

AGREEMENT

We provide you, as a homeowner, with coverage as described in this policy, in return for payment of the premium and subject to the terms and conditions set out.

All amounts of insurance premiums and other amounts expressed in this policy are in Canadian Currency.

A GUIDE TO YOUR POLICY

This policy consists of two main sections:

SECTION I - PROPERTY COVERAGES - describes the insurance on your property. It also includes additional living expenses and/or fair rental value in certain circumstances.

SECTION II - LIABILITY COVERAGES - describes the insurance for your Legal Liability for bodily injury to others or damage to property of others arising out of your premises or your personal actions. It also includes benefits following injury or damage to property of others in certain circumstances.

IMPORTANT

This policy contains various exclusions and limitations, which eliminate or restrict coverage. These have been clearly identified. Please read them carefully.

Insurance cannot be a source of profit; it is only designed to indemnify you against actual losses or expenses incurred by you or for which you are liable.

SECTION I - PROPERTY COVERAGES

DEFINITIONS

Business means any continuous or regular pursuit undertaken for financial gain including trade, profession or occupation.

Coverage Summary page means the Coverage Summary page and/or the Declarations.

Data means representations of information or concepts, in any form.

Domestic water container means a device or apparatus for personal use on the premises for containing, heating, chilling or dispensing water.

Dwelling means the building described on the Coverage Summary page occupied by you as a private residence.

Fungi includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any fungi or spore(s) or resultant mycotoxins, allergens or pathogens.

Ground water means water in the soil beneath the surface of the ground, including but not limited to water in wells and in underground streams, and percolating waters.

Insured means the person(s) named as Insured on the Coverage Summary page and, while living in the same household, the following persons:

- a. his or her spouse;
- b. the relatives of either; and
- c. any person under 21 in their care.

Spouse means:

- (i) either of a man and a woman who are married to each other or who have together entered into a marriage that is voidable or void, or
- (ii) either of two (2) persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of three (3) years or, if they are the natural or adoptive parents of a child, for a period of one (1) year.

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 for support and maintenance is also insured even if temporarily residing away from the principal residence stated on the "Declaration Page".

Premises means the land contained within the lot lines on which the dwelling is situated.

Residence employee means a person employed by you to perform duties in connection with the maintenance or use of the 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.

Spore(s) includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any fungi.

Surface waters means water on the surface of the ground where water does not usually accumulate in ordinary watercourses, lakes or ponds.

Terrorism means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or governments(s), for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Vacant refers to the circumstances where, regardless of the presence of furnishings:

- a. all occupants have moved out with no intention of returning and no new occupant has taken up residence;
- b. or in the case of a newly constructed house, no occupant has yet taken up residence.

Watermain means a pipe forming part of a water distribution system, which conveys consumable water but not wastewater.

"You" and "your" in this Section refer to the Insured. "We", "us" and "our" refer to the Company providing this insurance.

Specified perils, subject to the exclusions and conditions in this policy, means:

1. fire;
2. lightning;
3. explosion;
4. smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises;
5. falling object which strikes the exterior of a building;
6. impact by aircraft or land vehicle;
7. riot;
8. vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
9. water damage, meaning damage caused by:
 - a) the sudden and accidental escape of water from a watermain;
 - b) the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic water container, which is located inside your dwelling;
 - c) the sudden and accidental escape of water from a domestic water container located outside your dwelling. However, such damage is not covered when the escape of water is caused by freezing;
 - d) water which enters through an opening which has been created suddenly and accidentally by an insured peril;
10. windstorm or hail;
11. transportation, meaning loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to property in a vacation or home trailer which you own.

AMOUNTS OF INSURANCE

The amounts of insurance are shown on the Coverage Summary page.

COVERAGES

COVERAGE A - DWELLING BUILDING

WE INSURE:

1. Your dwelling and attached structures.
2. Outdoor swimming pool and attached equipment on the premises.
3. Permanently installed outdoor equipment on the premises.
4. Temporary car shelters once installed on the premises.
5. Materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of your dwelling or private structures on the premises. We insure against the peril of theft only when your dwelling is completed and ready to be occupied.
6. You may apply up to 10% of the amount of insurance on your dwelling to insure building fixtures and fittings temporarily removed from the premises for repair or seasonal storage.

