

The Premier Diamond Policy Form
High-Valued Homeowners Insurance – Policy Agreement (Rev. May 24, 2011)

INSURING AGREEMENT

We provide the insurance described in this policy and any endorsements attached, based on the information declared in the application for insurance (including any other supplemental forms, questionnaires or declarations), for payment of the premium and subject to the terms and conditions set out herein. This policy contains conditions which apply at all times. 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 the following sections:

SECTION ONE - PROPERTY INSURANCE

SECTION TWO – PERSONAL LIABILITY INSURANCE

SECTION THREE – VOLUNTARY COMPENSATION FOR YOUR RESIDENCE EMPLOYEES

SECTION FOUR – CREDIT AND DEBIT CARD COVERAGE

SECTION FIVE - OPTIONAL COVERAGES - describes optional coverages you have purchased for an additional premium, only if specifically listed on the Declarations Page.

PERIOD OF INSURANCE

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 inception date or after the policy expiry date shown on the Declaration page.

DEFINITIONS

Application to ALL sections of your policy as well as the Optional Coverages and Endorsements.

“We”, “Us” and “Our” means the insurer as listed on the Policy Declarations Page.

“You” and “Your” means any person insured, or collectively, to all persons insured.

Persons insured under this policy may also be referred to as “an Insured”, “any Insured” or “person insured”. We insure the person(s) named on the Declarations page and, if residents of the same household, the spouse or same-sex partner (as defined), the relatives of either, and any other person in the care of a person insured. The terms of this insurance apply to each person insured. In addition, a student who is enrolled in and actually attends a school, college or university and is dependent on the Named Insured or his or her spouse or same-sex partner for support and maintenance is also insured even if temporarily residing away from the principal residence. In addition, your spouse, 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 and/or dependant on you for support and maintenance.

“Spouse” means a man or woman who:

1. Is married to and living with the Named Insured; or
2. Has been living with the Named Insured as husband and wife for two years, or one year if:
 - a. A child has been born or is to be born of their union;
 - b. They have jointly adopted a child; or
 - c. One of them has adopted a child of the other.

“Same-sex Partner” means a person of the same sex who has been living with the Named Insured for two years in a relationship as a couple or family.

“Residence Premises” means the premises shown on the Declarations page and which includes the family dwelling, other structures and grounds, or that part of any other building on those premises which you occupy for dwelling purposes.

“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.

“Personal Property” means, subject to the coverages, exclusions and conditions of this insurance, tangible, movable property, but excluding interest or rights in property and evidences of debt or title.

“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.

“Plumbing System” means water supply distribution and disposal piping on the premises, including appliances and equipment attached thereto, between their connection points to a public or private system.

“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.

SECTION ONE – PROPERTY INSURANCE

Limits of Insurance

We will pay up to the applicable limit of insurance shown on the Declarations page for the following: Dwelling Building, Detached Buildings or Structures, Personal Property and Additional Living Expenses.

Deductible

We will pay for that portion of any loss or damage which exceeds the deductible amount shown on the Declarations page up to the limit of insurance for any one occurrence. The deductible will not apply to a covered loss of \$50,000 or more.

Dwelling Building

We cover the dwelling building shown on the Declarations page for each location insured under this form including:

1. Swimming pools and attached equipment;

2. Fixtures and glass forming part of the dwelling and attached structures;
3. Outdoor equipment, permanently installed;
4. Fences, walls, gates, driveways, walkways;
5. Trees, plants, shrubs and lawns for an amount not exceeding 5% of the limit of the insurance applicable to dwelling building. This coverage is in addition to the limit of insurance shown on the Declarations page for dwelling building. The limit for any one tree, plant or shrub is \$5,000. However, these items are insured only against loss or damage caused by fire, lightning, explosion, theft or attempt threat, vandalism, malicious acts, civil disturbances, riot or impact by vehicle, watercraft or aircraft.
We do not cover any property grown for commercial purposes.
6. Materials and supplies located on or adjacent to the premises for use in the construction, alteration or repair of the dwelling;
7. Building equipment or fixtures removed from the premises for repair or storage.

Detached Buildings or Structures

We cover your separate detached garage or other separate buildings or structures located on the residence premises. We also cover any construction materials and supplies intended for use on these detached buildings. This coverage is in addition to the amount of insurance on the dwelling building. Even if you have more than one detached building or structure on your residence premises, we will pay no more than the limit of insurance shown on the Declarations page.

Personal Property

We cover your personal property, and at your option, personal property of others in your care or possession anywhere in the world. If this personal property is located at a residence you own or use, other than the described premises, we will pay no more than 20% of the limit applicable to personal property. This 20% limitation does not apply to your personal property at a newly acquired principal residence premises within Canada during 60 days after you begin to move property there. Beyond these 60 days, the limitation of 20% applies until you insure this new location specifically. However, we do not cover beyond the termination of this insurance.

The personal property of a student who is an Insured covered by this insurance, while that property is at a residence away from home, is also covered. We insure the personal property of your spouse, 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 and/or are dependant for support and maintenance. .
The personal property owned by others is covered, at your option, while that property is in any part of a residence occupied by you, but we do not insure the property of roomers or boarders who are not related to you.
The personal property of a residence employee is covered at your option while that property is in a residence of yours or is with the employee while he or she is traveling for you.

Specific Limits of Insurance

The following categories of personal property are subject to the specific limits of insurance shown below **for any insured peril**. These are the total limits for all property included in each category.

These limits **do not** increase the limit of insurance shown on the Declarations page for Personal Property.

For any one loss, the most we will pay is:

- \$ 1,000 for money, bank notes and bullion;
- \$10,000 for securities. (This limitation does not apply when this property is located in a bank vault or bank safe deposit box.);
- \$ 5,000 for manuscripts;
- \$ 5,000 for watercraft, including equipment, furnishings and outboard motors;
- \$ 5,000 for computer software and information stored in memory or media. However, loss or damage caused by programming error or by incorrect instruction to the computer is not covered. (For business computer data refer to "Property Not Covered" f.);
- \$ 2,500 for animals, birds or fish, but we **do not** cover loss by theft, disappearance, impact by aircraft and land vehicle, death by disease or natural causes.;
- \$ 5,000 for golf carts you or a family member own

The following categories of personal property are subject to the specific limits of insurance shown below **but only for property which is lost, stolen or misplaced**. These are the total limits for all property included in each category.

These limits **do not** increase the limit of insurance shown on the Declarations page for Personal Property.

For any one loss, the most we will pay is:

- \$ 5,000 for coin collections, including numismatic property. (This limitation does not apply when this property is located in a bank vault or bank safe deposit box.);
- \$ 5,000 for stamp collections, including philatelic property. (This limitation does not apply when this property is located in a bank vault or bank safe deposit box.);
- \$10,000 for fur garments and garments trimmed with fur;
- \$10,000 for jewellery, watches, precious and semi-precious stones; subject to \$10,000 any one item;
- \$20,000 for silverware, silverplated ware, goldware, goldplated ware and pewterware.

