House Owner Insurance Policy Wordings

These policy wordings describe the home insurance that you have purchased. They include various terms, conditions, and exclusions that limit the insurance this Policy provides. Please read the nine sections of this document carefully and contact us if you have any questions.

1 Insuring Agreement

In exchange for the premium paid, this Policy provides the insurance described in these Policy Wordings, subject to the limits and deductibles specified on the Policy Declaration.

All limits, deductibles, and premiums expressed in this Policy are in Canadian currency.

Only Named Insureds may make changes to this Policy, file a claim under this Policy, or take legal action against the Insurer. This Policy cannot be assigned to others without the Insurer's written consent.

Insurance cannot be a source of profit; it is designed to indemnify you for insured losses you incur or you are legally liable to pay. This Policy will not pay any amount greater than your insurable interest at the time of loss.

2 Definitions

The following definitions apply to all sections of your Policy except Section 6. Additional definitions may also be embedded in specific sections of this Policy.

Throughout this Policy, the words "you" and "your" refer to any Insured, or collectively to all Insureds.

2.1 **Actual Cash Value** means Replacement Cost (as defined), minus a deduction for depreciation and obsolescence, which takes into consideration the condition of the property immediately before the loss, its normal life expectancy, and its resale value.

2.2 **Aircraft** means any machine capable of flight through the air, except for remote-controlled recreational drones weighing no more than five (5) pounds.

2.3 **Bicycles and Sporting Equipment** means any personal and portable equipment used for athletic or recreational activities, including cycling, equestrian, fishing, golf, hang-gliding, hockey, hunting, paragliding, shooting, skating, skiing, snowboarding, surfing, and windsurfing.

2.4 **Bodily Injury** means damage to a person's physical condition including pain, illness or resulting death.

2.5 **Building** means the main structure of your Premises (as defined) occupied by you and/or your tenants as a private residence.

2.6 **Business** means any activity undertaken for money or other compensation, except:

(a) your work as an employee of another individual, or of a company that you do not own;

(b) your personal actions that are not related to your Business (as defined), or activities which are not ordinarily considered to be Business activities;

(c) the temporary or part-time Business (as defined) activities of a dependant Insured under eighteen (18) years of age;

(d) your rental to others of a portion of your Premises (as defined) for use as a private residence if this rental is noted on your Policy Declaration (as defined); or,

(e) your rental to others of three (3) or fewer car spaces or parking stalls in a residential garage on or attached to the Premises (as defined).

2.7 **Business Property** means property obtained, held, used, or intended for use in any activity undertaken for money or other compensation, including materials, supplies, inventory, stock, tools, computers and equipment.

2.8 **Civil Authority** means any person acting with authority under federal, provincial or territorial legislation with respect to the protection of persons and property in the event of an emergency.

2.9 **Coastal Flood** means the covering of dry land by seawater as well as any resulting Water Backup (as defined), including coastal flood caused by high tides, sea or ocean waves, normal movements or changes in sea or ocean levels, wind-driven storm surge, and Earthquake (as defined).

2.10 **Collectibles** means:

(a) items possessed as a hobby, for display, or as an investment or store of value, including sports card collections, comic book collections, sports memorabilia, rare or signed or first edition books, coin collections and stamp collections;

(b) any porcelain ware, plates, cups and saucers that are supplementary to everyday usage;

(c) figurines made of porcelain or ceramic material;

(d) fine designer crystal glasses, bowls and dishes that are supplementary to everyday usage;

(e) eating and serving utensils made of silver that are supplementary to everyday usage; and

(f) hand-woven or hand-knotted one-piece rugs or carpets.

2.11 **Condo Corporation** means a condominium corporation, strata corporation, or a syndicate of co-owners (as the case may be) as established under the Condominium Property Act of Alberta, the Condominium Property Act of Saskatchewan, the Condominium Act of Manitoba, the Condominium Act of Ontario, the Strata Property Act of British Columbia, or the Civil Code of Quebec.

2.12 **Detached Structures** means all permanent structures on your Premises (as defined) that are not attached to the Building (as defined) and includes garages, sheds, and gazebos. For the purpose of this Policy (as defined), Detached Structures does not include Fences and Landscaping (as defined).

2.13 **Earthquake** means the sudden release of energy in the Earth's crust and upper mantle causing shock and shaking of the surface of the Earth, and subsequent shocks, landslides, snowslides, and earth movements occurring within one-hundred and sixty-eight (168) consecutive hours after the initial shock and shaking.

2.14 **Eligible Car Insurance Policy** means a car insurance policy issued in your name and purchased through Square One Insurance Services.

2.15 **Fences and Landscaping** means outdoor fences, trees, shrubs, lawns, plants, retaining walls, rockeries and permanent ornamental landscaping used to improve the appearance of your Premises (as defined).

2.16 **Fine Arts** means visual art considered to have been created primarily for aesthetic purposes and judged for its beauty or meaningfulness, and includes paintings, sculptures, drawings, watercolours, graphics, limited edition prints, and other pieces that cannot be easily replaced.

2.17 **Fixtures** means any property that is permanently attached to the Building (as defined) by means of cement, plaster, nails, bolts or screws, except for household appliances and Service Lines (as defined).

2.18 **Inland Flood** means the covering of dry land by freshwater or wastewater as well as any resulting Water Backup (as defined), including Inland Flood caused by snowmelt, rainfall, or the escape or release of water from the normal confines of a lake, river, stream, natural or man-made watercourse, reservoir, canal, or dam.