7. You may apply up to 5% in all of the amount of insurance on your dwelling to trees, plants and shrubs on your premises. We will not pay more than \$500 for any one tree, plant or shrub including debris removal expenses.

We insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, theft or attempted theft, vandalism and malicious acts, as described under Insured Perils.

We do not insure items grown for commercial purposes or lawns.

COVERAGE B - DETACHED PRIVATE STRUCTURES

WE INSURE structures or buildings on your premises separated from the dwelling by a clear space but not insured under Coverage. If they are connected to the dwelling by a fence, utility line or similar connection only, they are considered to be detached structures.

COVERAGE C - PERSONAL PROPERTY (CONTENTS)

WE INSURE:

On your Premises:

1. The contents of your dwelling and other personal property you own, wear or use while on your premises which is usual to the ownership or maintenance of a dwelling.

If you wish, we will include uninsured personal property of others while it is on that portion of your premises, which you occupy but we do not insure property of roomers or boarders who are not related to you.

Away from Premises:

1. Your personal property while it is temporarily away from your premises, anywhere in the world. If you wish, we will include personal property belonging to others while it is in your possession or belonging to a residence employee traveling for you.

Personal property normally kept at any other location you own is not insured. Personal property stored in a warehouse is only insured against the peril of theft.

2. The personal property of any student insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university.

WE DO NOT INSURE:

- a. motorized vehicles or their equipment (except for watercraft, lawn mowers, other gardening equipment, snow blowers, wheelchairs or scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability);
- b. camper units, truck caps, trailers, or their equipment;
- c. aircraft or their equipment.

Equipment includes audio, visual, recording, or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. Equipment does not include spare automobile parts.

SPECIAL LIMITS OF INSURANCE

1. Books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$5,000 in all, but only while on your premises. Other business property, including samples and goods held for sale, is not insured
2. Securities up to \$7,500 in all
3. Money including cash cards (meaning cards designed to store a cash value by electronic means for use as a mode of payment, without a personal identification number and without direct access to a bank or other account) or bullion, up to \$1,000 in all
4. Garden type tractors including attachments and accessories up to \$5,000 in all
5. Watercraft, their furnishings, equipment, accessories and motors up to \$2,000 in all
6. Spare automobile parts up to \$1,000 in all.

The following limits of insurance do not apply to any claim caused by a Specified Peril:

7. Jewellery, watches, gems, fur garments and garments trimmed with fur up to \$6,000 in all.
8. Numismatic property (such as coin collections) up to \$1,000 in all.
9. Manuscripts, stamps and philatelic property (such as stamp collections) up to \$5,000 in all.
10. Collectible cards (such as sports personality cards) up to \$1,000 in all.

COVERAGE D - ADDITIONAL LIVING EXPENSE, FAIR RENTAL VALUE AND PROHIBITED ACCESS

The amount of insurance for Coverage D is the total amount for any one or a combination of the following coverages. The period of time stated below are not limited by the expiration of the policy.

1. **Additional Living Expense.** If as a result of damage by an Insured Peril your dwelling is unfit for occupancy, or you have to move out while repairs are being made, we insure any necessary increase in living expenses, including moving expenses incurred by you, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild your dwelling or, if you permanently relocate, the reasonable time required for your household to settle elsewhere.
2. **Fair Rental Value.** If an Insured Peril makes that part of the dwelling or detached private structures rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.
3. **Prohibited Access.** If a civil authority prohibits access to your dwelling:
 - a. as a direct result of damage to neighboring premises by an Insured Peril under this form, we insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding 2 weeks; or
 - b. by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, we insure any resulting necessary and reasonable increase in living expense incurred by you for the period access is prohibited, not exceeding 2 weeks. You are not insured for any claim arising from evacuation resulting from:

1. flood, meaning waves, tides, tidal waves or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
2. earthquake;
3. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
4. terrorism;
5. 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 directly from fire, lightning or explosion of natural, coal or manufactured gas;
6. contamination by radioactive material.

The term **civil authority** referred to in Coverage D 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.

We do not insure the cancellation of a lease agreement.

EXTENSIONS OF COVERAGE

1. Debris removal

We will pay the cost of removing from your premises the debris of property insured, which results from loss or damage, insured by this form.

If the amount payable for loss, including expense for debris removal, is greater than the amount of insurance an additional 5% of that amount will be available to cover debris removal expense.

This coverage is not subject to a deductible.