Property not Covered

- a. Property illegally acquired or kept;
- b. Property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- c. Aircraft and parts;
- d. Motorized vehicles and trailers, including their furnishings and equipment, other than:
 - 1) motorized wheelchairs, motorized golf carts, remote-control caddies, watercraft, "drawn machinery", motorized lawn mowers, other gardening equipment and snow blowers;
 - 2) vehicles used to service your premises which are not licensed for road use;
- e. Buildings used for commercial or farming purposes, unless such use is stated on the Declarations page;
- f. Property pertaining to a business is only covered up to \$10,000 and only while on your residence premises.
However, if business property is used by you in the pursuit of an incidental business (secondary or side-line occupation) which conforms to municipal, provincial and federal laws, conducted from your premises, in such instance we will pay up to \$20,000 for a covered loss to this business property, merchandise and equipment, including business data stored in a computer. However, loss or damage caused by programming error or by incorrect instruction to the computer is not covered. This coverage applies both on and outside your residence premises.

Additional Living Expenses

If the Residence Premises insured become uninhabitable because of damage caused by a peril insured against, we provide the following coverage (there is no deductible for this coverage):

1. Additional Living expense, which means any necessary **increase** in living expenses, including moving expenses, if necessary, incurred by you so that your household can maintain its normal standard of living.

2. Rental value, which means the fair rental value of that part of the premises rented or held for rental by you. However this **shall not** include any expense that does not continue while the premises are uninhabitable.
3. Loss of Income, which also includes any loss of wage or salary of the person or the spouse of the person named on the Declarations page resulting from a peril insured, subject to a maximum of \$200 per week.
Any payment for loss of use or increased cost of living (as defined above) shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, for you to settle elsewhere.
This coverage also includes loss of use for a period not exceeding two weeks, during which time use of your premises is prohibited by the civil authorities because of direct damage to neighbouring premises caused by a peril insured against.
The period of time covered **is not** limited by expiration of this insurance.
We **do not** cover loss or expense due to cancellation of a lease or agreement.

Additional Living Expenses – Mass Evacuation

We will pay necessary and reasonable increase in living expense incurred by you while access to your dwelling is prohibited by order of civil authority, but only when such order is given for mass evacuation as a result of a sudden and accidental event within Canada or the United States of America.

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

There is no deductible for this coverage.

You are **not covered** for any claim arising from evacuation resulting from:

- a. Flood, meaning waves, tides, tidal waves and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
- b. War, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- c. Directly or indirectly:
 - a) Any nuclear incident as defined in the Nuclear Liability Act of 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 natural, coal or manufactured gas;
 - b) Contamination by radioactive material.

PERILS YOU ARE INSURED AGAINST

Dwelling Building and Detached Buildings or Structures, and Personal Property

We insure the property described in this Section One against all risks of direct physical loss, destruction or damage, other than the risks listed below.

Exclusions

We **do not** cover loss or damage:

- a. Caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
 - a) Caused directly or indirectly by:
 - b) 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 natural, coal or manufactured gas;
 - c) Contamination by radioactive material.
- b. Arising out of the actual or threatened discharge, dispersal, release or escape of pollutants.
“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. The sudden and accidental discharge of fuel oil which is contained in a fixed fuel tank, apparatus or pipes used to heat the insured dwelling will not be considered a “pollutant” within this definition.
However, we **do not** cover:
 - a) Loss or damage arising from pollutants emanating from an underground fuel tank. Fuel tanks that are located in the basement of a property are deemed to be above ground;
 - b) Loss or damage resulting from gradual leakage or seepage.
- c. Caused directly or indirectly by earthquake.
- d. Caused directly or indirectly by snowslide, landslide, or any other earth movement.
- e. Caused directly or indirectly by volcanic eruption, other than loss or damage resulting from lava flow, ash, dust or shock waves emanating from the blast. Loss by fire, explosion, theft or glass breakage directly caused by volcanic eruptions, earthquake and other cataclysms is covered;
- f. Resulting from any criminal act or willful negligence by an Insured, but this exclusion does not apply to any other Insured who has not committed and is not involved in the criminal act or willful negligence;
- g. Caused by wear and tear, deterioration, defect or mechanical breakdown, rust or corrosion, extremes of temperature, wet or dry rot or mould, smog and contamination;
- h. Caused by smoke from industrial or agricultural operations;
- i. Due to settling, expansion, contraction, moving, bulging, buckling or cracking of the building or structures, however, we do cover resulting damage to building glass;
- j. Caused by vermin, rodents or insects, however, we do cover resulting damage to building glass;
- k. Caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant, irrespective of any permission granted elsewhere in this insurance;
- l. Caused by flood, surface water, spray, waves, tidal waves, waterborne objects or ice, all whether driven by wind or not, except loss of damage resulting directly:
 - 1) From fire, explosion or theft;
 - 2) From the escape of water from a public water main, swimming pool or equipment attached;
 - 3) To personal property in transit;
- m. Caused by continuous or repeated seepage of water or steam over a period of time from within a plumbing, heating or air conditioning system, sprinkler system, water bed, aquarium or household appliance;
- n. Caused by seepage or leakage of water below the surface of the ground including through sidewalks, driveways, foundations, walls, basement or other floors or through doors, windows or any other openings, unless the loss or damage resulted from the escape of water from a public water main, swimming pool or equipment attached;
- o. Caused by freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to fence, pavement, patio, swimming pool and equipment, foundation, retaining wall, bulkhead, pier, wharf, dock or bridge;
- p. Caused by freezing of a plumbing, heating, sprinkler or cooling system or an appliance which uses or holds water while your premises are:
 - a) vacant (even if permission for vacancy has been given by us);
 - b) under construction; or
 - c) **unoccupied** in excess of **seven consecutive days** (i.e. 168 hours);**unless:**
 - 1) you have shut off the water supply and drained the system and appliances of water, or
 - 2) you have maintained heat in the building and have made arrangements to assure that heat is continued during any time the premises are unoccupied.

- q. Caused by freezing of a plumbing, heating, sprinkler or cooling system or an appliance which uses or holds water which is not within a building in which heat is maintained during the heating season;
- r. Due to breakage of fragile articles such as: art glass windows, glassware, statuary, marble, bric-a-brac and porcelains, **unless caused** by fire, theft or attempted theft, earth movement, explosion, falling objects striking the exterior of a building, collapse of a building or part thereof, water, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by accident to land vehicle, watercraft or aircraft, or by rupture of a plumbing, heating or air conditioning system or household appliance.
Fragile articles do not include jewellery, watches, bronzes, cameras and photographic lenses;
- s. To personal property (except jewellery, watches and fur) undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property insured is covered;
- t. We do not cover the cost of making good faulty design, material or workmanship
- u. Caused directly or indirectly by or resulting from or in connection with the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss. The use of biological, chemical and/or nuclear weapons or force or contamination and/or the threat thereof. The loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.
- v. Caused by cultivating, harvesting, processing, manufacturing or distributing illegal substances is not covered by your property policy. Cultivating illegal substances, as identified in the Schedule of the Controlled Drugs and Substances Act Narcotic Control Regulations, is an illegal and destructive activity.
- w. occurring after your dwelling has become vacant for a period in excess of 30 consecutive days.