2.19 **Insured** means any Named Insured (as defined) and:

(a) while living in the same household:

(1) your Partner (as defined);

(2) the relatives of you or your Partner;

(3) any person under twenty-one (21) years of age in your care;

(4) any domestic employees;

(b) the parents of you or your Partner while they reside in a nursing home or residential care facility; and

(c) any students who are enrolled in and attending schools, colleges, or universities and who are dependent on you or your Partner for support and maintenance.

2.20 **Insurer** means the insurance company underwriting this Policy (as defined) and named on your Policy Declaration (as defined).

2.21 **Jewellery and Watches** means objects designed for the adornment of the body, and includes necklaces, bracelets, rings, earrings, watches, and precious or semi-precious stones.

2.22 **Landlord's Property** means Personal Property (as defined) owned by you and intended for use by your tenants on-site at the Premises (as defined), including tools, appliances, and furniture.

2.23 **Limited Depreciation** means Replacement Cost (as defined), minus a deduction of no more than fifty (50) percent for depreciation and obsolescence, which takes into consideration the condition of the property immediately before the loss, its normal life expectancy, and its resale value.

2.24 **Motor Vehicle** means any self-propelled vehicle. This definition includes trailers and camper units, but does not include:

(a) garden-type tractors, lawn mowers, trimmers, and snow blowers;

(b) motorized wheelchairs or motorized scooters specifically designed for use by people with physical disabilities;

(c) golf carts; or

(d) Power-Assisted Bicycles (as defined).

2.25 **Named Insured** means the person(s) appearing under the heading "Named insured" on the Policy Declaration (as defined).

2.26 **Occurrence** means a single event that causes loss or damage to insured property, Bodily Injury (as defined), or Property Damage (as defined) insured under this Policy (as defined).

2.27 **Partner** means your spouse, or the person with whom you are cohabiting in a marriage-like relationship.

2.28 **Personal Property** means tangible, moveable or portable property that you own, including all household appliances. For the purposes of this Policy (as defined), Personal Property does not include the following types of property (each as defined) for which additional insurance can be purchased: Bicycles and Sporting Equipment; Business Property; Collectibles; Detached Structures; Fences and Landscaping; Fine Arts; Jewellery and Watches; Landlord's Property; and Watercraft.

2.29 **Policy** means the application for insurance, the Policy Declaration (as defined) and these Policy Wordings, which together form your complete insurance policy.

2.30 **Policy Declaration** means the document containing policy information, applicable coverages, limits and deductibles, special conditions and the application for insurance.

2.31 **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including but not limited to vapour, soot, fumes, acids, alkalis, chemicals, fuel oil, and waste.

2.32 **Power-Assisted Bicycles** means bicycles that are regulated by pedalling, with electric motors totaling no more than 500W that assist riders' efforts when pedalling, to speeds of no greater than 32km/h on level ground.

2.33 **Premises** means the land and all structures contained within the lot lines of the insured location on the Policy Declaration (as defined) reserved for your and/or your tenants' exclusive use or occupancy.

2.34 **Property Damage** means physical damage to, destruction of, or loss of use of tangible property belonging to anyone other than an Insured (as defined) under this Policy (as defined).

2.35 **Replacement Cost** means the actual cost to repair, replace or rebuild, whichever is less, with like kind and quality.

2.36 **Service Lines** means the following underground equipment on your Premises (as defined):

(a) sewer lines connected to a municipal sewer system;

(b) water supply lines connected to municipal water mains or private wells;

(c) active electrical and telecommunications lines; and

(d) domestic natural gas supply lines connected to a regional distribution system.

2.37 **Short-Term Rentals** means your rental to others of a portion of your Premises (as defined) for use as a private residence for a period of less than six (6) months at a time.

2.38 **Terrorism** means an ideologically motivated unlawful act or acts, including the use of violence or force, or the threat of violence or force, committed by or on behalf of any individual(s), group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public.

2.39 **Vacant** means all occupants have left the home with no intention of returning to reside in it, and no new occupants have taken up residence in the home, regardless of the presence of furnishings or other belongings. In the case of a newly constructed home, Vacant means occupants have not yet taken up residence in the home, regardless of the presence of furnishings or other belongings. In the case of a newly acquired home, Vacant means occupants have not taken up residence in the home within seven (7) days of when you take legal ownership of the home, regardless of the presence of furnishings or other belongings.

2.40 **Water Backup** means the backing up or escape of freshwater or wastewater from a sewer, storm drain, drain, sump, or septic tank.

2.41 **Watercraft** means a commercially manufactured device used to transport person(s) or property across a body of water, and its accessories, equipment, and trailer.

3 Property Coverages

This section describes the insurance on your home, personal property, and specialty property for loss or damage insured under this Policy. The insurance provided under each property coverage, subject to the limits and deductibles specified on your Policy Declaration, is described below.

3.1 Building

3.1.1 Property insured.

This coverage insures your Building and:

(a) all Fixtures, Service Lines, and attached structures;

(b) any outdoor equipment permanently installed on your Premises;

(c) any swimming pools, hot tubs, and related equipment on your Premises; and

(d) any materials and supplies located on your Premises intended to be used in building, altering, or repairing your Building.

