

Form #Premier-SHI (October 1, 2022)
The Premier 'Standard Homeowners' Insurance Policy Agreement

INSURING AGREEMENT

We provide the insurance described in this policy and any endorsements attached, based on the information declared in the application for insurance (including any other supplemental forms, questionnaires or declarations), for payment of the premium and subject to the terms and conditions set out herein. This policy contains conditions which apply at all times. Insurance cannot be a source of profit. It is only designed to indemnify you against actual losses incurred by you or for which you are liable.

This form consists of the following sections:

SECTION ONE - PROPERTY INSURANCE

SECTION TWO - PERSONAL LIABILITY INSURANCE

SECTION THREE - VOLUNTARY COMPENSATION FOR YOUR RESIDENCE EMPLOYEES SECTION

FOUR - CREDIT AND DEBIT CARD COVERAGE

PERIOD OF INSURANCE

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

DEFINITIONS

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

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

"Personal Property" means, subject to the coverages, exclusions and conditions of this insurance, tangible, moveable property.

"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.

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

"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.

"Spouse" means a man or woman who:

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

"Under Construction" means any conversions, renovations, extensions or structural work.

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

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

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

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

SECTION ONE - PROPERTY INSURANCE

Limits of Insurance

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

Deductible

We will pay for that portion of any loss or damage which exceeds the deductible amount shown on the Declarations page up to the limit of insurance for any one occurrence.

Coverage A - Dwelling Building

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

1. Swimming pools and attached equipment;
 2. Fixtures and glass forming part of the dwelling and attached structures;
 3. Outdoor equipment, permanently installed;
 4. Fences, walls, gates, driveways, walkways;
 5. Trees, plants, shrubs and lawns for an amount not exceeding 5% of the limit of the insurance applicable to dwelling building.
- This coverage is in addition to the limit of insurance shown on the Declarations page for dwelling building. The limit for any one tree, plant or shrub is

\$1,000.

However, these items are insured only against loss or damage caused by fire, lightning, explosion, theft or attempt threat, vandalism, malicious acts, civil disturbances, riot or impact by vehicle, watercraft or aircraft.

We do not cover any property grown for commercial purposes.

6. Materials and supplies located on or adjacent to the premises for use in the construction, alteration or repair of the dwelling;
7. Building equipment or fixtures removed from the premises for repair or storage.

Coverage B - Detached Buildings or Structures

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

Coverage C Personal Property

We cover your personal property that you own while on the premises and which is usual to the ownership or maintenance of a residential dwelling, up to the policy coverage limit for Coverage C on your Declaration. If added by endorsement we will also insure personal property of others, including a residence employee, that is not insured by him or her while it is on that portion of your premises which you occupy, but we do not insure the property of roomers or boarders who are not related to you.

The personal property of a student who is an Insured covered by this insurance, to a maximum of \$5000, while that property is at a residence away from home, is also covered. We insure the personal property of your spouse, father and/or mother or your spouse's father and/or mother who are living in a nursing home or a home for the aged, but who are in your legal custody and/or are dependent for financial support and maintenance to a maximum of \$10,000 in all.

We insure your personal property described in the preceding paragraph, anywhere in the world while it is temporarily away, for a period not longer than 180 consecutive calendar days, from your premises or its attached buildings or structures, and in your possession or in the possession of a residence employee travelling with or for you. The most we will pay under this coverage is \$5,000.

We insure your personal property in transit to, and at, a newly acquired principal residence within Canada but only for 60 consecutive days from the date you begin to move personal property there, or until the policy period ends, whichever occurs first.

Specific Limits of Insurance

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

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

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

- \$ 1,000 for money, bank notes and bullion;
 - \$10,000 for securities. (This limitation does not apply when this property is located in a bank vault or bank safe deposit box.);
 - \$ 5,000 for manuscripts;
 - \$ 3,500 for watercraft, including equipment, furnishings and outboard motors;
 - \$ 5,000 for computer software and information stored in memory or media. However, loss or damage caused by programming error or by incorrect instruction to the computer is not covered. (For business computer data refer to "Property Not Covered" f.);
 - \$ 2,500 for animals, birds or fish, but we do not cover loss by theft, disappearance, impact by aircraft and land vehicle, death by disease or natural causes.;
 - \$ 5,000 for golf carts you or a family member own
 - \$ 5,000 for property pertaining to a business and only while on your residence premises.
- However, if business property is used by you in the pursuit of an incidental business (secondary or side-line occupation) which conforms to municipal, provincial and federal laws, conducted from your premises, in such instance we will pay up to \$10,000 for a covered loss to this business property, merchandise and equipment, including business data stored in a computer. However, loss or damage caused by programming error or by incorrect instruction to the computer is not covered. This coverage applies both on and outside your residence premises.

