

**Form #C1** (Rev. July 12, 2011)  
**(Standard) Tenants Insurance**

**Agreement**

We will provide the insurance described in this policy in return for the money you pay and your compliance with the terms of this insurance.

**Period of Insurance and Effective Date**

This insurance is effective for a period beginning and ending at 12:01 a.m. at your principal residence named on the Declarations page and on the dates shown on the Declarations page.

**DEFINITIONS**

**Applicable to ALL sections of your policy as well as the Optional Additional Coverages and Endorsements**

**Underwriters**

Throughout this policy the words "we", "us" and "our" refer to certain Underwriters at Lloyd's, London, England who provide this insurance.

**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.

Throughout this policy the words "you" and "your" refer to 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".

**Spouse**

In this policy the word "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 for 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**

In this policy, the term "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**

In this policy the words "residence premises" mean 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.

**Personal Property**

In this policy the words "personal property" shall, subject to the coverages, exclusions and conditions of this insurance, mean tangible, moveable property, but excluding interest or rights in property and evidences of debt or title.

**Civil Authority**

The term "civil authority" referred to in this policy shall mean any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under a Federal, Provincial or Territorial legislation with respect to the protection of persons and property in the event of an emergency.

**Plumbing System**

"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.

**CONDITIONS**

**APPLICABLE TO ALL SECTIONS**

**Liberalization of Coverage**

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

**Assignment**

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

**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 cooperate in every way possible to assist in recovery from others.

**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.

**CONDITIONS**

**APPLICABLE TO PROPERTY INSURANCE**

**Time Element**

This insurance applies only to loss or damage which occurs during the period of insurance stated on the Declarations page.

**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.

**Occupancy of Premises**

Any use of the premises other than for normal dwelling occupancy, or any condition of vacancy, must be reported to us as soon as practicable, but not later than 30 days after the change in occupancy or the beginning of the vacancy.

However, you may make alterations, additions and repairs to your premises without notice to us. (Refer to "General Exclusions Applicable to Property Insurance" – "Vacancy").

**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.

**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.

**GENERAL EXCLUSIONS  
APPLICABLE TO PROPERTY INSURANCE**

**We do not cover:**

**War Risk**

Loss or damage caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.

**Nuclear Risk**

Loss or damage caused directly or indirectly by:

- a. Any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- b. Contamination by radioactive material.

**Pollutants**

Loss or damage arising out of the actual or threatened discharge, dispersal, release or escape of pollutants.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste.

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.

**Earth Movement**

Loss or damage caused by snowslide, earthquake, landslide or other earth movement, except for ensuing loss or damage which results from fire or explosion.

**Criminal Act or Wilful Negligence**

Loss or damage resulting from any criminal act or wilful 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 wilful negligence.

**Ordinance or Law**

Loss or damage caused directly or indirectly from the enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure.

**Vacancy**

Loss or damage caused directly or indirectly after the building insured has been, to your knowledge, vacant for more than 30 consecutive days, unless previously agreed to by us.

"Vacancy" means the occupants have moved out with no intention to return. A newly constructed dwelling is vacant after it is completed and before the occupants move in.

**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 \$1,500 in all, (on the Prestige form, the limit is \$2,000) **and only while on your residence premises;**
- g. Lawns and outdoor trees, plants and shrubs. (However, these are covered under the Prestige form - refer to the section entitled "Extensions of Coverage".

#### **LOSS SETTLEMENT CONDITIONS APPLICABLE TO PROPERTY INSURANCE**

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**

An insured loss will be paid on the basis of the value of the damaged property at the time of the loss. This value will be determined as follows:

##### **A. On Personal Property**

On personal property, fixtures, equipment and structures that are not buildings, an insured loss will be paid on the basis of Replacement Cost:

1. Being the cost to repair or replace, whichever is less, at the time of the loss or damage with new materials of like kind and quality, without deduction for depreciation;
2. Provided the repair or replacement is executed with due diligence and promptly;
3. The amount we pay will be the lesser of the actual expenditure to repair or replace, but not exceeding the applicable limit of insurance.

