

**Form #E1, F1 (Rev. June 6, 2016)**  
**Building and Contents Insurance**

This policy contains the Insuring Agreements of the policy you have selected to insure your property.

Your insurance policy has been written in clear language rather than in a legalistic form to help you better understand your insurance coverages. Please take a few moments to read your policy. Should you have any questions or require changes, please do not hesitate to communicate immediately with your Broker.

**If this is a renewal of your policy, the wording in this booklet will replace your previous policy wordings.**

*Your Policy*

**Note:**

It is important to verify the use of the residential dwelling as described on the Declarations page:

- Principal residence;
- Secondary residence;
- Seasonal residence;
- Rented to others for dwelling occupancy.

The use affects the premium charged and the coverages provided.

**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 the residence described on the Declarations page and on the dates shown on the Declarations page.

**DEFINITIONS**

**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. 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 residential dwelling, other structures and grounds, or that part of any other building on those premises which is occupied 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 THIS INSURANCE**

**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.

### 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 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.

### Fire Insurance On A Residential Dwelling Or Personal Property

#### E1 DWELLING BUILDING

##### Limits of Insurance

We will pay up to the applicable limit of insurance shown on the Declarations page under form E1 for the following:  
(If form E1 is not shown on the Declarations page, this coverage does not apply.)

##### 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 for an amount not exceeding 10% of the limit of insurance applicable to the dwelling building;
5. Materials and supplies located on or adjacent to the premises for use in the construction, alteration or repair of the dwelling;
6. Building equipment or fixtures removed from the premises for repair or storage for an amount not exceeding 10% of the limit of insurance applicable to the dwelling building.

#### EXTENSIONS OF COVERAGE

##### Detached Buildings or Structures

We cover your separate detached garage or other separate buildings or structures located on the residence premises for an amount not exceeding 10% of the limit of insurance applicable to the dwelling building.

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 this limit.

##### Loss of Rents (Applicable to a Residence Rented to Others)

We insure the loss of rents and the loss of rental value of the premises situated at the address stated on the Declarations page for an amount not exceeding 10% of the limit of insurance on the dwelling building should the premises become uninhabitable as a direct result of the Perils Insured Against.

We **do not** cover loss due to cancellation of a lease or agreement.

We will pay the lesser of:

1. The loss of rents and/or rental value for the period that would be required, with the exercise of diligence and promptness, to repair, replace or rebuild the damage, to a maximum of 12 months;
2. The limit of insurance (10% of the limit for dwelling building).

This coverage is in addition to the amount of insurance on the dwelling building.

##### Prohibition of Use by a Civil Authority

Loss of rents is covered for a period not exceeding two weeks, during which time use of the premises is prohibited by the Civil Authorities because of direct damage to neighbouring premises caused by a peril insured against.

### Definitions

The term "rent" means the actual rent for the occupied portion of the building.

The term "rental value" means the fair rental value of that portion of the premises unoccupied at the time the premises become uninhabitable if a rental agreement is probable and imminent.

## F1 PERSONAL PROPERTY

### Limits of Insurance

We will pay up to the applicable limit of insurance shown on the Declarations page under form F1 for the following:

(If form F1 is not shown on the Declarations page, this coverage does not apply.)

### Personal Property

We cover your personal property while at the residence premises.

The uninsured personal property owned by others is covered at your option while that property is in your care or custody while on the residence premises, but we do not insure the property of roomers or boarders who are not related to you.

If you occupy these premises as your principal residence, we will cover an additional amount, not exceeding 10% of the limit of insurance for this section, on personal property anywhere in the world while it is temporarily removed from your residence premises or if it is newly acquired.

This extension does not cover on the premises of any secondary or seasonal residence owned by you or any other Insured, nor shall it cover in a storage warehouse.

### Improvements and Betterments

If you do not own the dwelling, we also insure improvements and betterments to the building made by you or acquired at your expense.

### Additional Living Expenses

**(Applicable only to a principal or secondary residence. This coverage does not apply to seasonal residences, nor to a residence rented to others)**

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.