The following categories of personal property are subject to the specific limits of insurance shown below if the loss or damage is a direct result of theft or attempted theft or disappearance. These are the total limits for all property included in each category.

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

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

- \$1,000 in all for coin collections
- \$2,000 in all stamp collections and manuscripts
- \$2,500 in all card collections and comic collections
- \$2,000 each bicycles, tricycles, or unicycles that are propelled only by human power, their parts, equipment and accessories, inclusive of its parts, equipment and accessories.
- \$7,500 in all books, tools and instruments pertaining to a business, business property, and samples and goods held for sale, only if loss or damage occurs while such property is on your premises. We do not insure business records stored electronically or, in any form or format, books of account or evidences of debt or title.
- \$7,500 in all jewellery, watches, gems, fur garments and garments trimmed with fur
- \$5,000 in all securities

Sporting Equipment

We insure sporting equipment up to maximum of \$5,000, but not if the loss or damage is caused by its use.

PROPERTY NOT COVERED under Coverage A,B,C

- a. Interest or rights in property and/or evidences of debt or title
- b. Property illegally acquired or kept;
- c. Property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- d. Aircraft and parts;

- e. 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;
- f. Buildings used for commercial or farming purposes, unless such use is stated on the Declarations page;

Coverage D - Additional Living Expenses

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

- 1. Additional Living expense, which means any necessary **increase** in living expenses, including moving expenses, if necessary, incurred by you so that your household can maintain its normal standard of living.
- 2. Rental value, which means the fair rental value of that part of the premises rented or held for rental by you. However, this **shall not** include any expense that does not continue while the premises are uninhabitable.
- 3. Loss of Income, which also includes any loss of wage or salary of the person or the spouse of the person named on the Declarations page resulting from a peril insured, subject to a maximum of \$200 per week.

Any payment for loss of use or increased cost of living (as defined above) shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, for you to settle elsewhere.

This coverage also includes loss of use for a period not exceeding two weeks, during which time use of your premises is prohibited by the civil authorities because of direct damage to neighbouring premises caused by a peril insured against.

The period of time covered **is not** limited by expiration of this insurance.

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

Additional Living Expenses – Mass Evacuation

We will pay any necessary and reasonable increase in living expense incurred by you while access to your dwelling is prohibited by order of civil authority due to mass evacuation, but only when such order is given for mass evacuation because of physical damage, as insured by this policy, within Canada or the United States of America.

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

There is no deductible for this coverage.

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

- a. Flood, meaning waves, tides, tidal waves and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
- b. War, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- c. Directly or indirectly:
 - a) Any nuclear incident as defined in the Nuclear Liability Act of any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - b) Contamination by radioactive material.;
- d. An outbreak of a communicable disease;
- e. Earthquake, Landslide or Volcanic Eruption.

PERILS YOU ARE INSURED AGAINST

Coverage A - Dwelling Building, Coverage B - Detached Buildings or Structures, and Coverage C - Personal Property

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

EXCLUSIONS

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

- a. Caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- b. Caused directly or indirectly by:
 - i) 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;
 - ii) Contamination by radioactive material.
- c. Arising out of the actual or threatened discharge, dispersal, release or escape of pollutants.
"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. The sudden and accidental discharge of fuel oil which is contained in a fixed fuel tank, apparatus or pipes used to heat the insured dwelling will not be considered a "pollutant" within this definition.
However, we **do not** cover:
 - a) Loss or damage arising from pollutants emanating from an underground fuel tank. Fuel tanks that are located in the basement of a property are deemed to be above ground;
 - b) Loss or damage resulting from gradual leakage or seepage.
 - c) We do not cover loss or damage caused, directly or indirectly, by accidental discharge or overflow of fuel from a heating system occurring while your dwelling is under construction or vacant even if we have given permission for construction or vacancy.
- d. Caused directly or indirectly by earthquake, snowslide, landslide, or any other earth movement including volcanic eruption, other than loss or damage resulting from lava flow, ash, dust or shock waves emanating from the blast.
Loss by fire, explosion, theft or glass breakage directly caused by volcanic eruptions, earthquake and other cataclysms is covered;
- e. 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;
- f. Caused by wear and tear, deterioration, defect or mechanical breakdown, rust or corrosion, extremes of temperature, wet or dry rot or mould, smog and contamination;
- g. Caused by smoke from industrial or agricultural operations;