2. Property removed

If you must remove insured property from your premises to protect it from loss or damage, it is insured by this form for 30 days or until your policy term ends; whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all insured property at the time of loss.

3. Moving to Another Home

We insure your personal property while in transit to and at another location within Canada which is to be occupied by you as your principal residence. Coverages applies for 30 consecutive days commencing on the date personal property is removed from your principal residence, but not beyond the date the policy expires or is terminated.

This coverage does not increase the amounts of insurance.

4. Fire Department Charges

We will reimburse you for fire department charges incurred for attending your premises to save or protect insured property from loss or damage, or further loss or damage insured against by this form.

This coverage is not subject to a deductible.

5. Freezer Foods

We will pay for loss or damage to food while contained in a freezer located on your premises caused by the accidental interruption of electrical power on or off the premises or by mechanical breakdown of the freezer. This coverage includes damage to the freezer when it is due to the insured food spoilage and also reasonable expenses incurred by you to save and preserve the food from spoilage while your freezer is being repaired.

We do not insure:

1. loss from spoilage caused by the operation of an electrical circuit breaker or fuse or by accidental or intentional disconnection of the power supply in the building containing the freezer;
2. expenses incurred in the acquisition of frozen food.

This coverage is not subject to a deductible.

6. Credit or Debit Cards, Forgery and Counterfeit Money

We will pay for:

1. Your legal obligation under Canadian Law to pay because of the unauthorized use by any person other than an Insured of credit or debit cards issued to you or registered in your name provided you have complied with all of the conditions under which the card was issued.
2. Loss caused by the theft of debit or automated teller cards issued to you or registered in your name provided you have complied with all of the conditions under which the card was issued.
3. Loss to you caused by forgery or alteration of cheques, drafts or other negotiable instruments.
4. Loss arising from your acceptance in good faith of counterfeit Canadian or United States paper currency.

We will not pay under 1 or 2 above for your obligation arising from the use of a card by any person living in your household or any person entrusted with the card.

The most we will pay under this coverage during the term of this policy is \$10,000 during the policy period.

This coverage is not subject to a deductible.

7. Change of temperature

We insure your personal property damaged by change of temperature resulting from physical damage to your dwelling or equipment by an Insured Peril. This only applies to personal property kept in the dwelling.

8. Lock Replacement

We will pay up to \$1,000 to replace or re-key, at our option, the locks on your principal residence if your keys are stolen, provided the theft is reported to the police or law enforcement agency having jurisdiction at the location of the theft.

This coverage is not subject to a deductible.

9. Tear out

If any walls, ceilings or other parts of insured buildings or structures must be torn apart before water damage covered by this form can be repaired we will pay the costs of such repairs work and its restoration.

The cost of tearing out and replacing property to repair damage related to outdoor swimming pools or public water mains is not insured.

10. Arson conviction reward

We will pay \$1,000 for information, which leads to a conviction for arson in connection with a fire loss to property insured by this form. This coverage may increase the amount otherwise applicable. However, the \$1,000 limit will not be increased regardless of the number of persons providing information.

This coverage is not subject to a deductible.

11. Inflation Protection

If there is a loss insured under Section I, we will automatically increase the amount(s) of insurance shown on the Coverage Summary page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy, the latest renewal or anniversary date or from the date of the most recent change to the amount(s) of insurance shown on the Coverage Summary page, whichever is the latest.

On renewal or anniversary date, we will automatically increase the amounts of insurance shown on the Coverage Summary page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy or the latest renewal or anniversary date.

12. Safety Deposit Box

We insure up to \$10,000 and without reference to any special limits of insurance or deductible, on your personal property kept in a safety deposit box of a bank or trust company, against loss or damage caused by an insured peril. However, insurance afforded in respect of property temporarily removed from your premises does not apply to such loss or damage.

13. Personal property of a relative confined to a nursing or retirement home.

We will pay up to \$5,000 to cover personal property of a relative of the insured or his or her spouse, when this relative is confined to a nursing or retirement home. Should there be valid insurance in force covering such personal property, the coverage afforded by this extension of coverage will be in complement to such valid insurance.

INSURED PERILS

You are insured against all risks of direct physical loss or damage subject to the exclusions and conditions of this form.

Notice to Authorities

Where loss or damage is, or is suspected to be, due to malicious acts, burglary, robbery, theft or attempted theft, you must give immediate notice of such loss to the police or other law enforcement agency having jurisdiction.