##### **The replacement cost basis of settlement does not apply to:**

- a. Property which was not in good and workable condition;
- b. Property not being used by you, or being stored by you, unless the property is intended for use and only temporarily out of service;
- c. Articles, which by their inherent nature cannot be replaced with same or similar articles, such as: antiques, fine arts, paintings, statuary, memorabilia, souvenirs, photographs, negatives, rare books, manuscripts and collectors' items;
- d. Other similar articles the age, history and rarity of which contribute significantly to their value;
- e. Property, which at the time of loss or damage is no longer manufactured, or is unobtainable, but we will pay the cost of a new article of comparable quality and usefulness.

##### **If You do not Repair or Replace**

If you choose not to repair or replace any article, we will pay for the loss or damage to that article on the basis of "Actual Cash Value".

##### **B. Optional Additional Coverages (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 and 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 Actual Cash 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 Section One (Property Insurance).

## **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:

#### **Personal Property**

We cover your personal property while at the residence premises.

We also cover that personal property anywhere in the world while it is temporarily removed from the residence premises, or if it is newly acquired, up to 10% of the limit of insurance applicable to personal property or \$1,500, whichever is the greater.

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 covered up to a limit of \$1,500.

The personal property owned by others is covered at your option while that property is in your care or custody, or 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 travelling for you.

Personal property normally kept at your place of business is insured up to \$1,000 in all.

If you are not the owner of the building, we also insure dwelling improvements and betterments made by you or acquired at your expense.

#### 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:**

- \$ 200 for money, bank notes and bullion;
- \$ 1,000 for securities, whether they are stored on your premises or at a bank or other financial institution;
- \$ 1,000 for manuscripts;
- \$ 1,000 for watercraft, including equipment, furnishings and outboard motors;
- \$ 2,500 for computer software and information stored in memory or media. (Refer to "Property not Covered" "f." in the section entitled "General Exclusions Applicable to Property Insurance");
- \$1,000 for animals, birds or fish, but we **do not** cover loss by theft or impact by vehicles, watercraft or aircraft;
- \$1,000 for collectible cards, such as sports cards, and comic books.

The following categories of personal property are subject to the specific limits of insurance shown below, **but only in the event of a theft or attempted theft**.

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:**

- \$ 200 for coin collections, including numismatic property;
- \$ 1,000 for stamp collections, including philatelic property;
- \$ 1,000 for fur garments and garments trimmed with fur, jewellery, watches, precious and semiprecious stones;
- \$ 5,000 for silverware, silverplated ware, goldware, goldplated ware and pewterware;
- \$ 500 for each bicycle, including equipment and accessories.

#### Additional Living Expenses

If the Residence Premises insured become uninhabitable because of damage caused by a peril insured against, we provide the following 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.

#### PERILS YOU ARE INSURED AGAINST

We insure you for direct loss to the property described in this Section One caused by the following perils:

**1. Fire, Lightning or Explosion**

**2. Windstorm or Hail**

We **do not** cover loss:

- a. To the interior of a building or property contained in a building unless the windstorm or hail damages the building making an opening in a wall or roof through which further damage is caused;
- b. To outdoor radio or television antennae, satellite receivers, or their accessories;
- c. Caused by weight or pressure or melting of ice or snow, waves, floods, whether driven by wind or not.

**3. Theft, including Attempted Theft**

We **do not** cover loss by theft:

- a. From premises on which a building is being constructed;
- b. Of animals, birds or fish.

#### 4. Rupture, Freezing and Water Escape

This peril means:

- the sudden and accidental breaking, burning, bulging, or the freezing of a plumbing, heating, sprinkler or air conditioning system, domestic appliance, aquarium, water bed, swimming pool or equipment attached;
- the accidental discharge or overflow of water or steam from any such system or appliance, aquarium, water bed, swimming pool or equipment attached, as well as accidental discharge from a public water main carrying drinking water.

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.**

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

- a. To the system or appliance caused by rust, corrosion or gradual deterioration;
- b. Caused by a continuous or repeated seepage or leakage of water or steam;
- c. Caused by water which backs up through sewers, sumps or septic tanks;
- d. Caused by freezing while your premises are **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;
- e. Caused while the building is in the course of construction or vacant, irrespective of any permission granted elsewhere in this insurance;
- f. Caused by freezing of any part of such system which is not within a building in which heat is maintained during the heating season.