3.1.2 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures:

(a) all types of direct physical loss or damage to your Building, its Fixtures, Service Lines and attached structures;

(b) reasonable expenses incurred for a licensed tradesperson to determine if this Policy covers loss or damage to your Building, its Fixtures, Service Lines and attached structures. If it is determined that this Policy does not cover the loss or damage, then the maximum payment for such expenses will be $1,500. These expenses only include the costs to investigate and determine the cause of the loss in order to confirm if this Policy covers the loss or damage. The cost of any repairs is specifically excluded from these expenses;

(c) amounts you are assessed for direct physical loss or damage to the assets of a condominium corporation or homeowner's association that includes your Premises, to a maximum of $25,000;

(d) reasonable expenses incurred as a result of loss or damage to your Building insured under this Policy to:

(1) refinish or replace the undamaged portion of floors, walls, ceilings, cabinets, drawers, or countertops necessary to reasonably preserve a pre-existing uniform appearance within the same floor or level of your Building;

(2) refinish or replace the undamaged portion of exterior roofing, siding, or trim necessary to reasonably preserve a pre-existing uniform appearance for the exterior of your Building;

(3) remove debris from your Premises;

(4) remove or tear apart any walls, ceilings, or other parts of your Building in order to identify the cause of loss or damage, or to repair damage insured under this Policy;

(5) upgrade the portion of your Building sustaining loss or damage insured under this Policy so that it complies with the current laws/codes; and

(e) reasonable expenses incurred to remove trees which have fallen onto your Premises from an adjacent property that you do not own, to a maximum payment of $5,000 per Occurrence.

3.1.3 Basis of loss payment.

(a) If you repair or rebuild on the same site within a reasonable time, then payment will be made on a Replacement Cost basis, even if this cost exceeds the limit specified on your Policy Declaration. This basis of loss payment will apply provided you have advised us of any alterations to your Building in excess of $25,000, within 30 days of starting work.

If you have not advised us of alterations to your Building as stipulated above, then this coverage will pay on a Replacement Cost basis up to the limit specified on your Policy Declaration.

(b) If you do not repair or rebuild on the same site, then payment will be made on a Limited Depreciation basis for direct physical loss or damage up to the limit specified on your Policy Declaration.

(c) If the Building's roof is past its useful life at the time of loss, then payment for damage due to rain, wind, hail, or weight of snow or ice to the Building's roof will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.

3.2 Detached Structures, Fences and Landscaping

3.2.1 Property insured.

This coverage insures your Detached Structures, Fences and Landscaping, and any materials and supplies located on your Premises intended to be used in building, altering, or repairing your Detached Structures, Fences and Landscaping.

3.2.2 Property not insured.

This coverage does not insure greenhouses, garden frames, or the like.

3.2.3 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures:

(a) all types of direct physical loss or damage to your Detached Structures, Fences and Landscaping;

(b) reasonable expenses incurred as a result of loss or damage to your Detached Structures, Fences and Landscaping insured under this Policy to:

(1) remove debris from your Premises;

(2) remove or tear apart any walls, ceilings, or other parts of your Detached Structures required to repair your Detached Structures; and

(3) upgrade the portion of your Detached Structures or Fences sustaining loss or damage insured under this Policy so that it complies with the current laws/codes.

3.2.4 Loss or damage not insured.

This coverage does not insure loss or damage to:

(a) loose ground cover or fill, including gravel, mulch, topsoil, wood chips, or sod; or

(b) trees, shrubs, plants, or lawns caused by disease, drought, water, wind, hail, or weight of ice or snow.

3.2.5 Basis of loss payment.

(a) If you repair or rebuild on the same site within a reasonable time, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration.

(b) If you do not repair or rebuild on the same site, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.

(c) If the Detached Structure's roof is past its useful life at the time of loss, then payment for damage due to rain, wind, hail, or weight of snow or ice to the Detached Structure's roof will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.

3.3 Personal Property

3.3.1 Property insured.

This coverage insures:

(a) your Personal Property at your Premises or while temporarily away from your Premises;

(b) the Personal Property of an Insured while residing in a nursing home or residential care facility;

(c) the Personal Property of an Insured while attending a school, college, or university; and

(d) at your option, the Personal Property of others in your care or possession or while temporarily on that portion of the Premises you occupy.

3.3.2 Property not insured.

This coverage does not insure the types of property listed below. Insurance for these types of property may be available under other coverages offered by this Policy.

(a) Bicycles and Sporting Equipment;

(b) Business Property;

(c) Collectibles;

(d) Detached Structures;

(e) Fences and Landscaping;

(f) Fine Arts;

(g) Jewellery and Watches;

(h) Landlord's Property; and

(i) Watercraft.

3.3.3 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures:

(a) up to the limit specified on your Policy Declaration:

(1) all types of direct physical loss or damage to your Personal Property;

(2) reasonable expenses incurred:

(i) to replace or re-key the locks to your Premises if your keys are lost or stolen; and

(ii) for charges resulting from a fire department attending your Premises;

(b) up to a limit of $100,000, reasonable and necessary expenses incurred as a result of loss or damage insured under this Policy to:

(1) pack, transport, store and dispose of Personal Property in order to facilitate the repair of loss or damage insured under this Policy; and

(2) protect Personal Property from further damage following a loss.

3.3.4 Basis of loss payment.

(a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.

(b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.

(c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.

(d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation, or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.

3.4 Bicycles, Sporting Equipment and Watercraft

3.4.1 Property insured.

Unless otherwise noted on your Policy Declaration, this coverage insures:

(a) your Bicycles and Sporting Equipment, and Power-Assisted Bicycles, while at your Premises or while temporarily away from your Premises; and

(b) your Watercraft of no more than twenty (20) feet in length, equipped with motors with a combined total power output that does not exceed 100 horsepower.

3.4.2 Property not insured.

This coverage does not insure:

(a) Bicycles and Sporting Equipment, Power-Assisted Bicycles, or Watercraft used for Business; or

(b) Watercraft while:

(1) used in any race or speed test;

(2) used in any illicit or prohibited trade or transportation; or

(3) being repaired or upgraded.

3.4.3 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures all types of direct physical loss or damage.