EXCLUSIONS - SECTION I

The following exclusions are additional to those contained under COVERAGES.

WE DO NOT INSURE:

1. Wear and tear, deterioration, defect or mechanical breakdown.
2. The cost of making good faulty material or workmanship.

3. Settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass.
4. Scratching, abrasion or chipping of any personal property or breakage of any fragile or brittle articles unless caused by a Specified Peril, accident to a land vehicle, watercraft or aircraft, or theft or attempted theft.
5. Sporting equipment where the loss or damage is due to its use.
6. Property at any fairground, exhibition or exposition for the purpose of exhibition.
7. Loss or damage:
 - a. to outdoor radio and T.V. antennae (including satellite receivers) and their attachments caused by windstorm or hail, weight of ice, snow or sleet, or collapse;
 - b. caused by birds, vermin, raccoons, rodents or insects except loss or damage to building glass;
 - c. caused by smoke from agricultural smudging or industrial operations.
8. Loss or damage caused by water unless the loss or damage resulted from:
 - a. the sudden and accidental escape of water from a watermain;
 - b. the sudden and accidental escape of water or steam from within a plumbing heating, sprinkler or air conditioning system or domestic water container, which is located inside your dwelling;
 - c. the sudden and accidental escape of water from a domestic water container located outside your dwelling. However, such damage is not covered when escape of water is caused by freezing;
 - d. water which enters through an opening which has been created suddenly and accidentally by a Specified Peril other than Water Damage;

but we do not insure loss or damage:

- i. caused by freezing during the usual heating season:
 1. within a heated portion of your dwelling if you have been away from your premises for more than 4 consecutive days but you will still be insured if you had taken either of the following precautions:
 - arranged for a competent person to enter your dwelling each day you were away to ensure that heating was being maintained, or
 - shut off the water supply and had drained all the pipes and domestic water containers.
 2. within an unheated portion of your dwelling;
- ii) caused by continuous or repeated seepage or leakage of water;
- iii) caused by the backing up or escape of water from a sewer, sump or septic tank;
- iv) caused by ground water or rising of the water table;
- v) caused by surface waters, unless the water escapes from a watermain or from a domestic water container located outside your dwelling;
- vi) caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
- vii) to a watermain;
- viii) to a system or domestic water container from which the water escaped;
- ix) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy.
9. From the part of the dwelling rented to others, caused by theft or attempted theft by any tenant, tenant's employee, or member of a tenant's household.

10. Caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant even if permission for construction or vacancy has been given by us.
11. Caused by theft or attempted theft of property in or from a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and ready to be occupied.
12. Caused by rust or corrosion, wet or dry rot, or mould fungi or spores.
13. Loss or damage occurring after your dwelling has, to your knowledge, been vacant for more than 30 consecutive days.
14. 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.
15. Loss or damage caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.
16. Buildings, units or structures used in whole or in part for business or farming purposes UNLESS declared on the Coverage Summary page.
17. Loss of or damage to personal property while undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured.
18. Loss of or damage to any property illegally acquired, kept, stored or transported, or property subject to forfeiture.
19. Loss of or damage to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire.
20. Loss or damage resulting from any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy.
21. Loss or damage caused by snowslide, earthquake, landslide or other earth movement. If any of the results in fire or explosion, we will pay only for the resulting loss or damage.
22. Evidences of debt or title.
23. Animals, birds or fish unless the loss or damage is caused by a Specified Peril other than impact by aircraft or land vehicle.
24. Loss or damage resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud.
25. a. data; or
 - b. loss or damage caused directly or indirectly by a data problem, but you are still insured for ensuing loss or damage caused by fire, explosion, smoke or water damage, all as described in Specified Perils.
26. Caused directly or indirectly, in whole or in part, by terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate terrorism regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results directly from fire or explosion.
27. Loss or damage to 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 substance falling within the Schedules of the Controlled Drugs and Substances Act.

BASIS OF SETTLEMENT

We will pay for insured loss or damage to the dwelling and detached private structures and personal property as described below up to your financial interest in the property, but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence.

Deductible

We are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible shown on the Coverage Summary page in any one occurrence.

However, if an insured loss is equal to or greater than twenty times the said deductible amount we are responsible for the entire loss, up to the applicable limit of insurance.