#### 5. Vandalism or Malicious Acts

We **do not** cover loss or damage caused while the building is in the course of construction or vacant, irrespective of any permission granted elsewhere in this insurance.

#### 6. Civil Disturbances and Riot

#### 7. Impact by Vehicles, Watercraft, or Aircraft, including Self-Propelled Missiles or Spacecraft

We **do not** cover loss or injury to animals, birds or fish.

#### 8. Smoke, which means Sudden and Accidental Damage Caused by Smoke

We **do not** cover any loss caused by smoke from industrial or agricultural operations.

#### 9. Falling Objects, which means an object falling against a Building, Structure or Outdoor Equipment

#### 10. Transportation Accidents, defined as damage to property being transported caused by collision, upset, derailment, stranding or sinking of any vehicle, or any conveyance of a common carrier

### EXTENSIONS OF COVERAGE

Within the limits of insurance shown on the Declarations page the following additional coverage is given:

#### 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 14 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.

#### Debris Removal

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

#### Tear Out

We will replace or repair any parts of your improvements and betterments 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.**

#### Loss Caused by Change of Temperature

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.

#### Moving to Another Home

We insure your personal property that is being moved to another location within Canada which is to be occupied by you as your principal dwelling. The limit of insurance for Personal Property will be divided between the premises, in transit and at the new location on the basis of the percentage of the total value of the property at your premises, in transit and at the new location. This coverage applies only for a period of 30 days from the date you commenced removal.

#### Food Spoilage

We will pay up to \$1,000, 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.

Within this limit, we will reimburse any reasonable expenses incurred by you to reduce or avert a loss.

#### Fire Department Charges

If you have a legal liability to, or an agreement with, a fire department outside the municipality where your dwelling is located, we will reimburse you for up to \$2,000, without deductible, if that fire department charges for having been called to save or protect property from a "Peril You Are Insured Against".

#### **Damage to Dwelling**

You may apply up to \$500 of your Personal Property insurance to pay for damage to your dwelling directly caused by theft or attempted theft, by vandalism or malicious acts.

#### **Inflation Protection**

The limits of insurance applicable to Section One shown on the Declarations page will be automatically increased (if applicable) by amounts which are solely attributable to the inflation increase since the most recent of:

1. The effective date of this policy;
2. The last renewal date of this insurance;
3. The date of the latest change to the limits of 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 in "Your Policy" – "Definitions".

#### **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. Your legal representative having temporary custody of the insured premises, if you die while insured by this policy, for legal liability arising out of the insured premises;
4. Any person who is insured by this policy at the time of your death and who continues residing on the insured premises.

#### **Bodily Injury and Property Damage**

"Bodily Injury" means bodily injury, sickness or disease or resulting death. "Property Damage" means damage to, or destruction of, or loss of use of 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;
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 an outboard motor or motors of not more than 19 kW (25 HP) in total when used with or on a single watercraft.

You are also insured if your watercraft has an inboard or an inboard-outboard motor of not more than 38 kW (50 HP) or for any other type of watercraft 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.

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, but not for damage to the watercraft itself.

#### **Motorized Vehicles You Own**

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

1. Self-propelled lawn mowers, snow blowers, garden-type tractors, or implements, used or operated mainly on your property, provided they are not used for compensation or hire, and their trailers;
2. Motorized golf-carts while in use on a golf course, and their trailers;
3. Remote control caddies;
4. Motorized wheelchairs.

#### **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.

You are not insured for damage to the vehicle itself.

#### **Trailers**

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

#### **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 usually occupied in part by you as a residence, provided no family unit includes more than two roomers or boarders;
4. The rental of space in your residence to others for incidental office, school or studio occupancy;
5. The rental to others, or holding for rent, of not more than 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. The temporary or part time business pursuits of an Insured under the age of 21 years.

Claims arising from the following business pursuits are insured only if the properties or operations are declared on the Declarations page:

1. The rental of residential buildings containing not more than six dwelling units;
2. The use of part of your residence by you for incidental office, school or studio occupancy.