- h. Due to settling, expansion, contraction, moving, bulging, buckling or cracking of the building or structures, however, we do cover resulting damage to building glass;
- i. Caused by vermin, rodents or insects, however, we do cover resulting damage to building glass;
- j. Caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant, irrespective of any permission granted elsewhere in this insurance;
- k. Caused by flood, surface water, spray, waves, tidal waves, waterborne objects or ice, all whether driven by wind or not, except loss of damage resulting directly:
 - 1) From fire, explosion or theft;
 - 2) From the escape of water from a public water main, swimming pool or equipment attached;
 - 3) To personal property in transit;
- l. Caused by continuous or repeated seepage or leakage of water;
- m. Caused by seepage or leakage of water below the surface of the ground including through sidewalks, driveways, foundations, walls, basement or other floors or through doors, windows or any other openings, unless the loss or damage resulted from the escape of water from a public water main, swimming pool or equipment attached;
- n. Caused by freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to fence, pavement, patio, swimming pool and equipment, foundation, retaining wall, bulkhead, pier, wharf, dock or bridge;
- o. Caused by freezing of a plumbing, heating, sprinkler or cooling system or an appliance which uses or holds water while your premises are:
 - a) vacant (even if permission for vacancy has been given by us);
 - b) under construction; or
 - c) **unoccupied** in excess of **seven consecutive days** (i.e. 168 hours);**unless:**
 - 1) you have shut off the water supply and drained the system and appliances of water, or
 - 2) you have maintained heat in the building and have made arrangements to assure that heat is continued during any time the premises are unoccupied.
- p. Caused by freezing of a plumbing, heating, sprinkler or cooling system or an appliance which uses or holds water which is not within a building in which heat is maintained during the heating season;
- q. Due to breakage of fragile articles such as: art glass windows, glassware, statuary, marble, bric-a-brac and porcelains, unless caused by fire, theft or attempted theft, earth movement, explosion, falling objects striking the exterior of a building, collapse of a building or part thereof, water, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by accident to land vehicle, watercraft or aircraft, or by rupture of a plumbing, heating or air conditioning system or household appliance.
Fragile articles do not include jewellery, watches, bronzes, cameras and photographic lenses;
- r. To personal property (except jewellery, watches and fur) undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property insured is covered;
- s. due to the cost of making good faulty design, material or workmanship
- t. Caused directly or indirectly by or resulting from or in connection with the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss. The use of biological, chemical and/or nuclear weapons or force or contamination and/or the threat thereof. The loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.
- u. Caused by cultivating, harvesting, processing, manufacturing or distributing illegal substances is not covered by your property policy. Cultivating illegal substances, as identified in the Schedule of the Controlled Drugs and Substances Act Narcotic Control Regulations, is an illegal and destructive activity.
- v. Occurring after your dwelling has become vacant for a period in excess of 30 consecutive days, unless permission has been granted by us as noted on the Declaration page.
- w. Caused directly by domestic or wild animals, including but not limited to birds, insects and fish, however we insure animal damage to building glass.
- x. To business property, nor any buildings or structures used in whole or in part for business or farming purposes unless stated in the Declaration.
- y. Bylaws - Following an insured loss to a building insured under Coverage A or Coverage B, we will pay to a maximum of \$10,000 in all for any increase in the cost of repairs as a result of changes or improvements you must make to comply with a municipal bylaw regulating zoning, demolition, repair or reconstruction of the damaged building, which came into effect after your damaged building was constructed. Upon payment of the claim we will increase the amount of your insurance to reflect the increase in the replacement cost of the building resulting from the mandatory improvements should it be damaged or destroyed again after repair or reconstruction and your premium will be increased accordingly.
- z. Under Coverages A, B, C to or from your dwelling, to or from buildings or structures on your premises, to or from your premises, or to your personal property, while anything on your premises is undergoing construction or renovation that requires a building permit from a civil authority.
- aa. To personal property at any fairground, exposition or exhibition for the purpose of competition, exhibition or sale.
- ab. To property undergoing any process or while being worked on, where the damage results, directly or indirectly, from such process or work, but resultant damage to other property is insured.
- ac. To an outdoor swimming pool, outdoor hot tub, outdoor spa, or their equipment, caused directly or indirectly by: escape or backing up of sewage or water, rupture or freezing.
- ad. To the personal property of any tenant, roomer or boarder who is not your relative.
- ae. Caused, directly or indirectly, by theft, attempted theft, vandalism or malicious acts by any tenant, roomer or boarder, or his or her household member or employee.