If your claim involves personal property on which the "special limits of insurance" apply, the limitations apply to losses exceeding the deductible amount.

A. & B. DWELLING BUILDING AND DETACHED PRIVATE STRUCTURES

If you repair or replace the damaged or destroyed building on the same location with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage we will pay the cost of repairs or replacement (whichever is less) without deduction for depreciation.

Dwelling only

If Guaranteed Replacement Cost is indicated on the Coverage Summary page we will pay the cost of repairs or replacement even if it is more than the amount of insurance for Coverage A, provided:

- a) the amount of insurance for Coverage A shown on the Coverage Summary page on the inception date of the policy, or the most recent renewal date or the increased amount under the inflation protection coverage on the date the increase took effect was not less than 100% of the cost to replace the dwelling building, as determined by a valuation guide acceptable to us;
- b) the amount of insurance applicable to Coverage A has not been reduced below the amount determined by the valuation guide; and
- c) you notified us within 90 days of the start of the work if any improvement, extension or addition has been made to your dwelling.

If you do not repair or replace we will pay the actual cash value of the damage on the date of occurrence.

In determining the cost of repairs or replacement we will not pay or include the increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services.

C. PERSONAL PROPERTY

1. For electronic media we will pay the cost of reproduction from duplicates or from originals of the previous generation of the media. We will not pay the cost of gathering or assembling information or data for reproduction.

2. For other records, including books of account, drawings or card index systems, we will pay the cost of blank books, page, cards or other materials plus the cost of actually transcribing or copying the records.
3. We will pay on the basis of replacement cost for all other personal property except:
 - a) articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings and statuary;
 - b) articles for which their age or history substantially contributes to their value, such as memorabilia, souvenirs, and collectors items;
 - c) property that has not been maintained in good or workable condition;
 - d) property that is no longer used for its original purpose; for which we will pay only on the basis of actual cash value.

Replacement Cost

Replacement cost means the cost, on the date of the loss or damage, of the lower of:

- i) repairing the property with materials of similar kind and quality; or
- ii) new articles of similar kind, quality and usefulness; without any deduction for depreciation.

We will pay on the basis of replacement cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise we will pay on the basis of actual cash value.

You may choose payment on the basis of actual cash value initially. If you later decide to replace any destroyed or stolen property you may make an additional claim for the difference between the actual cash value and replacement cost basis within 180 days after the date of loss.

For personal property described under "special limits of insurance" we will not pay more than the applicable limit under either the replacement cost or actual cash value basis.

Actual Cash Value

The Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

Pair and set

In the case of loss or damage to any article(s) which is (are) part of a set the measure of loss of or damage to such article(s) will be a reasonable and fair proportion of the total value of the set, but in no event will such loss or damage be construed to mean total loss of the set.

Parts

In the case of loss or damage to any part of the insured property consisting, when complete for use, of several parts, we will not pay for more than the insured value of the part lost or damaged, including the cost of installation.

Amounts not reduced

Any loss or damage shall not reduce the amounts of insurance provided by this policy.

Insurance under more than one policy

If you have insurance on specifically described property, this 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.

In all other cases, we will pay our rateable proportion of the loss or claim under this policy.

Subrogation

We will be entitled to assume all your rights of recovery against others and bring action in your name to enforce these rights when we make payment or assume liability under this policy.

Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

Duties After Loss

After submission of the Proof of Loss in respect of a loss which may be insured under Section I each of you may be required separately to:

- a. submit to examination under oath,
- b. produce for examination all documents in your possession or control that relate to the application for insurance and Proof of Loss, and
- c. permit extracts and copies of such documents to be made, at all reasonable place and time designated by us.

Statutory Conditions

All of the conditions set out under the title Statutory Conditions apply with respect to all of the perils insured under Section I except that these conditions may be modified or supplemented by the provisions of the said Section I or by forms or endorsements which modify Section I.

SECTION II - LIABILITY COVERAGE

DEFINITIONS (Applicable to Section II)

Bodily injury means bodily injury, sickness or disease or resulting death.

Business means any continuous or regular pursuit undertaken for financial gain including 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.

Coverage Summary Page this Section has the same meaning as in Section I.

Dwelling in this Section has the same meaning as in Section I.

