

Form #RD02 (Rev. May 2019)
Residential Rental Property – Broad Form

1. INDEMNITY AGREEMENT

In the event that any of the property insured be lost or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss subject to this policy agreement. This policy contains a clause(s) which may limit the amount payable. Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the Declarations page.

2. PROPERTY INSURED

This form insures the following property but only those items for which a limit of insurance is specified on the Declarations page:

- Dwelling Building
- Detached Structures
- Contents / Major Appliances

The insurance applies only while at the location(s) specified on the Declarations page, and in or on vehicles within 100 metres of such location(s).

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the Declarations page in any one occurrence.

4. PERILS INSURED

This Form, except as herein provided, insures against all risks of direct physical loss of or damage to the property insured.

5. A. EXCLUSIONS - PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (a)
- i. Sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured,
 - ii. Outside communication towers,
 - iii. Antennae (including satellite receivers) and equipment attached thereto,
 - iv. Street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon,
- but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) Property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
 - (c) Electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Definitions ensues and then only for such ensuing loss or damage;
 - (d) Growing plants, trees, shrubs or flowers, all while in the open except as provided in the Extensions of Coverage Clause 6 (c);
 - (e) Animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or from theft or attempt thereat;
 - (f) Money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
 - (g) Automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "Premises" of the Insured;
 - (h) Furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semiprecious stones and pre-recorded video tapes, but this exclusion does not apply to:
 - (i) The first one thousand dollars (\$1,000.) of any loss insured herein;
 - (ii) any loss or damage caused directly by "Named Perils";
 - (i) Property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
 - (j) Property on loan or on rental or sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
 - (k) Property in the custody of a sales representative outside the "Premises" of the Insured, unless an amount of insurance is shown in the "Declarations Page" pertaining to "Sales Representative";
 - (l) Property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
 - (m) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
 - (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use); caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
 - (n) Property while undergoing a process involving the application of heat or while being worked on, but resulting damage to other property is insured;
 - (o) Buildings or structures or personal property contained in them, used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from or containing marijuana or any other controlled substance regulated by the government (other than for personal recreational use and within regulation guidelines), regardless of whether you are aware or unaware of such activity;
 - (p) Buildings used for commercial or farming purposes, unless such use is stated on the Declarations page;
 - (q) Property of tenants, roomers or boarders not related to you;

5. B. PERILS EXCLUDED

This Form does not insure against loss or damage caused directly or indirectly:

- (a) by earthquake, landslide, snowslide or other earth movement except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Definitions;
- (b) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as described in Definitions or leakage from a watermain;

Exclusions (a) and (b) do not apply to property in transit;

- (c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks, sidewalk lights, unless;
(ii) by the backing up of sewers, sumps, septic tanks or drains, unless;
(iii) by the entrance of rain, sleet or snow through doors, windows, skylights or other wall or roof openings unless through an aperture
concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "Premises", unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by:
 - i. "Named Perils",
 - ii. rupture of pipes or breakage of apparatus not excluded under paragraph (m) of Clause 5.A. hereof,
 - iii. theft or attempt thereof or
 - iv. accident to transporting conveyance.Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph (m) of Clause 5.A. hereof;
- (f) by smoke from agricultural smudging or industrial operations;
- (g) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in Clause 5.B. hereof;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- (k) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - ii) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - iv) moving or rotating machinery or parts thereof;
 - v) any vessels and apparatus and pipes connected therewith while undergoing pressure test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - vi) gas turbines;
- (l) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (m) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of dwelling buildings or detached 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. ';
- (n) by wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (o) mysterious disappearance;
- (p) loss or damage sustained to Contents or Major Appliances while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing, unless fire or explosion as described in Definitions ensues and then only for such ensuing loss or damage;
- (q) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning;

- (r) Caused by continuous or repeated seepage of water or steam over a period of time from within a plumbing, heating or air conditioning system, sprinkler system, waterbed, aquarium or household appliance;
- (s) 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, water main, sewer, foundation, retaining wall, bulkhead, pier, wharf or dock;
- (t) Caused by discharge or overflow of water or steam from within a plumbing, heating, sprinkler or cooling system, an appliance which uses or holds water, swimming pools or equipment attached and public water mains carrying drinking water occurring while your dwelling is under construction or vacant even if permission for construction or vacancy has been given by us;
- (u) 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;
- (v) Caused by freezing of a plumbing, heating, sprinkler or cooling system or an appliance which uses or holds water 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.
- (w) Caused by bursting, tearing apart, cracking, burning or bulging due to the pressure of, or the lack of water or steam, of a plumbing, heating, sprinkler or cooling system or an appliance for heating water occurring while your dwelling is under construction or vacant even if permission for construction or vacancy has been given by us;
- (x) Caused by theft, attempted theft, 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;

6. EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amounts of insurance applying under this form and are subject to all conditions of this form.

- a) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the Insured's premises of debris of the property insured, occasioned by loss or damage to such property for which loss or damage insurance is afforded under this form.

The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the location specified on the Declarations page.

Debris removal expense shall not be considered in the determination of actual cash value for the purpose of applying the Coinsurance Clause.