EXTENSIONS OF COVERAGE

In addition to the limits of insurance shown on the Declarations page, the following additional coverage is given:

1. Removal and Safeguard Expenses

We will reimburse you for the reasonable expenses incurred by you to protect your property from **further damage** following the occurrence of an insured peril, or to remove property from your premises when endangered by an insured peril.
We also will cover for direct loss from any insured peril the property which is removed from your premises to protect it from damage from an insured peril. This coverage applies for a period of 90 days but not exceeding the expiry date of this insurance, and no deductible is applied to any payment by us under this extension of coverage.

2. Rebuilding Clause

In the event that loss to the principal residence building by a peril insured by the policy exceeds the limit of insurance shown on the Declarations page for Coverage A, and you agree to rebuild, repair or replace it on the same location, we shall pay the actual cost you reasonably incur for such rebuilding, repairing or replacement (subject to the limitation for earthquake damage that follows), with materials of like kind and quality. We will pay any increased costs of repair or replacement, due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services.

On payment of the claim we will adjust the amount of insurance to reflect the increase in the replacement cost of the building as a result of the mandatory improvements.

3. Debris Removal

We will pay the reasonable expense you incur for the removal of debris following an insured loss to your property

4. Excavation and Land Stabilization

We will pay, up to 10% of the amount of a covered loss to your dwelling or other detached buildings or structures for the excavation, replacement or stabilization of land under or around these buildings made necessary as a result of a loss.

5. Food Spoilage

We will pay up to \$5,000, without deductible, for the loss of or damage to food while contained in a food freezer located on your residence premises caused by mechanical breakdown of the freezer or power failure. We will also pay for any consequential damage to the freezer. Within this limit, we will reimburse any reasonable expenses incurred by you to reduce or avert a loss.

6. Fire Department Charges

We will reimburse you up to \$10,000, without deductible, if a fire department charges for having been called to save or protect property from a "Peril You Are Insured Against".

7. Lock Replacement

We will pay up to \$1,000, without deductible, to replace the locks of your residence premises if your keys are stolen.

8. Reward Coverage

Subject to our prior approval, we will pay up to \$1,000, without deductible, for each of the following, provided it is a covered loss:

- 1) The cost of advertising for the recovery of lost personal property;
- 2) A reward to any individual or organization, other than an insured person or the police while in their line of duty,
 - a) Who is instrumental in returning the lost property, or
 - b) For information leading to the arrest and conviction of any person or persons who commit any illegal act resulting in covered loss or damage to the property insured.

9. Identity fraud

We will pay for a covered person's identity fraud expenses, up to a maximum of \$25,000, for each identity fraud occurrence. The policy deductible applies to each identity fraud occurrence. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a covered person's means of identity which constitutes a violation of federal law or a crime or offence under any applicable state, provincial, territorial or local law.

"Identity fraud expenses" means:

- the costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- the costs for sending certified mail to law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- The loan application fees for re-applying for loan(s) due to the rejection of the original application because the lender received incorrect credit information;
- The telephone expenses for calls to businesses, law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;

- Earnings lost by a covered person as a result of time off from work to complete fraud affidavits, meet with law enforcement agencies, credit agencies, merchants, or legal counsel, up to \$250 a day, to a total of \$10,000.
- The reasonable lawyer fees incurred with prior notice to us for:
 - the defence of a covered person against any suit(s) by businesses or their collection agencies;
 - the removal of any criminal or civil judgments wrongly entered against a covered person; and
 - any challenge to the information in a covered person's consumer credit report.

However, "identify fraud expenses" does not include expenses incurred due to any fraudulent, dishonest or criminal act by a covered person or any person acting with a covered person, or by any authorized representative of a covered person, whether acting alone or in collusion with others. In addition to the duties described in Policy Terms, Liability Conditions, Your duties after a loss, a covered person shall notify an applicable law enforcement agency.

10. 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 Personal Property. The deductible applies to this coverage.

11. Tear Out

Within the limits of insurance shown on the Policy Declarations Page, we will replace or repair any parts of the insured building or premises that must be removed or torn apart before repairs can be made to a plumbing, heating, air conditioning or sprinkler system, domestic appliance, aquarium or water bed having caused insured damage, except damage related to an outdoor swimming pool or equipment attached, public water mains carrying drinking water or public sewers.

12. Loss Caused by Change or Temperature

Within the limits of insurance shown on the Policy Declarations Page, we will cover any loss or damage to personal property caused by a temperature change after your dwelling or other structure insured under this insurance has been damaged by an insured peril.

CONDITIONS APPLICABLE TO SECTION ONE – PROPERTY INSURANCE

Permissions Granted - Improvements

You have our permission under the terms and conditions of this policy to make alterations, additions and repairs to the dwelling that you occupy. 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 \$100,000 or more.

Notice to Authorities

When any loss is believed to be caused by theft, disappearance or any illegal act of others, you must give immediate notice to the police or other authorities having jurisdiction.

Protection of Property from Loss

You must use all reasonable means to protect the insured property from loss or damage when endangered by an insured peril, and to save and preserve such property during and after the time of loss or damage. (Refer to "1. Removal and Safeguard Expenses" under Extensions of Coverage).

Insurance not to Benefit Others

No person or organization having custody of any property covered by this insurance, and receiving payment for such services, shall benefit from this insurance.

Other Insurance

The insurance provided by this policy is over and above any other valid insurance, other than insurance written specifically to apply as additional to our limits of liability in this insurance.

When both this insurance and other insurance(s) provide coverage on the same basis for loss or damage, then we will pay only our share. Our share is the proportion which our limit of insurance bears to the total limits, or amounts of insurance, of all policies which provide coverage.

LOSS SETTLEMENT CONDITIONS

Subject to the General Conditions or Statutory Conditions which form part of this policy, your insured losses will be settled as follows:

Insurable Interest

We will not pay to any Insured any amount greater than the Insured's interest, at the time of loss, in the property covered by this insurance.

Limit of this Insurance

Regardless of the number of persons insured or persons having claim under this insurance, or the value of the damaged property, we will not pay more for any loss than our applicable limit of this insurance.

Valuation of Property and Loss Payment

A. On Buildings and Private Structures

1) We will pay, **without deduction for depreciation**, the actual cost to repair or rebuild on the same site (whichever is the lesser amount) using materials of similar quality **even if this cost exceeds the limit of insurance**.

It is an important consideration of this coverage that you agree to insure your "dwelling building" and "detached buildings or structures" for a limit not less than that determined by a method of our choice to establish the likely cost to rebuild or replace your property.

2) If you do not rebuild on the same site or should you elect not to repair, rebuild or replace your building, the basis of settlement will be the same as above, **except we will not pay more than the limit of insurance**.

A. On Personal Property

We will pay without deduction for depreciation the lesser of the cost to repair or replace covered personal property, up to the applicable limit of insurance shown on the Declarations page.

B. Optional Additional Coverage (if applicable)

Optional additional coverages and those provided by endorsement to your policy will be settled on an Actual Cash Value basis **unless otherwise specified**.