Insured in this Section has the same meaning as in Section I. In addition, we will insure:

1. Any person or organization legally liable for damages 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. A residence employee while performing duties in connection with the ownership, use or operation of motorized vehicles and trailers for which coverage is provided in this form;
3. Your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the premises;
4. Any person who is insured by this form at the time of your death and who continues residing on the premises.

Legal liability means responsibility, which courts, recognizes and enforces between persons who sue one another.

Premises means all premises where the person(s) named as Insured on the Coverage Summary page, or his or her spouse, maintains a residence, including seasonal and other residences, provided such premises are specifically described on the Coverage Summary page. It also includes:

1. Premises where you are residing temporarily or which you are using temporarily, as long you are not:
 - a. the owner of the premises;
 - b. the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days;
2. Individual or family cemetery plots or burial vaults.
3. Vacant land in Canada you own or rent, other than farm land.
4. Land in Canada where an independent contractor is building a one, two or three-family residence to be occupied by you.
5. Premises in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
 - a. 30 consecutive days;
 - b. the date the policy expires or is terminated;
 - c. the date upon which specific liability insurance is arranged for such premises.

Property damage means:

- a. physical damage to, or destruction of, tangible property
- b. loss of use of tangible property.

Residence employee in this Section has the same meaning as in Section I.

"We" and "us" refer to the Company providing this insurance. "You" and "your" in this Section refer to the Insured.

COVERAGES

This insurance applies:

1. To accidents or occurrences which take place during the period this policy is in force.
2. Separately to each Insured against whom the claim is made or action brought.

COVERAGE E - PERSONAL LIABILITY

This is the part of the policy you look for protection if you are sued.

We will pay all sums, which you become legally liable to pay as compensatory damages because of unintentional bodily injury or property damage arising out of:

1. Your personal actions anywhere in the world.
2. Your ownership, use or occupancy of the premises defined in Section II.

The amount of insurance shown on the Coverage Summary page is the maximum amount we will pay for all compensatory damage in respect of one accident or occurrence regardless of the number of insured against whom the claims are made or action are brought.

Defense, costs and supplementary expense payments as described under " defense, settlement, supplementary payments " are in addition to the amount of insurance.

WE DO NOT INSURE claims made against you arising from:

1. Liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force, but we do insure claims made against you for the legal liability of other persons in relation to your premises that you have assumed under a written contract.
2. Damage to property owned by an Insured.
3. Damage to property used, occupied, leased or rented by or in the care, custody or control of an Insured, except for unintentional property damage to premises owned by others, or their contents, which you are using, renting or have in your custody or control caused by fire, explosion, water damage or smoke. This means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises, but not smoke from fireplaces. Water damage has the same meaning as in Section I.
4. Damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf.
5. Bodily injury to you or to any person residing in your household other than a residence employee.
6. The personal actions of a Named Insured who does not reside on the premises described on the Coverage Summary page.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

Defense, settlement, supplementary payments

If a claim is made against you for which you are insured under Coverage E we will defend you, even if the claim is groundless, false, or fraudulent. We reserve the right to select legal counsel, investigate, negotiate and settle any claim if we decide this is appropriate. We will pay only for the legal counsel we select.

We will also pay:

1. All expenses which we incur.
2. All cost charged against you in any suit insured under Coverage E.
3. Any interest accruing after judgment on that part of the judgment which is within the amount of insurance of Coverage E.
4. Premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the amount 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 accident or occurrence insured by this form.
6. Reasonable expenses including actual loss of income up to \$100 per day, which you incur at our request.

What you Must do After an Accident or Occurrence

1. When an accident or occurrence takes place you must promptly give us notice (in writing if requested by us). The notice must include:
 - a. the date, time, place and circumstances of the accident or occurrence;
 - b. names and addresses of witnesses and potential claimants.

2. You must also:
 - a. cooperate with us in any legal actions including obtaining witnesses, information and evidence about the accident or occurrence, if we ask you;
 - b. immediately send to us legal documents and any other written communications you receive concerning the accident or occurrence.

Action against us

No suit may be brought against us:

- a. until you have fully complied with all the terms of this Coverage, 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;
- b. more than one year after either the date of an agreement, which has our consent, or of the final determination of the action against you, including appeals, if any.

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.

COVERAGE F - VOLUNTARY MEDICAL PAYMENTS

WE WILL PAY reasonable medical expenses incurred within 1 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.