3.4.4 Loss or damage not insured.

This coverage does not insure loss or damage:

(a) caused by the use of your Bicycles and Sporting Equipment, or Power-Assisted Bicycles; or

(b) to Watercraft caused by:

(1) deterioration, including that caused by marine life, rust, corrosion, wet or dry rot or mould, freezing, extremes of temperature, marring, or scratching;

(2) electrical or mechanical breakdown; or

(3) latent or structural defect.

3.4.5 Maximum payable.

The maximum payable for any single item or set of items not specifically described on your Policy Declaration is $3,000.

3.4.6 Basis of loss payment.

(a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.

(b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.

(c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.

(d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation, or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.

3.5 Business Property

3.5.1 Property insured.

This coverage insures your Business Property at your Premises or while temporarily away from your Premises and, at your option, the Business Property of others in your care or possession.

3.5.2 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures:

(a) all types of direct physical loss or damage to Business Property; and

(b) reasonable and necessary expenses that you incur to restore or reproduce critical Business documents and records.

3.5.3 Maximum payable.

The maximum payable for any single item or set of items not specifically described on your Policy Declaration is $3,000.

3.5.4 Basis of loss payment.

(a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.

(b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.

(c) If an item is in the process of being prepared, manufactured or assembled, or is otherwise incomplete at the time of the loss or damage, then payment will be made only for the Replacement Cost of its raw materials, components and parts.

(d) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.

(e) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation, or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.

3.6 Fine Arts and Collectibles

3.6.1 Property insured.

This coverage insures your Fine Arts and Collectibles at your Premises or while temporarily away from your Premises.

3.6.2 Property not insured.

This coverage does not insure Fine Arts or Collectibles used for Business, while on exhibit or consignment, or while in transit to or from their exhibition or consignment.

3.6.3 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures all types of direct physical loss or damage.

3.6.4 Maximum payable.

The maximum payable for any single item or set of items not specifically described on your Policy Declaration is $3,000.

3.6.5 Basis of loss payment.

(a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.

(b) If it is not possible to repair or replace due to age, history, or rarity, then payment will be made on a market value basis up to the limit specified on your Policy Declaration.

(c) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.

(d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation, or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.

3.7 Jewellery and Watches

3.7.1 Property insured.

This coverage insures your Jewellery and Watches at your Premises or while temporarily away from your Premises.

3.7.2 Property not insured.

This coverage does not insure Jewellery and Watches used for Business, while on exhibit or consignment, or while in transit to or from their exhibition or consignment.

3.7.3 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures all types of direct physical loss or damage.

3.7.4 Maximum payable.

The maximum payable for any single item or set of items not specifically described on your Policy Declaration is $6,000.

3.7.5 Basis of loss payment.

(a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration.

(b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.

(c) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation, or Actual Cash Value, as determined by (a) or (b), of the pair or set.

3.8 Identity Theft and Financial Loss

3.8.1 Loss or damage insured.

Subject to the limitations and exclusions of this Policy and up to the limit specified on your Policy Declaration, this coverage insures:

(a) financial losses incurred as a result of:

(1) the theft of, or illegal access to, your identity or credit;

(2) the theft or unauthorized use of credit cards, debit cards, or automated teller cards issued to you or registered in your name provided you have complied with all the conditions under which the card was issued;

(3) the fraudulent transfer or removal of funds from bank accounts;

(4) forgery or alteration of cheques, drafts, or other negotiable instruments; and

(5) your acceptance, in good faith, of counterfeit Canadian paper currency.

(b) reasonable expenses incurred to resolve credit issues, including:

(1) legal costs incurred in order to clear your name, reconstruct credit data, remove criminal records, rectify consumer credit reports, defend against lawsuits by businesses or collection agencies or rectify civil judgments made against you; and

(2) lost wages resulting from time required away from your business or employment to deal with matters pertaining to an identity theft.

3.8.2 Loss or damage not insured.

This coverage does not insure financial losses or expenses incurred:

(a) that you can recover from any other party, including a credit card company, a financial institution, a retailer, a credit grantor, a government body or a utility provider; or

(b) as a result of:

(1) any Business activity in which you participate;

(2) your own use of your identity or credit;

(3) the use of your identity or credit authorized by you;

(4) your intentional misuse of your identity or credit; or

(5) the use of a credit card by any other Insured or any person entrusted with the card.

4 Loss of Use Coverages

This section describes the insurance available to you if the Premises cannot be occupied as a result of loss or damage insured under this Policy. The insurance provided under each loss of use coverage, subject to the limits and deductibles specified on your Policy Declaration, is described below.

4.1 Additional Living Expenses

4.1.1 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy and:

(a) up to the limit specified on your Policy Declaration:

(1) reasonable and necessary increases in the cost of accommodations, food, and residential utilities; and

(2) if required, moving expenses;

if your Premises becomes uninhabitable as a result of direct physical loss or damage insured under this Policy. Payment will be made for the reasonable time required to repair or rebuild your dwelling or, if you permanently relocate, the reasonable time required for you to settle elsewhere;

(b) up to $10,000, reasonable and necessary increases in the cost of accommodations, food, and residential utilities, and, if required, moving expenses and emergency personal toiletries if a Civil Authority prohibits you from inhabiting your Premises as a result of:

(1) direct physical loss or damage insured under this Policy to neighbouring premises; or

(2) a mass evacuation order given as a result of a sudden and accidental event.