Actual Cash Value Basis

Actual Cash Value will take into account the cost of replacement, less any depreciation or obsolescence. In determining depreciation, the condition immediately preceding the damage, the resale value and the normal life expectancy will be taken into consideration.

We will pay the **lesser** of:

1. The cost to repair or replace the damaged property with material of like kind or quality;
2. The actual cash value of the articles at the time of the loss;

3. The applicable limit of insurance.

We reserve the right to repair or replace the article(s).

Loss to a Pair, Set, or Parts

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

1. Repair or replace any part to restore the property to its value before the loss, or
2. Pay the difference between the value of the property before and after the loss.

Loss Payments shall not Reduce Limits

Any loss or damage shall not reduce the amounts of insurance provided under this Section One (Property Insurance).

SECTION TWO – PERSONAL LIABILITY INSURANCE

DEFINITIONS of certain terms used in this Section Two

Insured

"You" and "your" in this Section have the same meaning as defined on page 1.

Additional Insureds

In addition, the following persons are insured:

1. Any person or organization legally liable for damage caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without the owner's permission;
2. Any person while performing duties as your residence employee;
3. In the event of your death,
 - a) your legal representative, but only while acting within the scope of his or her duties as such, and
 - b) with respect to your property, the person having temporary custody thereof but only until the appointment of the legal representative;
4. Any person who is insured by this policy at the time of your death and who continues residing on the insured premises.
5. Personal Injury and Property Damage
"Personal Injury" means:
 - 1) Bodily injury, sickness, disease and disability;
 - 2) False arrest, wrongful detention, false imprisonment, malicious prosecution or humiliation, wrongful eviction, wrongful entry, or other invasion of the right to private occupancy;
 - 3) Libel, slander, defamation of character or invasion of the rights of privacy;
 - 4) Threats, assault and battery not caused or uttered by or at the direction of any Insured, including death at any time resulting therefrom.

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

Residence Employee

"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.

Premises

"Premises" means all premises where the person(s) named as Insured on the Declarations page, their spouse or same-sex partner maintains a residence, provided such premises are specifically described on the Declarations page. It also includes:

1. Other residential premises specified on the Declarations page, except business property and farms;
2. Individual or family cemetery plots or burial vaults;
3. Vacant land you own or rent, excluding farm land in Canada
4. Land 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.

Watercraft You Own

You are insured against claims arising out of your ownership, use or operation of watercraft equipped with motors of not more than 38 kW (50 HP) in total when used with or on a single watercraft.

You are also insured for any other type of watercraft not more than 8 metres (26 feet) in length.

If you own any motors or watercraft larger than those stated above, you are insured **only** if they are shown on the Declarations page. 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 the acquisition. You are insured against claims arising out of our ownership, use or operation of watercraft being stored.

NB: You are **not insured** if your watercraft is a jet propelled personal watercraft.

Watercraft You Do Not Own

You are insured against claims arising out of your use or operation of watercraft which you do not own. Refer to Exclusion "j".

Motorized Vehicles You Own

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

1. Self-propelled lawn mowers, snow blowers, garden-type tractors, implements or unlicensed vehicles used or operated mainly on your property, provided they are not used for compensation or hire, and their trailers;
2. Motorized golf-carts and their trailers;
3. Remote control caddies;
4. Motorized wheelchairs;
5. Motorized vehicles in dead storage at your residence.

Motorized Vehicles You Do Not Own

You are insured against claims 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 use off public roads;
2. You are not using it for business or organized racing.
(Refer to Exclusion "j").

Trailers

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

Business or Business Use

"Business" means 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.

You are insured against claims arising out of:

1. Your work for someone else as a sales representative, collector, messenger or clerk, provided that the claim does not involve injury to a fellow employee;
2. Your work as a teacher, provided that the claim does not involve physical disciplinary action to a student or injury to a fellow employee;
3. The occasional rental of your residence to others, rental to others of a one or two-family dwelling, and rental to others of a three to six unit dwelling provided you occupy it in part as a residence;
4. The rental of space in your residence to others for incidental office, school or studio occupancy, or to not more than two roomers or boarders;
5. The rental to others, or holding for rent, of not more than three car spaces or stalls in garages or stables;
6. Activities during the course of your trade, profession or occupation which are ordinarily incidental to non-business pursuits;
7. You are insured against claims arising out of incidental self-employment business activity (such as baby sitting, newspaper delivery, lawn care) including incidental use of your residence premises for a business activity that is intended to produce a supplemental income.
To be considered as an incidental business activity you must have no employees and must conform to municipal, provincial and federal laws.

Aircraft

The term aircraft includes Hang Gliders and all other devices which will bear the weight of an individual and become airborne when towed behind a motor vehicle, watercraft or aircraft, or by free flight from land elevations or structures. The term does not apply to model aircraft.

INSURING AGREEMENT - Personal Liability Insurance

We will pay all sums on your behalf which you become legally liable to pay as compensatory damages because of personal injury or property damage sustained by others caused by or arising out of an accident or occurrence, anywhere in the world, which takes place during the period of insurance, up to the limit of liability indicated on the Declarations page.

We **will not** pay any fines, penalties, punitive damages, exemplary damages or any other sum over and above actual compensatory damages.

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.

Separate Insureds

Each person insured is a separate Insured, but this does not increase the limit of insurance.

Claim Investigation and Defense

We will defend, by counsel of our choice, any suit against you alleging personal injury or property damage and seeking 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.

Additional Payments

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

1. All expenses which we incur;
2. All costs charged against you in any suit insured under this coverage;
3. Any interest, and indemnity as defined in the applicable article of the Civil Code of Quebec, accruing after judgment, or where applicable, interest accruing from the date of the action, or determined by the Court, on that part of the judgment which is within the limit of insurance;
4. Premiums for appeal bonds required in any insured suit 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 insured accident or occurrence;
6. Reasonable expenses, including loss of earnings up to \$250 a day to a total of \$10,000, which you incur at our request.

In jurisdictions where we may be prevented by law or otherwise from carrying out this Agreement, we shall pay any expenses incurred with our written consent in accordance with this Agreement.

Voluntary Medical Payments to Others

We will pay reasonable medical expenses incurred within three years 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, x-ray, rehabilitation, prosthetic devices and funeral expenses. Medical expenses for residence employees are insured.

We will pay a maximum of \$10,000 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 provided in this policy.

You shall attempt to 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 authorization may be given by someone acting on behalf of the injured person.

Voluntary Property Damage Payments to Others

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.

You **are not** insured for claims:

- a. Resulting from the ownership, use or operation of automobiles or watercraft;
- b. For property you or your tenants own or rent;
- c. Caused by the loss of use, disappearance or theft of property.

We will pay whichever is the least of the following:

1. What it would cost to repair or replace the property with materials of similar quality at the time of loss;
2. \$1,000

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 to verify the damage.