#### **Aircraft**

The term aircraft includes Hang Gliders and all other devices which will bear the weight of an individual and become air borne 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.

### **COVERAGES**

#### **Limit of Liability**

This insurance applies only to accidents or occurrences which take place during the period of insurance indicated on the Declarations page. We provide coverage up to the limit of insurance shown on the Declarations page, for any one accident or occurrence.

#### **Separate Insureds**

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

### **PERSONAL LIABILITY INSURANCE**

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

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

The amount of insurance is the maximum amount we will pay for all compensatory damages in respect of one accident or occurrence.

You are insured for claims made against you arising from:

#### **A. Personal Liability**

Legal liability for unintentional bodily injury or property damage arising out of your personal actions anywhere in the world.

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

- a. The ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is provided in the policy. (Refer to the section entitled “Definitions of Certain Terms”);
- b. Damage to property you own, use, occupy or lease;
- c. Damage to property in your care, custody or control;
- d. Damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
- e. Bodily injury to you or to any person residing in your household other than a residence employee.

#### **B. Premises Liability**

Legal liability arising out of your ownership, use or occupancy of the premises. This insurance also applies if you assume, by a written contract, the legal liability of other persons in relation to your premises.

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

- a. Damage to property you own, occupy or lease;
- b. Damage to property in your care, custody or control;
- c. Damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
- d. Bodily injury to you or to any person residing in your household other than a residence employee.

#### **C. Tenants Legal Liability**

Legal liability for unintentional property damage caused directly to premises or their contents which you are using, renting or have in your custody or control.

You **are not** insured:

- a. For liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force.

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

- b. Wear and tear or deterioration;
- c. Dampness or dryness of atmosphere, condensation, extremes of temperature, exposure to light, contamination, change in colour, rust, corrosion, mould, dry or wet rot;
- d. Loss or damage to tools, bicycles or sporting equipment where the loss or damage is due to their use;
- e. Loss or damage to electrical devices or appliances caused by electrical currents other than lightning, unless fire ensues, and then only for the resulting damage;
- f. Loss or damage to watercraft, motorized vehicles or aircraft;
- g. Loss or damage caused by animals, birds or fish;

- h. Loss or damage to real or personal property while undergoing any process or while actually being worked upon, but resulting damage to other property is insured;
- i. Any event, unless sudden and accidental;
- j. Loss or damage occurring after your dwelling or unit has, to your knowledge, been vacant for more than 30 consecutive days.

We **do not** insure:

- k. Loss or damage caused by water **unless** the loss or damage resulted from:
  - 1) the sudden and accidental discharge or overflow of water from public water mains carrying drinking water;
  - 2) the sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, aquarium, water bed, swimming pool or equipment attached;
  - 3) freezing of any part of a plumbing, heating, sprinkler or air conditioning system, domestic appliance, aquarium, water bed, swimming pool or equipment attached, which is located inside an insured building heated during the usual heating season;
  - 4) water which enters through an opening which has been created suddenly and accidentally by an insured peril.  
"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.

**You are not insured for claims arising from loss or damage:**

- a) to public water mains carrying drinking water or public sewers;
  - b) to a system or appliance from which the water escaped;
  - c) caused by the backing up or escape of water from a sewer, sump, septic tank, eavestrough or downspout;
  - d) caused by flood, surface water, spray, waves, tides, tidal waves, waterborne objects or ice, all whether driven by wind or not;
  - e) occurring while the building is under construction or vacant, even if we have given permission for construction or vacancy.
- l. Mysterious disappearance;
  - m. Loss or damage caused directly or indirectly, proximately or remotely, arising in consequence of or contributed to by the enforcement of any bylaw, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

**Nor are you insured for claims made against you arising from:**

- n. Marring, scratching of any property or breakage of any fragile or brittle articles, such as glasses, glassware, marble, porcelain and china, unless caused by fire, explosion, smoke or water damage;
- o. Damage to trees, plants, shrubs and lawns permanently in the open on your premises, unless caused by fire or explosion;
- p. Damage to trees, plants and shrubs which are usually inside a dwelling and to animals, birds or fish, unless caused by fire, explosion, smoke or water damage.

