

**Form #FE-V** (Rev. October 31, 2018)  
**Building and Major Appliances Insurance: E1-F1**

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, this wording 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. This policy is intended to cover a vacant residential dwelling.

**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.

**Major Appliances**

In this policy the words "**major appliances**" shall mean a stove, oven, range, dishwasher, trash compactor, refrigeration unit, freezer, washer and dryer.

**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.

**Vacant**

"Vacant" means the occupant(s) has/have moved out with no intent to return or the dwelling does not contain furnishings or household equipment sufficient to make it habitable. A newly constructed dwelling is vacant after it is completed and before the occupants move in.

**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.

**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.

**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.

**F1 MAJOR APPLIANCES****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.)

**Major Appliances-**

We cover your **Major Appliances** while at the residence premises.

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

**PERILS YOU ARE INSURED AGAINST**

We insure you for direct loss to the property covered by form E1 (Dwelling Building) or form F1 (**Major Appliances**) 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.

**3. Impact by Vehicles, Watercraft, or Aircraft, including Self-Propelled Missiles or Spacecraft**

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

4. **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.
5. **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.

#### 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 **Major Appliances** 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".

#### GENERAL EXCLUSIONS - APPLICABLE TO PROPERTY INSURANCE

##### We do not cover:

###### War Risk

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

###### Nuclear Risk

Loss or damage caused directly or indirectly by:

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

###### Pollutants

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

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

The sudden and accidental discharge of fuel oil which is contained in a fixed fuel tank, apparatus or pipes used to heat the insured dwelling will not be considered a "pollutant" within this definition.

However, we **do not** cover:

- a. Loss or damage arising from pollutants emanating from an underground fuel tank. Fuel tanks that are located in the basement of a property are deemed to be above ground;
- b. Loss or damage resulting from gradual leakage or seepage.

###### Earth Movement

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

###### Criminal Act or Wilful Negligence

Loss or damage resulting from any criminal act or wilful negligence by an Insured, but this exclusion does not apply to any other Insured who has not committed and is not involved in the criminal act or wilful negligence.

###### Ordinance or Law

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

###### 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
- 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 Major Appliances**

On **Major Appliances**, 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.

#### **STATUTORY CONDITIONS**

##### **(1) Misrepresentation**

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

##### **(2) Property of Others**

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

##### **(3) Change of Interest**

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

##### **(4) Material Change**

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the

premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within 15 days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

**(5) Termination**

- (1) This contract may be terminated:
  - (a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail;
  - (b) by the Insured at any time on request.
- (2) Where this contract is terminated by the Insurer:
  - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
  - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified;
- (4) The refund may be made by money, postal or express company money order or cheque payable at par;
- (5) The 15 days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the insured's last known address.

**(6) Requirements After Loss**

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
  - (a) forthwith give notice thereof in writing to the Insurer,
  - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
    - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
    - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
    - (iv) showing the amount of other insurances and the names of other Insurers,
    - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
    - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
    - (vii) showing the place where the property insured was at the time of loss;
  - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
  - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (c) and (d) of sub-paragraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

**(7) Fraud**

Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

**(8) Who May Give Notice and Proof**

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

**(9) Salvage**

- (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph (1) of this condition according to the respective interests of the parties.

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

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

**(11) Appraisal**

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

**(12) When Loss Payable**

The loss is payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

**(13) Replacement**

- (1) The Insurer, instead of making payment, may repair, rebuild or replace the property damaged or lost, giving written notice of its intention so to do within 30 days after receipt of the proofs of loss.
- (2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

**(14) Action**

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within three years next after the loss or damage occurs. The period of limitation in Manitoba and the Yukon, and Northwest Territories is two years.

**(15) Notice**

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

**ADDITIONAL CONDITIONS**

**Notice to Authorities:** Where the loss is due to malicious acts, burglary, robbery, theft, or attempt thereat, 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.