4.2 Business Interruption

4.2.1 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy and up to the limit specified on your Policy Declaration:

(a) your actual loss of net income (net profit or loss before taxes) suffered during the period in which your Business is temporarily unable to operate, up to:

(1) your actual net income earned during the same period of the prior year, if your Business generated any net income during the same period of the prior year; or

(2) your projected net income based upon the average net income earned during the six (6) months preceding the period in which your Business is temporarily unable to operate, if your Business did not generate any net income during the same period of the prior year; and

(b) reasonable and necessary extra expenses that you incur to temporarily continue operating your Business at an alternate location in the same city as the Premises;

because of direct physical loss or damage insured under this Policy, or if a Civil Authority prohibits you from operating your Business at the Premises because of a sudden and accidental event insured under this Policy.

4.2.2 Loss or damage not insured.

This coverage does not insure your loss of net income (net profit or loss before taxes) or extra expenses when your Business is unable to operate for a period of fewer than six (6) business days.

4.2.3 Basis of loss payment.

(a) In the event of loss or damage to your Premises and Business Property, or to your Premises only, payment will be limited to the lesser of:

(1) the reasonable and necessary time required to repair or rebuild that portion of the Premises necessary to operate your Business, plus twenty (20) days; or

(2) the reasonable and necessary time for you to relocate your Business elsewhere, plus twenty (20) days.

(b) In the event of loss or damage to Business Property only, payment will be limited to the reasonable and necessary time required to repair or replace that portion of the Business Property necessary to operate your Business, plus twenty (20) days.

5 Liability Coverages

This section describes the insurance for unintentional Bodily Injury or Property Damage sustained by others arising from your personal actions or ownership or use of your Premises. The insurance provided under each liability coverage, subject to the limits and deductibles specified on your Policy Declaration, is described below.

5.1 Personal and Premises Liability

5.1.1 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures:

(a) up to the limits specified on your Policy Declaration, sums that 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; or

(2) your ownership, use, or occupancy of the Premises; and

(b) beyond the limit specified on your Policy Declaration:

(1) expenses directly related to defending you against any lawsuit insured under this coverage alleging Bodily Injury or Property Damage and seeking damages, even if the lawsuit is groundless, false, or fraudulent;

(2) costs taxed or assessed against you directly related to a lawsuit insured under this coverage;

(3) interest accruing after judgment, as determined by the courts, on the portion of the judgment directly related to a lawsuit insured under this coverage;

(4) expenses that you have incurred for emergency medical or surgical treatment to others following an Occurrence insured by this coverage; and

(5) reasonable expenses, including loss of wages up to $250 a day to a total of $10,000, which you incur at the request of the Insurer directly related to a lawsuit insured under this coverage.

5.1.2 Loss or damage not insured.

This coverage does not insure:

(a) loss, damage, or liability:

(1) arising from or involving Business activity;

(2) resulting from your use or operation of any Watercraft you own that is more than twenty (20) feet in length or equipped with motors with a combined total power output that exceeds 100 horsepower; or

(b) any fines, penalties, punitive damages, or exemplary damages over and above actual compensatory damages.

5.2 Business Liability

5.2.1 Loss or damage insured.

Subject to the limitations and exclusions of this Policy, this coverage insures:

(a) up to the limit specified on your Policy Declaration, sums that you become legally liable to pay as compensatory damages because of unintentional Bodily Injury or Property Damage arising out of:

(1) your operation of the Business described in the application for insurance; and

(2) services that you provide, or that others provide on your behalf, while operating the Business described in the application for insurance;

(b) beyond the limit specified on your Policy Declaration:

(1) expenses directly related to defending you against any lawsuit insured under this coverage alleging Bodily Injury or Property Damage and seeking damages, even if the lawsuit is groundless, false, or fraudulent;

(2) costs taxed or assessed against you directly related to a lawsuit insured under this coverage;

(3) interest accruing after judgment, as determined by the courts, on the portion of the judgment directly related to a lawsuit insured under this coverage;

(4) reasonable and necessary expenses that you have incurred for emergency medical or surgical treatment to others following an Occurrence insured by this coverage; and

(5) reasonable and necessary expenses, including loss of net income up to $250 a day to a total of $10,000, which you incur at the request of the Insurer directly related to a lawsuit insured under this coverage.

5.2.2 Loss or damage not insured.

This coverage does not insure loss, damage, or liability arising out of or involving:

(a) your personal actions anywhere in the world;

(b) any goods or products that are manufactured, handled, used, distributed, stored, purchased, sold, or disposed of outside of Canada;

(c) any professional services that you provide, or that others provide on your behalf;

(d) the loss of use, disposal, withdrawal, recall, inspection, repair, replacement, or adjustment of any goods or products that you manufacture, handle, distribute, use, or sell;

(e) any breach of contract by you, or by others acting on your behalf;

(f) your obligation to repair or replace property damaged by the services that you provide, or that others provide on your behalf, when the damage directly results from the service being provided; or

(g) any fines, penalties, punitive damages, or exemplary damages over and above actual compensatory damages.

6 Legal Protection Coverages

Legal protection insurance is provided by HDI Global Specialty SE and managed by ARAG Legal Solutions Inc. All the definitions, terms, conditions, and exclusions applicable to this insurance are described solely and wholly in the attached **Addendum A: Legal Protection Policy Wordings**.

7 Exclusions

This section describes loss, damage, or liability that is excluded and, therefore, not insured under this Policy. Where an exclusion applies, this Policy does not insure for such loss, damage, or liability regardless of the cause of the excluded Occurrence, or whether other causes acted concurrently or in any sequence with the excluded Occurrence to produce the loss, damage, or liability.

7.1 Policy Exclusions

The following exclusions apply to all Property, Loss of Use and Liability Coverages (as described in Sections 3, 4 and 5) of this Policy.