- b) **Removal:** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss or damage thereto, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.
- c) **Growing Plants, Trees, Shrubs or Flowers in the Open:** This form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by the perils insured (with the exception of windstorm or hail). This extension of coverage shall be limited to a maximum recovery of \$500 for each growing plant, tree, shrub or flower in the open including debris removal expense.
- d) **Personal Property of Officers and Employees:** At the option of the Insured, equipment also includes personal property of officers and employees of the Insured. The insurance on such property:
 - 1) Shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
 - 2) Is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee.
- e) **Damage by Theft to Dwelling Building or Detached Structures:** This Form is extended to insure damage (except by fire) to that part of a " Dwelling Building or Detached Structure" directly resulting from theft or any attempt thereat and from vandalism or "malicious acts" committed on the same occasion, provided the Insured is the owner of such " Dwelling Building or Detached Structure " and the " Dwelling Building or Detached Structure " is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of twenty-five hundred dollars (\$2,500.) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.

7. PERMISSION

Permission is hereby granted:

- a) For other insurance concurrent with this form;
- b) To make additions, alterations or repairs;
- c) To do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business.

8. BREACH OF CONDITION

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

9. REINSTATEMENT

Loss under any item of this form shall not reduce the applicable amount of insurance. In the event of a total loss the premium is fully earned.

10. SUBROGATION

The Insurer, upon making any payment or assuming liability therefore under this form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this form.

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.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

11. PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any

- a) sprinkler or other fire extinguishing system; or
- b) fire detection system; or
- c) intrusion detection system;

and shall also notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

12. VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this policy, or within a year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this form.

13. BASIS OF CLAIM SETTLEMENT – DWELLING BUILDING AND DETACHED STRUCTURES

All Dwelling Building and Detached Structure losses will be settled on an 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. Subject to the Co-Insurance Clause, 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 property at the time of the loss;
- 3) The applicable limit of insurance.

We reserve the right to repair or replace the Dwelling Building and/or Detached Structures.

Co-Insurance Clause Restriction:

We will pay for no greater proportion of any loss than the amount bears to 80% of the actual cash value of the property. If this policy insures two or more items, this condition shall apply to each item separately.

14. BASIS OF CLAIM SETTLEMENT – CONTENTS OR MAJOR APPLIANCES

All Contents or Major Appliances losses will be settled on an 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 property at the time of the loss;
- 3) The applicable limit of insurance.

We reserve the right to repair or replace the property.

15. PROPERTY OF OTHERS

At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or the owner of the property.

16. DEFINITIONS

Wherever used in this form:

Contents: means furnishings which are usual to a residential rental dwelling while on premises, unless the Declarations page indicates that contents coverage is limited to Major Appliances only. If contents are restricted to Major Appliances only, refer to definition of Major Appliances below.

Declarations Page: means the Declarations page applicable to this form.

Detached Buildings or Structures: means your separate detached garage or other separate buildings or structures located on the Premises, as well as any construction materials and supplies intended for use on these detached buildings. Even if you have more than one detached building or structure on your premises, we will pay no more than the limit of insurance shown on the Declarations page.

Dwelling Building: means the building(s) described on the Declarations page and includes:

- 1) Fixed structures pertaining to the building(s) and located on the premises;
- 2) Additions and extensions communicating and in contact with the building(s);
- 3) Permanent fittings and fixtures attached to and forming part of the building(s);
- 4) Materials, equipment and supplies on the premises for maintenance of, normal repairs and minor alterations to the building or for building services;
- 5) Growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building;
- 6) Swimming pools and attached equipment.

Fire protective equipment includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- 1) Branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- 2) Any watermains or appurtenances located outside of the described premises and forming a part of the public water distribution system;
- 3) Any pond or reservoir in which the water is impounded by a dam.

Insured: means the person(s) named on the Declarations page and, if residents of the same household, the spouse or same sex partner (as defined). 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.

Insurer: means the company providing this insurance. Throughout this policy the words “we”, “us” and “our” also refer to Insurer.

Major Appliances: means a stove, oven, range, dishwasher, trash compactor, refrigeration unit, freezer, washer and dryer.

Named Perils means:

- (A) FIRE OR LIGHTNING
- (B) EXPLOSION: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
 - (d) smelt dissolving tanks;
 - (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
 - (v) gas turbines;The following are not explosions within the intent or meaning of this section:
 - (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure or freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- (C) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:

The terms "Aircraft" and "Spacecraft" include articles dropped therefrom. There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

 - (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - (ii) to aircraft, spacecraft or land vehicles causing the loss;
 - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "Dwelling Buildings or Detached Structures".
- (D) RIOT, VANDALISM OR MALICIOUS ACTS:

The term Riot includes open assemblies of strikers inside or outside the "Premises" who have quitted work and of locked-out employees. There shall in no event be any liability hereunder for loss or damage:

 - (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under EXPLOSION;
 - (iii) due to theft or attempt thereat;
 - (iv) while the building is under construction or vacant, irrespective of any permission granted by us.
- (E) SMOKE:

The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- (F) "LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT"

The term "Leakage from fire protective equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "Premises" described in the "Declarations Page" or for adjoining "Premises" and loss or damage caused by the fall or breakage or freezing of such equipment.
- (G) WINDSTORM OR HAIL:

There shall in no event be any liability hereunder for loss or damage:

 - (i) to the interior of the Dwelling Buildings or Detached Structures insured or their Contents or Major Appliances unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

Premises: means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the Declarations page.

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 for one year if:
 - i) a child has been born or is to be born of their union;
 - ii) they have jointly adopted a child; or
 - iii) one of them has adopted a child of the other.

17. 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

18. 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.

19. 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.

SAMPLE