GENERAL EXCLUSIONS APPLICABLE TO SECTION TWO – PERSONAL LIABILITY INSURANCE

You are not insured for claims arising from:

- a. Loss or damage caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- b. 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;
- c. Personal injury or property damage arising out of your business pursuits or the use of premises for business purposes, unless stated on the Declarations page. (Refer to the section entitled "Definitions of Certain Terms")
- d. Personal injury or property damage arising out of the rendering or failure to render professional services;
- e. Personal injury or property damage arising out of errors or omissions committed by you while acting as an officer or director of any corporation or organization, except non-profit corporations or organizations of your condominium association or syndicate;
- f. Personal injury or property damage arising from a criminal or intentional act or failure to act, committed by you or at your direction or that of any person insured under this policy. This exclusion does not apply to personal injury resulting from an act committed for the purpose of protecting or safeguarding persons or property;
- g. Any liability arising out of the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this policy. (Refer to the section entitled "Definitions of Certain Terms");
- h. Any liability arising out of the ownership, maintenance, use, loading or unloading of any aircraft or any air cushion vehicle, or any premises used in connection with aircraft operation;
- i. Property damage to aircraft owned, used or rented by you, or in your care, custody or control;
- j. Property damage to property rented to, used of occupied by you or in your care, custody or control or over which you are exercising any physical control **to the extent that you have agreed to provide insurance therefore;**
- k. Any damages imposed upon you by any Worker's Compensation Statute, Unemployment Compensation, Disability Benefits or other similar laws;
- l. Personal injury or property damage arising from the transmission of communicable disease by an Insured;
- m. Discrimination due to age, race, colour, sex, creed, national origin or any other discrimination.
- n. Indecent acts, sexual assault, sexual, physical, psychological or emotional harassment, corporal punishment or abuse:
 - a) by or with the express or implied consent of an Insured;
 - b) by any other person at the direction of an Insured;
- o. Personal injury to you or to any person who is also an Insured under the terms of this insurance;
- p. Property damage to property owned by you or any person who is also an Insured under the terms of this insurance;
- q. Underground fuel tanks or resultant pollutants. Fuel tanks that are located in the basement of a property are deemed to be above ground.
- r. Any liability arising out of manufacturing, commercial or farming purposes or the renting or leasing of land to others for those purposes.

CLAIM AND DEFENSE CONDITIONS APPLICABLE TO SECTION TWO – PERSONAL LIABILITY INSURANCE

Notice of Accident or Occurrence

When an accident or occurrence takes place, you must immediately 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.

Assistance and 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 every demand, notice, letter, document or writ received concerning the claim;
3. Not interfere in any settlement or legal proceeding.

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.

Action Against Us

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 judgment against you or by an agreement which has our consent.

With respect to "Voluntary Medical Payments to Others" and "Voluntary Property Damage Payments to Others", 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.

Other Liability Insurance

In the event you have other insurance which applies to a loss or claim, our policy will be considered excess insurance and we **will not** pay any loss or claim until the amount of such other insurance is used up.

SECTION THREE – VOLUNTARY COMPENSATION FOR YOUR RESIDENCE EMPLOYEES

If an employee of yours is injured, or dies accidentally, while actually performing duties for you, even though you are not legally liable, we will, in exchange for a document releasing you from all responsibility for that accident which has been signed by the employee, or by his or her executors if he or she is dead, pay the benefits described in this Section Three.

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

We have the right to recover from any one, other than you, who is responsible for the employee's injury or death. An injured employee must, 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.

Exclusions

The General Exclusions applicable to Section Two also apply to this Section Three. We **will not** pay benefits for hernia injury.

DEFINITIONS

Words used in this Section Three (Voluntary Compensation for your Residence Employees) have the same meaning as in Section Two (Personality Liability Insurance).

Employee

Means your residence employee.

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.

SCHEDULE OF BENEFITS

Loss of Life

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

1. 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; and
2. The actual funeral expenses, up to \$1,000.

Temporary Total Disability

If your employee becomes permanently and 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 in addition to benefits provided under Temporary Total Disability.

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.

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 (see schedule) within 26 weeks of the accident, we will pay weekly indemnity for the number of weeks shown.

Injury Benefits Schedule

The number of weeks payable for loss or total irrecoverable loss of use of:

1. Arm or hand	100
2. One finger	25
3. Two fingers	50
4. Three or more fingers	80
5. Leg or foot	100
6. One toe	15
7. Two or more toes	35
8. One eye	50
9. Both eyes	100
10. One ear	50
11. Both ears	100

These benefits will be paid in addition to Temporary Total Disability Benefits and Medical Expenses, but **no others**, and no more than 100 weeks for any combination.

Medical Expenses

If, as a result of the accident, your employee incurs medical expenses, including surgical, dental, pharmaceutical, hospital, nursing and ambulance expenses, within the following 26 weeks, we will pay in accordance with the scale of charges provided by the Workers' Compensation Act of the Province in which the accident occurred, subject to a maximum of \$5,000. 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 a period up to 52 weeks after the accident, subject to a maximum of \$5,000.

We **do not** cover costs recoverable from other insurance plans.

SECTION FOUR – CREDIT AND DEBIT CARD COVERAGE

We cover you up to the limit of insurance stated on the Declarations page for loss described below resulting from the dishonesty of others.

We **do not** cover:

- a. Loss resulting from the dishonesty of any Insured;
- b. Losses arising out of your business pursuits;
- c. Losses caused by the use of your credit card or electronic banking card by a resident of your household or by a person to whom you have entrusted the card.

There is no deductible under this Section.

We cover:

1. **Credit cards, Debit Cards and Electronic banking Cards**

Any loss to you caused by your legal obligation to pay because of the theft, forgery, alteration, or unauthorized use of any credit card, debit card or electronic banking card issued to or registered in your name, provided that you comply with all the terms and conditions under which the card was issued.

2. Forgery

Any loss to you caused by the forgery or alteration of any cheque or negotiable instrument.

3. Counterfeit Money

Any loss to you through the acceptance in good faith of money subsequently found to be counterfeit.

Conditions

We may make any investigation and settle any claim or suit brought against you or liability under this section.

We may defend at our discretion and at our expense, over and above the amount of insurance provided, either you or your bank.

Payment of our limit of insurance ends our duty to defend or settle.

CONDITIONS REQUIRED BY LAW

Statutory Conditions 1,3,4,5 and 15 only apply to Forms specifically covering Liability for Bodily Injury, Property Damage, Medical Payments and Residence Voluntary Compensation.

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 that these Conditions may be modified or supplemented by the Forms or Endorsements attached.

STATUTORY CONDITIONS

(Applicable Only To Risks Situated In Provinces Other Than The Province Of Quebec)

STATUTORY CONDITIONS

1. Misrepresentation

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

2. Property of Others

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

3. Change of Interest

The Insurer shall be liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession by operation of law or by death.

4. Material Change

Any change material to the risk and within the control and knowledge of the Insured voids 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.

5. Termination

1) This contract may be terminated:

- a) By the Insurer giving to the Insured fifteen days' notice of termination by registered mail, or five days' written notice of termination personally delivered; or
- 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 the 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 by cheque payable at par.