7.1.1 General exclusions.

Your Policy does not insure loss, damage or liability directly or indirectly as a result of:

(a) the intentional, fraudulent, or criminal acts of you or any other person at your direction;

(b) the failure to act by you or any other person at your direction;

(c) the act of willful negligence by you or any other person at your direction;

(d) any illegal activity on your part, your tenants' part, or your domestic employees' part arising directly or indirectly from the growing, cultivating, harvesting, processing, manufacturing, distributing, or selling of any drug, including cannabis, or any controlled substance, illegal substance, or illegal items of any kind, whether or not you have any knowledge of, or are unable to control, such activity; or

(e) war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power.

7.2 Property and Loss of Use Exclusions

These additional exclusions apply to all Property and Loss of Use Coverages (as described in Sections 3 and 4) of this Policy.

7.2.1 General exclusions.

Your Policy does not insure loss or damage directly or indirectly:

(a) resulting from conducting any Business not described in the application for insurance

(b) occurring after your Premises has been Vacant for more than 30 consecutive days

(c) occurring during the period that the Building is under construction, commencing at the time the foundation is laid and lasting until construction is complete or the Building is occupied, whichever comes first;

(d) occurring during the period that the Building is unoccupied and undergoing renovation;

(e) resulting from lawful seizure or confiscation;

(f) caused by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, except for loss or damage directly caused by fire or explosion of natural, coal, or manufactured gas;

(g) caused by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal, or manufactured gas;

(h) caused by contamination from radioactive material;

(i) arising out of the actual or threatened discharge, dispersal, release or escape of, or contamination by, Pollutants;

(j) caused by wear and tear, including the normal deterioration of property that occurs over the period of its useful life, or accelerated deterioration resulting from inadequate care over time except for wear and tear to Service Lines and resulting loss or damage;

(k) caused by mechanical breakdown, except for mechanical breakdown of Service Lines and resulting loss or damage;

(l) caused by rust or corrosion, wet or dry rot, fungi, spores, bacteria, mould, condensation, acid rain, or smog, except for damage to Service Lines;

(m) caused by snowslide, landslide, or other earth movement except for loss or damage caused directly by Earthquake;

(n) caused by settling, sinking, expansion, contraction, moving, bulging, buckling, or cracking of any Building or Detached Structures, except for resulting damage to Service Lines;

(o) caused by faulty design, material, workmanship, or an inherent defect, except for damage to Service Lines; or

(p) caused by birds, bats, vermin, raccoons, skunks, rodents, or insects, except for damage to Service Lines.

7.2.2 Property exclusions.

Your Policy does not insure loss or damage directly or indirectly to:

(a) Bicycles and Sporting Equipment, Business Property, Collectibles, Fine Arts, Jewellery and Watches, Landlord's Property, Personal Property, Power-Assisted Bicycles, or Watercraft:

(1) of tenants, roomers, boarders, or any other occupants who are not related to you;

(2) illegally acquired, kept, stored, transported, or that are the proceeds of crime; or

(3) undergoing a process or while being worked on, where the loss or damage results from the process or work;

(b) cash, bullion, securities, negotiable instruments, or stored-value cards;

(c) loose or raw precious stones;

(d) books of account and evidences of debt or title;

(e) collections or representations of information stored in electronic format;

(f) animals, birds, or fish except for damage caused directly by fire or explosion insured under this Policy;

(g) Motor Vehicles, or parts or equipment while attached to a Motor Vehicle; or

(h) Aircraft, or their parts or equipment.

7.2.3 Water damage exclusions.

Your Policy does not insure loss or damage directly or indirectly:

(a) caused by water that occurs when your Premises is Vacant, even if you have advised the Insurer that it is Vacant;

(b) caused by freezing of a plumbing, heating, or cooling system or an appliance that uses or holds water unless the loss or damage occurs to Service Lines; or:

(1) the loss or damage occurs within a heated portion of the Building or a Detached Structure insured under this Policy; and

(2) while you or your tenants are away from the Premises for more than seven (7) consecutive days for any reason other than receiving emergency medical treatment, you or your tenant:

(i) shut off the water supply and drain both the plumbing system and any appliances that use or hold water; or

(ii) make arrangements to ensure the heat is maintained at an acceptable level;

(c) caused, in whole or part by, Coastal Flood, regardless of any other cause or event that contributes to the loss or damage;

(d) caused by ground water or rising of the water table;

(e) caused by gradual, continuous, or repeated seepage, condensation, or leakage of water or steam over a period of time;

(f) caused by freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to outdoor pipes or drains, fences, pavement, patios, swimming pools and equipment, foundations, retaining walls, bulkheads, piers, wharfs, docks, bridges, or Watercraft; or

(g) caused by waterborne objects, whether driven by wind or not, unless the loss or damage occurs to Watercraft.

7.3 Liability Exclusions

These additional exclusions apply to all Liability Coverages (as described in Section 5) of this Policy.