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

WE WILL NOT PAY:

- a. expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract;
- b. medical expenses of any person covered by any Workers' Compensation Statute;
- c. your medical expenses or those of persons residing with you other than residence employees.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

What you Must do After an Accident or Occurrence

1. When an accident or occurrence takes place you must promptly give us notice (in writing if requested by us). The notice must include:
 - a. the date, time, place and circumstances of the accident or occurrence including the name and address of each injured person;
 - b. names and addresses of witnesses.
2. If requested by us, you must arrange for the injured person(s) to:
 - a. give us written proof of claim as soon as possible, under oath if required;
 - b. submit to physical examination at our expenses by doctors we select as often as we may reasonably require;
 - c. authorize us to obtain medical and other records.

Proofs and authorization may be given by someone acting on behalf of the injured person.

Action against us

No suit may be brought against us until you have fully complied with all the terms of this Coverage.

COVERAGE G - VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY

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.

WE DO NOT INSURE:

- a. damage to property owned or rented by an insured or insured's tenant;
- b. damage to property which is insured under Section I;
- c. claims resulting from the loss of use, disappearance or theft of property.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

Basis of Payment

We will pay whichever is the lower amount of :

1. What it would cost to repair or replace the property with materials of similar quality at the time of loss.
2. The amount shown on the Coverage Summary 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.

What you Must do After an Accident or Occurrence

1. You must give us written proof of claim as soon as possible, under oath if required, containing the following information:
 - a. the date, time, place, and circumstances of the accident or occurrence;
 - b. the interest of all persons in the property affected.
2. If requested by us, you must help us verify the damage.

You shall not bring suit against us until:

1. You have fully complied with all the terms of this Coverage;
2. 60 days after the written PROOF OF CLAIM has been filed with us.

SPECIAL LIMITATIONS

Watercraft and Motorized Vehicles

1. Watercraft and Motorized Vehicles You Own

YOU ARE INSURED against claims arising out of your ownership, use or operation of:

1. Watercraft including their attachments, equipped with an outboard motor or motors of not more than 18 kW (24 H.P.) in total when used with or on a single watercraft.
2. Watercraft, including their attachments, equipped with any other type of motor of not more than 38 kW (50 H.P.).
3. Non-motorized watercraft, including their attachments, not more than 8 meters (26 feet) in length.
4. Self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 19kW (25 H.P.).
5. Motorized golf carts while in use on a golf course.
6. Motorized wheelchairs, including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability.

Any other watercraft is insured only if liability coverage for it is shown on the Coverage Summary page. If the watercraft or motor with which it is equipped is acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of acquisition.

2. Watercraft and Motorized Vehicles You Do Not Own

YOU ARE ALSO INSURED against claims arising out of your use or operation of:

1. Any type of watercraft.
2. Any self-propelled land vehicle, amphibious vehicle or air cushion vehicle, provided that the vehicle is not subject to motor vehicle registration and is designed primarily for use off public roads.

Provided that the motorized vehicle or watercraft is not owned by any person insured by this policy.

3. Watercraft and Motorized Uses We Do Not Insure

WE DO NOT INSURE the use or operation of any watercraft or motorized vehicle, whether owned by you or not, while it is:

1. Used for carrying passengers for compensation.
2. Used for business purposes.
3. Used in any race or speed test.
4. Rented to others.
5. Being used or operated without the owner's consent if you are not the owner.

Trailers

WE INSURE YOU 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 subject to motor vehicle registration.

Business and Business property

YOU ARE INSURED against claims arising out of:

1. The occasional rental to others of the portion of your dwelling usually occupied by you as a private residence.
2. The rental to others of portions of your two or three-family dwelling usually occupied in part by you as a private residence, provided no family unit includes more than 2 roomers or boarders.
3. The rental of space in your residence to others for incidental office, school or studio occupancy.
4. The rental to others, or holding for rent, of not more than 3 car spaces or stalls in garages or stables.
5. Your personal actions during the course of your trade, profession or occupation which are not related directly to your trade, profession or occupation.

6. The temporary or part-time business pursuits of an Insured under the age of 21 years.

Claims arising from any other business pursuits or operation are insured only if the liability coverage for it is shown on the Coverage Summary page.