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.

### The maximum we will pay is:

10% of the limit of insurance shown on the Declarations page under form E1 (Dwelling Building);

**or, if no insurance applies under form E1, then**

10% of the limit of insurance shown on the Declarations page under form F1 (Personal Property).

## 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;
- \$ 500 for securities;
- \$ 500 for manuscripts;
- \$ 500 for watercraft, including equipment, furnishings and outboard motors;
- \$ 1,000 for computer software and information stored in memory or media;
- \$ 1,000 for animals, birds or fish, but we **do not** cover loss by impact by vehicles, watercraft or aircraft;
- \$ 3,000 on drawn machinery and garden-type tractors, including attachments and accessories.

## PERILS YOU ARE INSURED AGAINST

We insure you for direct loss to the property covered by form E1 (Dwelling Building) or form F1 (Personal Property) 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 landslide, tidal waves, high water, floods, waterborne objects, or the normal and gradual accumulation of ice, snow or sleet, even if driven or caused by wind;
- d. To watercraft and its equipment and outboard motors, unless inside a fully enclosed building.

This exclusion does not apply to rowboats and canoes in the open.

3. **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;
  - g. Caused directly or indirectly by theft or attempt thereat.
- 4. Impact by Vehicles, Watercraft, or Aircraft, including Self-Propelled Missiles or Spacecraft**  
We **do not** cover loss or injury to animals, birds or fish.
- 5. Smoke, which means Sudden and Accidental Damage Caused by Smoke**  
We **do not** cover any loss caused by smoke from industrial or agricultural operations, nor from a fireplace.
- 6. Falling Objects, which means an object falling against a Building, Structure or Outdoor Equipment**  
We **do not** cover loss or damage to glass constituting part of a building.

#### **THE FOLLOWING PERILS (7 AND 8) DO NOT APPLY IF THE USE OF THE DWELLING IS SEASONAL.**

##### **7. 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.

##### **8. Civil Disturbances and Riot**

#### **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 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.**

##### **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.

##### **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".

##### **Inflation Protection**

The limits of insurance applicable to coverage E1, F1 or E3, F3 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.

#### **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 Willful Negligence**

Loss or damage 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.

#### **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, **and only while on the residence premises**;
- g. Lawns and outdoor trees, plants and shrubs ;
- h. Books of account.

#### **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 Buildings and Private Structures**

On buildings and private structures, when repaired or replaced for residential use on the same premises (unless rebuilding or repair on the same site is prohibited by an ordinance or law), and **provided repair or replacement is executed with due diligence, we will pay the replacement cost for equivalent construction, without deduction for depreciation, provided that the limit of insurance is equal to, or greater than, 80% of the replacement cost value of the building at the time of loss.** (However, in no circumstances will the replacement cost exceed the applicable limit of insurance.)

**Should the limit of insurance be less than 80% of the replacement cost value of the building or private structure, then you can choose one of the following options:** (However, in no circumstances will we pay more for any loss than the applicable limit of insurance)

1. The actual cash value (depreciated value), but not more than the amount necessary to repair or replace;
2. The replacement cost. If you elect to have your loss adjusted and paid on this basis, then we shall not pay more than the proportion of the cost of repairs or replacement which the insured amount bears to 80% of the actual replacement cost value of the building at the time of the loss;

**Should the building or private structure not be repaired or replaced,** the loss shall be settled on an Actual Cash Value basis but not more than the amount necessary to repair or replace and in no circumstances will we pay more for any loss than the applicable limit of insurance.

##### **B. On Personal Property**

On personal property, fixtures, equipment and structures that are not buildings, an insured loss will be paid on the basis of Actual Cash Value.

##### **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 this policy.

**CONDITIONS APPLICABLE TO THE VARIOUS COVERAGES PROVIDED HEREIN**

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.

**ADDITIONAL CONDITIONS**

**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.

**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.

**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.

**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.

**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.

**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.

**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.