7.3.1 General exclusions.

Your Policy does not insure loss, damage, or liability directly or indirectly resulting from:

(a) the activity of any Business not described in the application for insurance;

(b) the personal actions of any Named Insured who does not reside at the Premises;

(c) your use or operation of any Motor Vehicle that is:

(1) subject to motor vehicle registration;

(2) meant for use on public roads; or

(3) owned by you;

(d) your use or operation of any Watercraft that is more than twenty (20) feet in length or equipped with motors with a combined total power output that exceeds one hundred (100) horsepower;

(e) your use or operation of any Motor Vehicle or Watercraft, whether owned by you or not, when:

(1) used for carrying passengers for compensation;

(2) used for Business;

(3) used in any race or speed test;

(4) rented to others; or

(5) being used without the owner's consent if you are not the owner;

(f) Bodily Injury to you or to any person residing in your household, other than a domestic employee;

(g) Terrorism or any activity or decision of a government agency or other entity to prevent, respond to, or terminate Terrorism;

(h) a nuclear incident insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;

(i) your assumption by contract unless your legal liability would have applied if no contract had been in force;

(j) the ownership, use, or operation of any Aircraft or premises used as an airport or landing facility, and all activities related to either;

(k) the transmission, threat of transmission, or fear of any communicable disease;

(l) sexual, physical, psychological, or emotional abuse, molestation or harassment, including corporal punishment, by you, at your direction, or with your knowledge;

(m) your failure to take steps to prevent sexual, physical, psychological, or emotional abuse, molestation or harassment, or corporal punishment;

(n) the intentional, fraudulent, or criminal acts of your tenants, or any other person at your tenants' direction;

(o) the failure to act of your tenants, or any other person at your tenants' direction;

(p) the act of willful negligence by your tenants, or any other person at your tenants' direction;

(q) the transmission of Electronic Data;

(r) libel, slander, defamation, invasion of privacy, mental anguish or injury, false arrest or imprisonment, wrongful detention, wrongful entry or eviction, malicious prosecution, or humiliation;

(s) the discharge, dispersal, release, or escape of Pollutants;

(t) any governmental direction or request that the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants; or

(u) fungi, spores, bacteria, or mould.

7.3.2 Property damage exclusions.

Your Policy does not insure loss, damage, or liability directly or indirectly resulting from Property Damage to:

(a) property you own;

(b) property you use, occupy, lease or rent, except for unintentional damage resulting from fire, explosion, smoke, or water damage insured under this Policy; or

(c) Motor Vehicles or Watercraft, resulting from your operation of that Motor Vehicle or Watercraft.

8 Policy Deductibles

This section describes how deductibles apply to loss or damage insured under this Policy. A deductible is the amount of money you have to pay toward a claim before your policy responds to pay you. Each Occurrence is subject to one of the deductibles described below. Payment for loss or damage insured under your Policy is subject to the applicable limits specified on your Policy Declaration, and such payment will be reduced by the applicable deductible amount specified on your Policy Declaration.

If a loss involves this Policy and an Eligible Car Insurance Policy, then the applicable deductible specified on the Policy will be reduced by the applicable deductible on the Eligible Car Insurance Policy. The deductible under this Policy cannot be reduced below $0.

8.1 Standard Deductible

For loss or damage insured under this Policy due to loss types not described elsewhere in this Section, the Standard Deductible as specified on your Policy Declaration applies per Occurrence.

8.2 Earthquake Deductible

For loss or damage directly or indirectly resulting from Earthquake insured under this Policy, the Earthquake Deductible as specified on your Policy Declaration applies per Occurrence.

8.3 Inland Flood Deductible

For loss or damage directly or indirectly resulting from Inland Flood insured under this Policy, the Inland Flood Deductible as specified on your Policy Declaration applies per Occurrence.

8.4 Service Line Deductible

For loss or damage to Service Lines insured under this Policy, the Standard Deductible as specified on your Policy Declaration applies per Occurrence.

8.5 Glass Deductible

For loss or damage to glass that forms part of the Building or Detached Structures on your Premises insured under this Policy, the Glass Deductible as specified on your Policy Declaration applies per Occurrence.

8.6 Liability Deductible

For unintentional Bodily Injury or Property Damage sustained by others arising from your personal actions or ownership or use of your Premises, the Liability deductible as specified on your Policy Declaration applies per Occurrence.

9 Additional Conditions

This section describes the General Conditions, Statutory Conditions (required under the Insurance Act of the province of your insured location), and the Standard Mortgage Clause (if applicable) that apply to this Policy.

9.1 Policy Conditions

The following conditions apply to all sections of this Policy.

9.1.1 When coverage applies.

This Policy applies to Occurrences that take place while this Policy is in force.

9.1.2 Duties after loss.

In addition to submitting a proof of loss, each Insured may be required to:

(a) take all reasonable actions to prevent further loss, damage, or liability;

(b) submit to an examination under oath; or

(c) provide all documents in your possession or control that relate to the application for insurance and proof of loss, and allow copies of these documents to be made.

9.1.3 Loss settlement.

Each Insured is a separate Insured, but this does not increase the limits of insurance under this Policy for any one Occurrence, even if multiple Insureds are affected.

9.1.4 Subrogation.

(a) Upon making payment or assuming liability under this Policy, the Insurer will be entitled to assume all your rights of recovery against others and may bring action in your name to enforce these rights.

(b) The amount recovered, minus the costs of recovery, will be shared in proportion to the loss that you and the Insurer have borne.

9.1.5 Policy administration.

(a) **Policy changes.**

(1) The Insurer reserves the right to make changes to the terms of your insurance coverage at any time during the policy term. Changes may involve, but are not limited to, the coverages, limits, deductibles, rates, terms, exclusions, or conditions under this Policy. The Insurer will advise you of the proposed changes at least thirty (30) days in advance of the proposed effective date of the changes. The notice advising you of the proposed changes will set out all proposed changes, the proposed effective date of the changes, and how you can contact the Insurer to reject the proposed changes. Unless you inform the Insurer that you reject the proposed changes prior to the proposed effective date of the changes, you will be deemed to have accepted the changes and they will take effect on that date.