EXCLUSIONS - SECTION II

WE DO NOT INSURE claims arising from:

1. Invasion, act of a foreign enemy, war or civil war, insurrection, rebellion, revolution, hostilities.
2. 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.
3. Business pursuits or any business use of the premises except as provided under "Business and Business property" in Section II.
4. The rendering or failure to render any professional service.
5. The ownership, use or operation of any aircraft or premises used as an airport or landing strip, and all activities related to either.
6. The ownership, use or operation of any motorized vehicle, trailer or watercraft except as provided under " watercraft and motorized vehicles " and " trailers " in Section II.
7. Bodily injury or property damage caused by any intentional or criminal act or failure to act by:
 - a. a person insured by this policy; or
 - b. any other person at the direction of any person insured by this policy.
8.
 - a. Sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or
 - b. failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.
9. The transmission of communicable disease by any person insured.
10. Liability imposed upon or assumed by you under any workers' compensation statute.
11.
 - (a) " bodily injury ", " property damage ", " personal injury " or Voluntary Medical Payments or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any " fungi " or " spores " however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of " fungi " or " spores ", or
 - (b) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
 - (c) any obligation to pay damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

The above applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or cost.

12. Claims arising directly or indirectly, in whole or in part, out of Terrorism or out of any activity or decision of a government agency or other entity to prevent, respond to terminate Terrorism. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the claim.

OTHER INSURANCE

If you have other insurance, which applies to a loss or claim, or would have applied if this policy did not exist, this 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.

ADDITIONAL COVERAGE

VOLUNTARY COMPENSATION FOR RESIDENCE EMPLOYEES

This coverage is automatically provided for all your occasional residence employees. It will be extended to your permanent residence employees.

DEFINITIONS

Weekly indemnity means two-thirds of your employee's weekly wage at the date of the accident, but we will not pay more than \$100 per week.

COVERAGE

We offer to pay the benefits described below if your employee is injured or dies accidentally while actually working for you, even though you are not legally liable.

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 liability insurance.

A residence employee or any person acting on his or her behalf who accepts these benefits must sign a release giving up any right to sue you. We have the right to recover from anyone, other than you, who is responsible for the employee's injury or death.

We will not pay benefits for any hernia injury.

There are other exclusions that apply to all Coverages under Section II. Please refer to " Exclusions - Section II ".

SCHEDULE OF BENEFITS

1. Loss of life

If your employee dies from injuries received in the accident within the following 26 weeks, we will pay:

- a. a total of 100 times the weekly indemnity to those wholly dependent upon him or her. If there is more than one dependent the amount will be divided equally among them. This payment is in addition to any benefit for Temporary Total Disability paid up to the date of death;
- b. actual funeral expenses up to \$500.

2. Temporary Total Disability

If your residence 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 7 days unless the disability lasts for 6 weeks or more.

3. Permanent Total Disability

If your residence 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.

4. Injury Benefits

If, as a result of the accident, your residence employee suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, we will pay weekly indemnity for the number of weeks shown. These benefits will be paid in addition to Temporary Total Disability Benefits but no others. We will not pay more than 100 weeks in total even if the accident results in loss from more than one item.

For loss of:

A. One or more of the following	100 weeks
a. hand	
b. arm	
c. foot	
d. leg	
B. One finger or toe	25 weeks
or	
more than one finger or toe	50 weeks
C. One eye	50 weeks
or	
both eyes	100 weeks
D. Hearing of one ear	25 weeks
or	
hearing of both ears	100 weeks

5. Medical Expenses

If, as a result of the accident, your residence employee incurs medical expenses including surgical, dental, hospital, nursing and ambulance expenses within the following 26 weeks, we will pay up to a maximum of \$1,000 in addition to all other benefits.

We will pay for the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5,000.

WE DO NOT INSURE you for costs recoverable from other insurance plans.

CONDITIONS

What you must do after an accident

1. When an accident occurs you must promptly give us notice (in writing if requested by us). The notice must include:
 - a. the identity of the residence employee and the date, time, place and circumstances of the accident;
 - b. names and addresses of witnesses.
2. If requested by us, you must arrange for the injured residence employee to:
 - a. Submit to physical examination at our expense by doctors we select as often as we may reasonably require.
 - b. Authorize us to obtain medical and other records.

Autopsy

In case of death, we can require an autopsy before we make payment.

Action against us

No suit may be brought against us until you have fully complied with all the terms of this Coverage.

CONDITIONS

Statutory Conditions 1, 3, 4, 5 and 15 incorporated in this policy apply as conditions to all Coverages under Section II.
