

What you must do after an accident or occurrence

1. You must give us a written proof of claim as soon as possible, under oath if required, containing the following information:
 - a. the date, time, place and circumstances of the accident or occurrence;
 - b. the interest of all persons in the property affected.
2. If requested by us you must help us to verify the damage.

Action against us

No suit may be brought against us until:

1. you have fully complied with all the terms of this Coverage; nor
2. 60 days after the written proof of claim has been filed with us.

COVERAGE H - 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 Coverage Summary Page.

Coverage

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

If your residence 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 liability insurance.

A residence employee or anyone 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 residence employee's injury or death.

Exclusion

We will not pay benefits for any hernia injury.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

Schedule of benefits

1. Loss of Life:

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

- a) a total of 100 times the weekly indemnity to those wholly dependent upon him or her. If there is more than one dependent the amount will be divided equally among them. This payment is 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 residence employee 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 residence 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 residence 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.

We will not pay more than 100 weeks in total even if the accident results in loss from more than one item.

For loss of:

- | | |
|---------------------------------|-----------|
| A. One or more of the following | 100 weeks |
| • hand | |
| • arm | |
| • foot | |
| • leg | |
| B. One finger or toe | 25 weeks |
| or more than one finger or toe | 50 weeks |
| C. One eye | 50 weeks |
| or both eyes | 100 weeks |
| D. Hearing of one ear | 25 weeks |
| or hearing of both ears | 100 weeks |

5. **Medical Expenses:**

If as a result of the accident your residence 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 the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, up to a maximum of \$5,000.

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

Weekly indemnity

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

What you must do after an accident

1. When an accident occurs you must promptly give us notice (in writing if requested by us). The notice must include:
 - a. the identity of the residence employee and the date, time, place and circumstances of the accident;
 - b. names and addresses of witnesses.
2. If requested by us, you must arrange for the injured residence employee to:
 - a. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
 - b. authorize us to obtain medical and other records.

Autopsy

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

Action against us

No suit may be brought against us until you have fully complied with all the terms of this Coverage.

SPECIAL LIMITATIONS

Watercraft and Motorized Vehicles

Watercraft and Motorized Vehicles You Own.

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

1. watercraft, including their attachments, equipped with an outboard motor or motors of not more than 12kW (16 H.P.) in total when used with or on a single watercraft;
2. watercraft, including their attachments, equipped with any other type of motor of not more than 38 kW (50 H.P.);
3. non-motorized watercraft, including their attachments, not more than 8 meters (26 feet) in length;
4. self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 19kW (25 H.P.);
5. motorized golf carts while in use on a golf course;
6. motorized wheelchairs, including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability.

Any other watercraft is insured only if liability coverage for it is shown on the Coverage Summary Page. If the watercraft or motor with which it is equipped is acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of acquisition.

Watercraft and Motorized Vehicles You Do Not Own.

You are also insured against claims arising out of your use or operation of:

1. any type of watercraft;
2. any self-propelled land vehicle, amphibious vehicle or air cushion vehicle, provided that the vehicle is not subject to motor vehicle registration and is designed primarily for use off public roads; provided that the motorized vehicle or watercraft is not owned by any person insured by this policy.

Watercraft and Motorized Vehicle Uses We Do Not Insure.

We do not insure the use or operation of any watercraft or motorized vehicle, whether owned by you or not, while it is:

1. used for carrying passengers for compensation;
2. used for business purposes;
3. used in any race or speed test;
4. rented to others;
5. being used or operated without the owner's consent if you are not the owner.

Trailers

We insure you against claims arising out of your ownership, use or operation of any trailer or its equipment, provided such trailer is not attached to, carried on or being towed by a motorized vehicle subject to motor vehicle registration.