5) The fifteen days mentioned in clause (a) of subcondition (1) commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. Requirements After Loss

1) Upon the occurrence of any loss or damage to the insured property, the Insured shall, if such loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,

- a) Forthwith give notice thereof in writing to the Insurer;
- b) Deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration.
 - i.) Giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
 - ii.) Stating when and the 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 insurance 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, 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 subparagraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

7. Fraud

Any fraud or willfully false statements in a statutory declaration in relation to any of the above particulars shall vitiate the claim of the person making the declaration.

8. Who may give Notice and Proof

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

9. Salvage

1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to 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 subparagraph (1) of this condition according to the respective interests of the parties.

10. Entry, Control and Abandonment

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

11. Appraisal

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

12. When Loss Payable

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

13. Replacement

1) The Insurer, instead of making payment, may repair, rebuild or replace the property damaged or lost, giving written notice of its intention to do so within thirty days after receipt of the proofs of loss.

2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. Action

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

15. Notice

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

ADDITIONAL CONDITIONS

1) Notice to Authorities

Where the loss is due to malicious acts, burglary, robbery, theft, or attempt threat, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

2) No Benefit to Bailee

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

3) Pair and Set

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be constructed to mean total loss of set.

4) Parts

In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

5) Sue and Labour

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

6) Basis of Settlement

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

7) Subrogation

The Insurer, upon making any payment or assuming liability therefore under this Policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportions in which the loss or damage has been borne by them respectively.

8) Several Liabilities Clause

The subscribing insurer's obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

9) 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

10) Liberalization of Coverage

If, while your insurance is in force, we were to revise this form such that the coverages would be broadened without additional premium, the broader coverages would apply to your policy as well.

11) Assignment

The assignment of this insurance to others is not effective unless and until we give our written consent.

12) Recovery of Loss from Others

You may waive in writing before a loss but never after a loss your rights of recovery from any person. If you do not waive your rights we may require you to assign them to us for any loss where we have made payment. You are asked to co-operate in every way possible to assist in recovery from others.

13) Total Loss Earned Premium Clause

Notwithstanding anything contained in this insurance to the contrary, it is understood and agreed that in the event of the cancellation of this insurance there shall be no return of any premium in the event of a total or constructive total loss of the "residence premises".

For the purposes of this insurance total or constructive total loss shall mean a loss where the cost to repair or replace would exceed 80% of the full replacement cost of the "residence premises".

Important Notice

If any of the terms of this policy conflict with any local or Provincial statute, this insurance is amended to conform to the applicable statute.

SECTION FIVE - OPTIONAL COVERAGES

The following are optional coverages under this policy. The Policy Declaration page shows which, if any, optional coverages you have purchased.

Applicable Only If The Form Number Appears On The Declarations Page Of The Policy

VA - VALUABLE ARTICLES ENDORSEMENT

Applicable Only If The Form Number Appears On The Declarations Page Of The Policy

In return for your payment of the premium as stated separately on the Declarations page or included in the total premium we agree as follows:

We insure your personal articles listed individually or described by category in the "Schedule of Articles Insured" against all risks of direct physical loss or damage subject to the terms and conditions of this endorsement.

Territorial Limits

This insurance applies worldwide.

Limit of Insurance

When articles are listed individually on the Schedule, the limit of insurance shall be indicated next to the description of each article.

Should certain articles be described by category on the Schedule, the limit of insurance shall be indicated with respect to each category of articles.

Basis of Settlement (Specified articles)

If an article is listed in the "Schedule of Articles Insured", we will pay as follows:

1. In the event of a total loss, we will pay the Limit of Insurance specified for the article.
2. In the event of a partial loss;
 - 1) We will pay the cost to restore the article to its condition immediately prior to its loss;
 - 2) Should the article not be restored, we will pay the difference in the market value of the article before and after the loss;
 - 3) If, following restoration, the article's value is less than the market value immediately prior to the loss, we will, in addition, pay you the difference between the restored value and the market value.In no event will we pay more than the Limit of Insurance for the article.
3. Articles mentioned as being "In a safety deposit box" must remain there. **These articles are not insured while they are out** unless we agree upon prior notice to cover them.

Basis of Settlement (By category)

If your articles are covered by category, we will pay the lesser of the following amounts:

1. The amount necessary to repair or replace your articles (whichever is less) without deduction for depreciation;
2. The limit of insurance specified for each category of articles. Should a maximum limit for any one article of a category be indicated, we will pay no more than such amount.

Definition of items

When we use the following terms, we mean:

1. **Fine Arts** – paintings, pictures, art objects, tapestries, stained glass windows, statuary porcelain, rare books, manuscripts and similar articles.
2. **Furs** – fur garments and garments trimmed with fur.

3. **Jewellery** – articles of personal adornment containing precious metals, jewels, precious or semi-precious stones and including articles generally referred to as costume jewellery.
4. **Silverware** – silverplated ware, goldware, goldplated ware and pewterware.
5. **Stamps and Coin Collections** – stamps, coins, albums mounting devices, catalogues, showcases and other philatelic and numismatic property.

Loss to a pair, set, or parts

In the case of an insured loss to a pair, set or part of an article which consists of several parts when complete, we will pay:

1. The cost to restore the article to its condition immediately prior to its loss;
2. Should the article not be restored, we will pay the difference in the market value of the article before and after the loss;
3. If, following restoration, the article's value is less than the market value immediately prior to the loss, we will, in addition, pay you the difference between the restored value and the market value.

Should you agree to surrender the undamaged article to us, we will pay you the full replacement cost of the whole part, set or parts.

If the loss does not involve jewellery or fine arts, we must first agree to accept the undamaged articles.

In no event will we pay more than the applicable Limit of Insurance.

Exclusions

We **do not** cover:

- a. Property illegally acquired or kept;
- b. Property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
- c. Property used for profit unless permitted on the "Schedule of Articles Insured";

We **do not** cover loss or damage caused by or resulting from:

- d. Wear and tear, deterioration, inherent defect or mechanical breakdown;
- e. Vermin, rodents or insects;
- f. Directly or indirectly:
 - 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 natural, coal or manufactured gas;
 - b) contamination by radioactive material;
- g. War, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- h. Any criminal act or willful negligence by an Insured, but this exclusion does not apply to any other Insured who has not committed and is not involved in the criminal act or willful negligence.

Additional Exclusions pertaining to Fine Arts

In addition to the exclusions listed above, we **do not** cover:

- a. Damage caused by repairing, restoring or retouching; and
- b. Any loss while the property is on exhibition at either a fairground or on the premises of a national or international exposition.

Additional Exclusions pertaining to Stamp and Coin Collections

In addition to the exclusions listed above, we **do not** cover:

- a. Fading, creasing, denting, scratching, tearing, thinning, transfer of colours, dampness, extremes of temperatures, gradual depreciation or damage from handling;
- b. Loss to property in the custody of transportation companies, or shipments by mail unless sent by registered mail.