#### **D. Employer's Liability**

Legal liability for unintentional bodily injury to residence employees arising out of and in the course of their employment by you.

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

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

#### **Claim Investigation and Defense**

We will defend, by counsel of our choice, any suit against you alleging bodily 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, except loss of earnings, which you incur at our request.

#### **VOLUNTARY MEDICAL PAYMENTS TO OTHERS**

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

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

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

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

We **will not** pay medical expenses of any person covered by any 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. The actual cash value of the property at the time of the loss;
2. What it would cost to repair or replace the property with materials of similar quality at the time of loss;
3. The amount shown on the Declarations page.

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

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 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. Your business or any business use of your premises except as defined or specified on the Declarations page;
- d. The rendering or failure to render any professional service;
- e. Bodily injury or property damage caused by your intentional or criminal act or failure to act, or any intentional or criminal act or failure to act by any other person at your direction;
- f. The ownership, use or operation of any aircraft or premises used as an airport or landing strip, and all necessary or incidental operations;
- g. The transmission of communicable disease by an insured;
- h. 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;
- i. The ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is provided in this policy;
- j. Underground fuel tanks or resultant pollutants. Fuel tanks that are located in the basement of a property are deemed to be above ground.

#### **CLAIM AND DEFENSE CONDITIONS APPLICABLE TO 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**

**This coverage is automatically provided for your occasional residence employees. It will be extended to your permanent residence employees, if so stated on the Declarations page.**

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 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 anyone, 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:

- a. For hernia injury;
- b. Where an employee is entitled to receive benefits under any Workers' Compensation Statute.

#### DEFINITIONS

Words used in this Section Three (Voluntary Compensation for your Residence Employees) have the same meaning as in Section Two (Personal 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 two-thirds of the applicable minimum wage 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 \$500.

#### Temporary Total Disability

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

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

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 Canadian or United States of America money subsequently found to be counterfeit.

**Conditions**

We may make any investigation and settle any claim or suit brought against you for 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.

**General Conditions**

*(Applicable only to risks in the Province of Quebec)*

**THESE CONDITIONS APPLY TO ALL COVERAGES PROVIDED BY THIS POLICY**

**(1) Effective Date and Period of Insurance**

This policy is in force as of the date and for the period shown on the Declarations page.

**(2) Termination**

This contract may be terminated at any time:

**(a) By the Named Insured giving written notice**

Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of premium actually paid over the short-term rate for the expired time, or over the minimum retained premium whichever is the greater.

**(b) By the Insurer giving written notice**

Termination takes effect 15 days following receipt of such notice mailed to the last known address of the Insured and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time.

In this Condition the expression "premium actually paid" means premium actually paid by the Insured to the Insurer or its agent, but does not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

**(3) 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.

**(4) Misrepresentation and Material Change**

**(a) At time the policy is issued**

Misrepresentation by the Insured of, or omission on his part to disclose, any circumstances known to him and likely to materially influence an Insurer in the setting of a premium, the evaluation of the risk or the decision to insure, voids the contract at the option of the Insurer, even for losses not related to the risks so misrepresented or not fully disclosed. However, in the absence of bad faith, the Insurer is liable for payment of the loss in the proportion that the premium collected, bears to that which it should have collected, except where it is established that it would not have insured the risk had it known the true nature of the risk.

**(b) While the policy is in force**

The Insured shall promptly notify the Insurer of any increase in the risk within his knowledge and control and which is likely to materially influence an Insurer in the setting of the rate of premium, the evaluation of the risk or the decision to continue to insure it. The Insurer may then terminate the contract or notify the Insured in writing that, if he desires the contract to continue in force, he must within 30 days of receipt of the notice, pay to the Insurer the additional premium specified in the notice failing which the contract is no longer in effect.

Any failure by the Insured to comply with the above gives rise to the same penalties as in Condition 4 (a).

Any increase in the risk resulting from a breach in warranty suspends coverage until accepted by the Insurer or until the breach has been remedied.

**(c) In the event of a loss**

Any deceitful representation invalidates the rights of the person making it to any indemnity related to the risk so misrepresented.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the deceitful representation relates.