Business and business property

We insure you against claims arising out of:

1. your personal actions during the course of your trade, profession or occupation which are not related directly to your trade, profession or occupation;
2. the occasional rental to others of the portion of the dwelling usually occupied by you as a private residence;
3. the rental to others of portions of your two or three-family dwelling usually occupied in part by you as a private residence provided no family unit includes more than 2 roomers or boarders;
4. the rental of space in your residence to others for incidental office, school or studio occupancy;

5. the rental to others, or holding for rent, of not more than 3 car spaces or stalls in garages or stables;
6. the temporary or part time business pursuits of an insured person under the age of 21 years.

Claims arising from any other business pursuit or operation are insured only if liability coverage for it is shown on the Coverage Summary Page.

EXCLUSIONS - SECTION II

We do not insure claims arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. bodily injury or property damage which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
3. business pursuits or any business use of the premises except as provided under "business and business property" in Section II;
4. the rendering or failure to render any professional service;
5. liability imposed upon or assumed by you under any workers' compensation statute;
6. bodily injury or property damage caused by any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy;
7. a) sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or
 - b) failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment;
8. the transmission of communicable disease by any person insured by this policy;
9. the ownership, use or operation of any watercraft, motorized vehicle or trailer except as provided under "watercraft and motorized vehicles" and "trailers" in Section II;
10. the ownership, use or operation of:
 - a) any aircraft;
 - b) premises used as an airport or landing facility;
 and all activities related to either.

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.

CONDITIONS

Statutory Conditions 1, 3, 4, 5 and 15 incorporated in this policy apply as conditions to all Coverages under Section II.

SECTION III - OPTIONAL COVERAGES

The following Optional Coverage(s) apply only when indicated on the Coverage Summary Page. We provide the insurance described in return for the premium specified and subject to the terms and conditions set out in the Optional Coverage(s) attached.

PERSONAL ARTICLES ENDORSEMENT (PAF)

If the Coverage Summary Page indicates an Amount of Insurance for Personal Articles Endorsement, we provide the insurance described under this floater against all risks of direct physical loss or damage in return for payment of the premium and subject to the terms and conditions set out. The words "you", "your" or "we" have the same meaning as in Section 1 of the policy.

We will pay up to the amount shown for each item. Where "V" appears beside any item, that article is valued for the amount shown.

LOSS OR DAMAGE NOT INSURED

We do not insure:

1. any property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
2. any property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
3. any musical instrument played for a fee unless we have given our written permission.

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

4. wear and tear, deterioration, defect or mechanical breakdown;
5. birds, vermin, rodents or insects;
6. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
7. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
8. Any international or criminal act or failure to act by:
 - (a) any person insured under this endorsement; or
 - (a) any other person at the direction of any person insured under this endorsement;
9. electrical currents, other than lightning, which damage electrical devices or appliances. If, however, a fire results, we will pay for the fire damage.

SPECIAL CONDITIONS

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

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

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

All statutory and additional conditions of the policy also apply to this endorsement.

Deductible

We are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of deductible shown on the Coverage Summary Page in any one occurrence.

SEWER BACK-UP ENDORSEMENT (SBE)

For the premium charged, we will insure for direct loss to the property described under the property insurance coverages damage caused by backing up or escape of water from a sewer, sump or septic tank.

This extension is subject to the policy deductible and the limit shown on the Coverage Summary Page.

All other terms, conditions and exclusions of this policy remain unchanged.

STATUTORY CONDITIONS (required by law)

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 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 he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract 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 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 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 (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Requirements After the 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, 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 willful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the name 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 the contract,
 - (vii) showing the place where the property insured was at the time of loss;
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
2. The evidence furnished under clauses (c) and (d) of sub-paragraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

Fraud - 7.

Any fraud or willfully 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-paragraph (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.

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

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.

ADDITIONAL CONDITIONS

No Benefit to Bailee - I.

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

Sue and Labour - II.

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 interest of the parties.

Basis of Settlement - III.

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.

SPECIAL CONDITIONS

With respect to Section II - Liability coverage, including Voluntary Compensation for Residence Employees when added, Statutory Conditions 1, 3, 4, 5 and 15 only apply. Otherwise, all of the Conditions set forth under the titles Statutory Conditions and Additional Conditions apply with respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Forms or Endorsements included herein or attached.