Newly Acquired Articles – Temporary Cover - Jewellery, furs, cameras, musical instruments, and collectibles

If you acquire any additional articles of a type already scheduled under this endorsement, we will automatically cover these articles for a period of 30 days from the date of the acquisition but not exceeding the expiry date of the policy to which this endorsement is attached. **You must report the newly acquired property to us within this same 30 days and pay the additional premium from the date acquired.**

Under this extension of cover, we will not pay more than 25% of the amount of insurance for the class of property being acquired, or \$50,000, **whichever is the lesser.**

We also reserve the right not to continue the insurance of the newly acquired property beyond the 30 day period.

Unearned Premium Clause

Following the payment of a loss, the amount of insurance provided for each article shall not be reduced except for a total loss of the scheduled property. Upon request, we will refund to you the unearned premium applicable to such property, or you may apply it to the premium due for the replacement of the Scheduled Property.

If, following a loss, you acquire any articles to replace those which were lost or damaged, you must advise us within 30 days. (Refer to the section entitled "Newly Acquired Articles – Temporary Cover")

Other Conditions that Apply

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

Refer to the attached schedule of articles insured

VAB - VALUABLE ARTICLES BLANKET COVERAGE ENHANCEMENT

Applicable Only If The Form Number Appears On The Declarations Page Of The Policy

For a covered loss to valuable articles with blanket coverage, we will pay the amount required to repair or replace the property, whichever is less, without deduction for depreciation. If the restored value is less than the market value immediately prior to the loss, we will pay the difference. But we will not pay more than the amount of blanket coverage for that category. And we will not pay more than the blanket limit per item for loss to any one article as shown in Your Coverage and Premium Summary.

The following valuable articles are eligible for blanket coverage:

Jewellery.

- An article of personal adornment containing gemstones, silver, gold, platinum, or other precious metals or alloys.

Furs.

- Garments made of, trimmed in, or consisting principally of fur.

Fine arts.

- Private collections of paintings, etchings, pictures, tapestries, art glass windows, other bona fide works of art (for example, statues, antiques, rare books and manuscripts, porcelains, rare glass), and items of historical value or artistic merit.

Silverware.

- Sterling silver, gold, or pewter: plated ware, tableware, trays, trophies, and similar household articles other than jewellery.

Stamps and coins.

- Stamps and/or coins contained in an individually owned stamp and/or coin collection and not owned by dealers or auctioneers. This includes other philatelic property, including books, pages and mountings; and other numismatic property including coin albums, containers, frames, cards and display cabinets used with your collection.

Musical instruments.

- Musical instruments and equipment.

Cameras.

- Cameras, projection machines, films, and related equipment.

Collectibles.

- Private collections of rare, unique or novel items of personal interest (for example, dolls, banks, guns, model trains) including memorabilia.

Wine.

- 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 wine. Maximum limit of \$50,000 with a maximum limit per bottle of \$500

Pairs, sets, and parts

If the covered loss is to part of a pair or set, or to part of a larger unit listed in your schedule of itemized articles, you may choose either of the following:

- If you do not surrender the undamaged article(s) of the pair, set or unit to us, we will pay the covered loss as a partial loss for the damaged article(s) of the pair, set or unit as previously described under Itemized articles.
- If you agree to surrender the undamaged article(s) of the pair, set, or unit to us, we will pay the covered loss as a total loss for the pair, set or unit as previously described under Itemized articles.

If the covered loss is to part of a pair or set, or to part of a larger unit with blanket coverage, we will pay whichever is least:

- The cost to repair the damaged property to its condition before the loss;
- The cost to replace it;
- The difference between its market value immediately before and after the loss.

If you agree to surrender the undamaged article(s) of the pair, set, or unit to us and we agree to accept, we will pay you the full replacement cost of the entire pair, set or unit, as a total loss, subject to the applicable blanket limit per item and amount blanket coverage for that valuable articles category.

"Replacement cost" is the amount required to repair or replace the pair, set, or unit, whichever is less.

Our option

When we pay for a total loss, we may keep all or part of the damaged property.

Recoveries

If we pay for a covered loss to property and we recover that property, we agree to offer you an opportunity to buy it back. We will offer it to you at no higher an amount than we paid to you for that property.

Wine away from your residences

If the covered loss to wine takes place away from any residences(s) you own or live at, as shown in Your Coverage and Premium Summary, the maximum amount we will pay is 20% of the amount of coverage for wine, or \$50,000, whichever is less.

In addition to covering the physical loss to your valuable articles, we also provide other related coverages. These payments are in addition to the amount of coverage for your valuable articles unless stated otherwise or exclusion applies. Exclusions to these coverages are described in Exclusions.

FA - FINE ARTS ENDORSEMENT

Applicable Only If The Form Number Appears On The Declarations Page Of The Policy

In return for your payment of the premium as stated separately on the Declarations page or included in the total premium we agree as follows:

We insure your fine arts listed in the "Schedule of Articles Insured" against all risks of direct physical loss or damage subject to the terms and conditions of this endorsement.

Territorial Limits

Coverage is provided at the address shown on the Declarations page unless other locations or certain territorial limits are indicated on the "Schedule of Articles Insured" attached to the policy.

Basis of Settlement

We will pay the **lesser** of:

1. The actual cash value of the article at the time of the loss;
2. The amount insured for each article.

We reserve the right to repair or replace the article(s).

Should the letter "V" appear beside an article insured that specific article is valued for the amount insured.

Exclusions

We **do not** cover:

- a. Property illegally acquired or kept;
- b. Property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;

- c. Breakage of fragile articles such as: art glass windows, glassware, statuary, marble, bric-a-brac and porcelains, unless caused by fire, theft or attempted theft, earth movement, explosion, falling objects striking the exterior of a building, collapse of a building or part thereof, water, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by accident to land vehicle, watercraft or aircraft, or by rupture of a plumbing, heating or air conditioning system or household appliance.

We **do not** cover loss or damage caused by or resulting from:

- d. War and tear, deterioration, rust or corrosion, extremes of temperatures, wet or dry rot or mould, inherent defect or mechanical breakdown;
- e. Vermin, rodents or insects;
- f. Directly or indirectly:
- 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 natural, coal or manufactured gas;
 - b) contamination by radioactive material;
- g. War, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- h. Any criminal act or willful negligence by an Insured, but this exclusion does not apply to any other Insured who has not committed and is not involved in the criminal act or willful negligence.
- i. Any process or work being performed on your fine arts where the damage results from such process or work. This includes repairing, restoration or retouching.

Newly Acquired Articles – Temporary Cover - Fine Arts

If you acquire any additional articles of a type already scheduled under this endorsement, we will automatically cover these articles for a period of 30 days from the date of the acquisition but not exceeding the expiry date of the policy to which this endorsement is attached. **You must report the newly acquired property to us within this same 30 days and pay the additional premium from the date acquired.**

Under this extension of cover, we will not pay more than 25% of the total amount of insurance provided by this endorsement, or \$50,000 whichever is the lesser. We also reserve the right not to continue the insurance of the newly acquired property beyond the 30 day period.

Special Condition if Fine Arts are Move

Should the fine arts be covered in transit, it is then a condition that they must be packed and unpacked by competent packers.

Unearned Premium Clause

Following the payment of a loss, the amount of insurance provided for each article shall not be reduced except for a total loss of the scheduled property. Upon request, we will refund to you the unearned premium applicable to such property, or you may apply it to the premium due for the replacement of the scheduled property.