EXTENSIONS OF COVERAGE

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

1. Removal and Safeguard Expenses

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

2. Debris Removal

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

3. Excavation and Land Stabilization

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

4. Food Spoilage

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

5. Fire Department Charges

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

6. Lock Replacement

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

7. Reward Coverage

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

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

8. Identity Fraud

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

"Identity fraud expenses" means:

- the costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- the costs for sending certified mail to law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- The loan application fees for re-applying for loan(s) due to the rejection of the original application because the lender received incorrect credit information;
- The telephone expenses for calls to businesses, law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- Earnings lost by a covered person as a result of time off from work to complete fraud affidavits, meet with law enforcement agencies, credit agencies, merchants, or legal counsel, up to \$250 a day, to a total of \$10,000.
- The reasonable lawyer fees incurred with prior notice to us for:
 - the defence of a covered person against any suit(s) by businesses or their collection agencies;
 - the removal of any criminal or civil judgments wrongly entered against a covered person; and
 - any challenge to the information in a covered person's consumer credit report.

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

9. Safety Deposit Box

We will pay up to \$5,000 for loss or damage to your Personal Property while contained in a Bank (or Trust Company) Safety Deposit Box caused by any of the insured perils which apply to Personal Property. The deductible applies to this coverage.

The following additional coverage is given but will NOT increase limits shown on the Declarations Page:

10. Tear Out

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

11. Loss Caused by Change of Temperature

Within the limits of insurance shown on the Policy Declarations Page, we will cover any loss or damage to personal property caused by a temperature change after your dwelling or other structure insured under this insurance has been damaged by an insured peril, however this extension does not apply to loss of wine due to climatic conditions including spoilage exceeding \$5,000.

12. Grave Markers

Within the limits of insurance shown on the Policy Declarations Page, we will pay for loss or damage to grave markers located on premises where you maintain individual or family graves, but only against the perils of fire or explosion, lightning, riot, vandalism or malicious acts, impact by aircraft or land vehicle, satellite or spacecraft, to a maximum of \$5,000 in all. No policy deductible applies.

CONDITIONS APPLICABLE TO SECTION ONE – PROPERTY INSURANCE

Construction and Renovations

We must be advised before you start any conversion, renovation, extension of other structural work to the residence premises. When we receive this notice we may amend the terms and conditions of this insurance.

Notice to Authorities

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

Protection of Property from Loss

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

Insurance not to Benefit Others

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

Other Insurance

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

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

LOSS SETTLEMENT CONDITIONS

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

Insurable Interest

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

Limit of this Insurance

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

Valuation of Property and Loss Payment – Replacement Cost**A. On Dwelling Buildings and Detached Buildings or Structures**

- 1) We will pay, **without deduction for depreciation**, the actual cost to repair or rebuild on the same site (whichever is the lesser amount) using materials of similar quality, provided that the limit of insurance is equal to or greater than 80% of the replacement cost value of the dwelling 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 dwelling building or detached buildings, the basis of settlement will be 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.

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

- 2) If you do not rebuild on the same site or should you elect not to repair, rebuild or replace your dwelling building or detached buildings, the basis of settlement will be 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

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

C. Optional Additional Coverage (if applicable)

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

Actual Cash Value Basis

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

We will pay **the lesser** of:

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

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

Loss to a Pair, Set, or Parts

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

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

Loss Payments shall not Reduce Limits

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

SECTION TWO – PERSONAL LIABILITY INSURANCE**DEFINITIONS**

of certain terms used in this Section Two

Insured

"You" and "your" in this Section have the same meaning as defined 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.
5. 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.
- 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 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, ordinance 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 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.

SAMPLE