**(5) Claims**

**Duties of the Insured**

**(a) In the event of any loss of or damage to the insured property, the Insured or any interested person shall:**

- (1) forthwith give notice thereof to the Insurer;
- (2) at the expense of the Insurer take all reasonable steps to prevent further loss or damage to the insured property. Any such further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable;
- (3) not undertake any repair or shall not remove any physical evidence of the loss or damage without written consent of the Insurer unless it is necessary to prevent damage to such property, or until the Insurer had reasonable time to examine the property;
- (4) deliver as soon as possible to the Insurer a proof of loss verified by a statutory declaration,
  - (a) 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;
  - (b) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated so far as the Insured knows or believes;
  - (c) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured;
  - (d) showing the amount of other insurances and the names of other Insurers;
  - (e) showing the interest of the Insured and all others in the property with particulars of all liens, encumbrances and other charges upon the property;
  - (f) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;

- (g) showing the place where the property insured was at the time of loss.
- (5) promptly give notice to the police or other persons in authority of any loss caused by theft, burglary, robbery or any attempt thereat or by malicious act.

(b) **In the event of bodily injury or property damage sustained by a third party, the Insured shall:**

- (1) immediately give detailed notice thereof to the Insurer and of any claim resulting therefrom;
- (2) immediately send to the Insurer every notice, letter or writ or document received from third parties;
- (3) not assume any obligation or settle any claim, except at his own cost;
- (4) not interfere in any settlement or legal proceeding;
- (5) upon the Insurer's request, cooperate with the Insurer in establishing the facts, securing and giving evidence and obtaining the attendance of witnesses;
- (6) assist the Insurer, except in a pecuniary way, in the defense of any action or proceeding or in the enforcement of any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is provided under this policy.
- (c) Failure to notify the Insurer as herein above provided shall, where the Insurer sustains prejudice therefrom, result in the forfeiture of any right to indemnity under this policy.

**(6) Basis of Settlement**

Unless otherwise provided, the Insurer shall not be liable for more than the actual prejudice at the time any loss or damage occurs.

**(7) Replacement**

The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost with other of like kind and quality, giving written notice of its intention to do so within 30 days after receipt of the proofs of loss. In that event the Insurer shall commence to do so repair, rebuild or replace the property as soon as practicable after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

**(8) Time of Payment of Insurance Money**

The Insurer shall pay claims within 60 days after receipt of the proof of loss or of information required by the Insurer or, where arbitration is held, within 15 days from the arbitration award.

**(9) Salvage**

- (a) 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.
- (b) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (A) of this condition according to the respective interests of the parties.

**(10) Premium**

Where a premium is outstanding at the time of settlement of a loss relating to property insured, the Insurer may deduct it from the indemnity payable.

**(11) Disagreement**

Any disagreement as to the nature, extent, amount of loss or the adequacy of repairs or replacement, shall be determined by arbitration whether the right to recover on the contract is disputed or not.

The Insured and the Insurer shall each select one appraiser and the two so chosen shall then select an umpire.

Thereafter the two appraisers together shall determine the matters in disagreement before them, specifying the property damaged and its value, and failing agreement shall submit their differences to the umpire.

If either party fails to name an appraiser within seven days after being served with written notice to do so, or if the appraisers fail to agree upon an umpire within 15 days after their appointment, or if an appraiser or umpire refuses to act or is incapable of acting, a judge of a court having jurisdiction may appoint such appraiser or umpire on the application of the Insured or of the Insurer.

The award shall be made in writing by a majority. For the remainder, the procedure for arbitration set out in the Quebec Code of Civil Procedure applies mutatis mutandis.

Each party shall pay the appraiser selected by him, and shall bear equally the other expenses of the arbitration and of the umpire.

**(12) Entry, Control and Abandonment**

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

**(13) Subrogation**

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefore under this contract, to all rights of recovery of the Insured against third parties except when they are members of the Insured's household and residing with him.

The Insurer may be released, in whole or in part, from its obligation towards the Insured when, because of the act of the latter, it cannot be so subrogated.

Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

**(14) Other Liability Insurance**

The liability insurance as provided by this contract is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis the amount of the Insurer's liability under this contract shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Insurer shall not be liable under this contract for a greater proportion of the loss than that stated in the applicable contribution provision below:

- (a) **Contribution by equal share**  
If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each Insurer contributes an equal share until the share of each Insurer equals the lowest applicable limit of liability under any one contract or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining Insurers then continue to contribute equal shares of the remaining amount of the loss until each such Insurer has paid its limit in full or the full amount of the loss is paid.
- (b) **Contribution by limits**  
If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this contract for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

**(15) Limitation of Actions**

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action arose.

**(16) Changes**

The terms of this policy shall not be waived or changed except by endorsement.

**(17) Inspection - Audit**

The Insurer and its authorized representatives shall have the right to inspect the insured property and to examine the Insured's books and records related to the subject matter of this insurance.

**(18) Assignment**

Assignment of interest under this contract shall not bind the Insurer until its consent is endorsed hereon; if, however, the Named Insured shall die or be adjudged bankrupt or insolvent or if there be a transfer of interest in the insurance from one Insured to another, this contract shall cover the Insured's heir, the trustee in bankruptcy or the remaining Insured.

**(19) Waiver**

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this policy by any act relating to arbitration or to the completion and delivery of proof of loss, or to the investigation or adjustment of the claim.

**(20) Action Against Insurer**

The Insured may not bring an action to recover the amount of a claim under this contract unless the requirements of this contract have been complied with nor until the amount of the loss has been ascertained by arbitration as therein provided, or by judgment against the Insured or by agreement between the parties with the written consent of the Insurer.

**(21) Notice**

All of the Insureds named in this policy give to the first Named Insured on the Declarations page the mandate of receiving or sending any notice of amendment or termination of this insurance, and of agreeing to any changes whatsoever of its terms and conditions. Any written notice to the Insurer may be sent by registered mail or certified post or delivered to the Insurer or its authorized agent. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by mail addressed to him at his last known address.

**(22) No Benefit to Bailee**

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

**(23) 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 construed to mean total loss of a set.

**(24) 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.

**(25) Fire or Explosion caused by Volcanic Eruptions, Earthquakes or other Cataclysms**

Notwithstanding Article 2486 of the Civil Code of Quebec, the Insurer is liable for fires or explosions directly caused by volcanic eruptions, earthquakes or other cataclysms.

**ADDITIONAL CONDITIONS**

**(1) Notice to Authorities**

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

**(2) No Benefit to Bailee**

It is warranted by the Insured that this insurance shall in no wise 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 construed 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 therefor 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.

**Optional - Additional Coverages**

**APPLICABLE ONLY IF THEIR FORM NUMBER APPEARS ON THE DECLARATIONS PAGE OF THE POLICY**

<b>FORM NO.</b>	<b>ENDORSEMENT</b>
R3	Sewer Backup – Additional Insured Peril
R8	Basis of Settlement – Actual Cash Value
X2	Earthquake or Volcanic Eruption – Additional Insured Peril

**R3 SEWER BACKUP - ADDITIONAL INSURED PERIL ENDORSEMENT**

**Agreement**

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

**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 water which backs up through sewers, sumps or septic tanks.

We will not pay:

- a. If sumps or septic tanks are not emptied in accordance with generally accepted practices;
- b. For loss or damage occurring while the building is under construction or vacant, even if we have given permission for construction or vacancy.

**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.

**Other Conditions that Apply**

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

**R8 BASIS OF SETTLEMENT  
ACTUAL CASH VALUE ENDORSEMENT**

**Agreement** In consideration of the reduced premium for this policy, all Personal Property losses will be settled on an **Actual Cash Value basis and not on Replacement Cost terms.**

**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 and 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).

**Other Conditions that Apply**

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

**X2 EARTHQUAKE OR VOLCANIC ERUPTION - ADDITIONAL INSURED PERIL ENDORSEMENT**

**Agreement**

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

**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
- Unit Owners Improvements and Betterments.

**Exclusion**

We **do not** cover loss or damage caused by or resulting from flood of any nature, waves including tidal waves, waterborne objects or ice, whether caused by, resulting from, contributed to or aggravated by earthquake or volcanic eruption.

**Other Conditions that Apply**

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

SAMPLE