If, following a loss, you acquire any articles to replace those which were lost or damaged, you must advise us within 30 days. (Refer to the section entitled "Newly Acquired Articles – Temporary Cover").

REFER TO THE ATTACHED "SCHEDULE OF ARTICLES INSURED"

FAB - FINE ARTS BREAKAGE ENDORSEMENT

Applicable Only If The Form Number Appears On The Declarations Page Of The Policy

The fine arts breakage exclusion, item "c" of the K2 endorsement, is deleted in its entirety.

Other Conditions that Apply (K2-K8)

All other terms and conditions of the policy to which these endorsements apply remain unchanged.

EQ - EARTHQUAKE OR VOLCANIC ERUPTION

Applicable Only If The Form Number Appears On The Declarations Page Of The Policy

In return for your payment of the premium as stated separately on the Declarations page or included in the total premium we agree to add the following peril to the **Perils You Are Insured Against**.

Additional Insured Peril

We insure you for direct loss or damage to the property described in Section One of the policy to which this endorsement is attached, caused by **Earthquake or Volcanic Eruption**.

Definition

One or more earthquake shocks or volcanic eruptions that occur within a 72 hour period shall be considered as a single earthquake or volcanic eruption. Only damage **occurring within the period of insurance shown on the Declarations page** will be covered.

Percentage Deductible

We will pay only for that portion of any loss or damage which exceeds the percentage deductible shown on the Declarations page of the applicable limit of insurance pertaining to this endorsement, but not exceeding the limit of insurance

Furthermore, the deductible shall apply separately to losses occurring under coverage for:

Dwelling Buildings
Detached Buildings or Structures
Personal Property

Other Conditions that Apply

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

SLS - STERLING LOSS SETTLEMENT ENHANCEMENT

Applicable Only If The Form Number Appears On The Declarations Page Of The Policy

Building: If the payment basis is Enhancement Loss Settlement replacement cost, we will pay the reconstruction cost of:

- Your house up to the amount of coverage shown in Your Coverage and Premium Summary; and

- Other permanent structures up to the amount of coverage for other permanent structures,

Whether or not you actually repair, replace or rebuild.

Enhancement Loss Settlement replacement cost is provided on the condition that you maintain at least 90% of the full amount of coverage we recommend for your house, including any adjustments by us based on appraisals, re-evaluation, and annual adjustments for inflation

If you have a covered partial loss to your house or any other permanent structure and do not begin to repair, replace, or rebuilding the lost or damaged property within 180 days from the date of loss, we will pay the reconstruction cost less depreciation

SLE- SINGLE LIMIT ENDORSEMENT ENHANCEMENT

Applicable Only If The Form Number Appears On The Declarations Page Of The Policy

In the event of loss, should the limit of insurance shown on the Declaration page applicable to any of the following sub-sections of Section One, - Dwelling Building, Detached Buildings or Structures, Personal Property, Additional Living Expenses - become exhausted, you may then apply the unused limit of the remaining sub-sections to satisfy your loss until the total limit of all sub-sections has been exhausted.

The deductible amount shown on the Declarations page remains and is in unaffected by this endorsement. All other terms and conditions of the policy to which this endorsement applies remain unchanged.

APPLICABLE STANDARD ENDORSEMENTS

The following endorsements apply to this policy .

TERRORISM EXCLUSION AND DATA EXCLUSION ENDORSEMENT

The following exclusions are applicable to all coverages included in your policy and its endorsements including Personal Liability section.

Exclusion 1 – Terrorism / Property Insurance

We **do not** cover:

Loss, damage or expense 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.

Such loss, damage or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage or expense.

This exclusion does not apply to loss or damage to property, which results directly from fire or explosion.

Exclusion 1 – Terrorism / Personal Liability Insurance

You are **not** insured for claims arising 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.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the claim.

Definition:

Terrorism means in 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) and/or instilling fear in the public or a section of the public.

Exclusion 2 – Data Exclusion / Property Insurance

We **do not** cover:

Data;

Loss or damage caused directly or indirectly by Data problem.

“Data” means representations of information or concepts, in any form.

“Data Problem” means:

Erasure, destruction, corruption, misappropriation, or misinterpretation of Data;

Error in creating, amending, entering, deleting or using Data; or

Inability to receive, transmit or use Data.

Exclusion 2 – Data Exclusion / Personal Liability Insurance

You are **not** insured for claims arising from:

Erasure, destruction, corruption, or misappropriation of Data, including any loss of use arising therefrom;

Erroneously creating, amending, entering, deleting or using Data, including any loss of use arising therefrom;

The distribution or display of data by means of an Internet Website, the Internet, an intranet, extranet or similar device or system designed or intended for electronic communication of Data.

MOULD EXCLUSION ENDORSEMENT

THIS EXCLUSION ELIMINATES ABSOLUTELY ANY COVERAGE UNDER ANY CIRCUMSTANCE FOR “MOULD”, AS THAT TERM IS DEFINED BELOW. IT REPLACES ENTIRELY ANY PART OF THE POLICY OR ENDORSEMENTS THAT SAYS THERE IS COVERAGE FOR “MOULD”.

1. Definition of “Mould”

The term “Mould” in this exclusion means one or more of the following items: (i) any growth produced on damp or decaying matter or on living cells; (ii) any fungus, including all moulds, rusts, mildews, mushrooms and yeasts; (iii) any matter growing or grown on a surface of the property that you did not intend to grow there; or (iv) any matter on or in the insured property that poses a health hazard to occupants or other persons.

2. Exclusion of “Mould”

a. This policy does not insure any loss, damage, claim, cost, expense, sum or other obligation involving “Mould”.

b. If any person or entity claims in any way that you are legally liable because of “Mould”, this policy does not insure or provide a defense on any basis.

3. Scope of Exclusion

This exclusion is absolute. It applies without exception to any and all circumstances.

a. With respect to your insured property, this exclusion applies whether there has been any physical loss or damage to insured property. It applies whether any insured peril or cause – including water damage – contributes concurrently or in any sequence to the “Mould”. It applies whether “Mould” precedes or follows after another event. It applies whether “Mould” is visible or hidden. And it applies to every action taken, whether voluntary or not.

With respect to your liability to others, this exclusion applies to every kind of potential or actual liability, whether for bodily injury, property damage, medical payments or otherwise. It applies whether there has been any suit or other demand made on you. And it applies whether the potential or actual liability is to pay, monitor, clean up, remove, or take some other action.

POLLUTION AND/OR CONTAMINATION EXCLUSION ENDORSEMENT

U.S.A & Canada, Land, Water and Air Exclusion

This Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- a) any loss, damage, cost or expense, or
- b) any increase in insured loss, damage, cost or expense, or
- c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation), which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term 'any kind of seepage or any kind of pollution and/or contamination' as used in this Endorsement includes (but is not limited to):

- a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a 'hazardous substance' by the United States Environmental Protection Agency or as a 'hazardous material' by the United States Department of Transportation, or defined as a 'toxic substance' by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

SAMPLE