The Insurer also reserves the right to make changes to the terms of your insurance coverage effective the next policy review date. The Insurer will advise you of the changes at least thirty (30) days in advance of the next policy review date. As long as you continue to pay the premiums when due, it is deemed that you have accepted these changes.

Your monthly billing will automatically reflect premium adjustments once the changes take effect, and the Insurer will issue a new policy, which replaces this Policy.

(2) You may request changes to this Policy at any time. Changes are subject to the Insurer's prior approval.

(b) **Policy term.**

This Policy is continuous until cancelled or replaced under Section 9.1.5(a) or Section 9.1.5(c).

(c) **Policy cancellation.**

(1) You may request cancellation of this Policy at any time. The first Named Insured on the Policy Declaration must authorize cancellation. The Insurer may require this authorization in writing.

The Insurer will provide a refund for the excess premium actually paid over the pro-rata premium for the expired time. This refund is subject to a $50 minimum retained premium in the first policy year. No refund will be issued for an amount less than $5.00. Refunds may be issued by cheque, e-transfer, mail, or to the original payment method, at the sole discretion of the Insurer.

(2) The Insurer reserves the right to cancel this Policy at any time.

(3) If the Insurer cancels this Policy, Statutory Condition 9.3.5 applies.

9.1.6 Other insurance.

If you have other insurance that applies to an insured loss or would have applied if this Policy did not exist, then this Policy will be considered excess insurance. The Insurer will make no payment for any insured loss under this Policy until the other insurance is used up.

When both this Policy and any other insurance provide coverage on the same basis, this Policy will only pay its share of an insured loss. Its share is the portion that this Policy's limit of insurance bears to the total limits, or amounts, of all insurance.

9.1.7 Notice to authorities.

You must notify the police or appropriate authorities immediately when the loss is due to, or is suspected to be due to, malicious acts, burglary, robbery, or theft.

9.2 Liability Conditions

The following conditions apply to all Liability Coverages (as described in Section 5) of this Policy.

9.2.1 Duties after a loss.

When an Occurrence takes place, you must promptly provide notice (in writing if requested), detailing:

(a) your name and Policy number;

(b) the time, place, and circumstances of the Occurrence; and

(c) the names and addresses of witnesses and potential claimants.

9.2.2 Co-operation.

You must:

(a) help obtain witnesses, information, and evidence about the Occurrence and cooperate in any legal actions; and

(b) immediately provide everything received in writing concerning the loss, including legal documents, to the Insurer.

9.2.3 Loss settlement.

(a) The Insurer reserves the right to select legal counsel, investigate, negotiate, and settle any claims or lawsuits as it may deem appropriate.

(b) The Insurer's obligation ends once payment of judgments or settlements up to the limit specified on the Policy Declaration have been made.

9.2.4 Unauthorized settlements.

You will 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 Occurrence.

9.2.5 Action against the Insurer.

(a) You cannot commence a legal action against the Insurer unless:

(1) you are in full compliance with all of the terms of this Policy;

(2) the amount of your obligation to pay has been determined either by judgment after trial, or by written agreement of you, the injured party, and the Insurer; and

(3) you have first initiated and participated fully in a mediation conference with a mutually agreed upon mediator, under the mediation rules of the Mutual Insurance Companies' OmbudService (or such other mediation rules as agreed upon).

(b) You must commence any action or proceeding against the Insurer within one (1) year of the date of such judgment or written agreement and not afterwards. If the mediation conference required under sub clause (a) has been formally initiated and scheduled but not concluded at the end of this one (1) year period, then you may not commence action against the Insurer until thirty (30) days after the conclusion of the mediation conference. The mediation conference will be deemed concluded when no further mediation conferences are formally scheduled.

9.3 Statutory Conditions

9.3.1 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 the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

9.3.2 Property of others.

The Insurer is not liable for loss or damage to property owned by a person other than the Insured, unless:

(a) otherwise specifically stated in the contract; or,

(b) the interest of the Insured therein is stated in the contract.

9.3.3 Change of interest.

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

9.3.4 Material change.

(a) The Insured must promptly give notice in writing to the Insurer or its agent of a change that is

(1) material to the risk; and

(2) within the control and knowledge of the Insured.

(b) If an Insurer or its Agent is not promptly notified of a change under subparagraph (a) of this condition, the contract is void as to the part affected by the change.

(c) If an Insurer or its Agent is notified of a change under subparagraph (a) of this condition, the Insurer may:

(1) terminate the contract in accordance with Statutory Condition 9.3.5; or

(2) notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen (15) days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.

(d) If the Insured fails to pay an additional premium when required to do so under subparagraph 00 of this condition, the contract is terminated at that time and Statutory Condition 00applies in respect of the unearned portion of the premium.

9.3.5 Termination of insurance.

(a) This contract may be terminated:

(1) by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or five (5) days' written notice of termination personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent; or

(2) by the Insured at any time on request.

(b) If this contract is terminated by the Insurer:

(1) the Insurer must refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, but in no event is the proportionate premium for the expired time to be less than any minimum retained premium specified; and

(2) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

(c) If this contract is terminated by the Insured, the Insurer must refund as soon as practicable the excess premium actually paid by the Insured over the short rate premium for the expired time, but in no event must the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

(d) The refund may be made by money, postal or express company money order or cheque payable at par.

(e) The fifteen (15) days mentioned in subparagraph (a) (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

9.3.6 Requirements after loss.

(a) On the happening of any loss of or damage to the insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 0:

(1) immediately give notice in writing to the Insurer;

(2) deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration:

(i) giving a complete inventory of that property and showing in detail quantities and costs of that property 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 willful act or neglect or the procurement, means or connivance of the Insured;

(iv) stating the amount of other insurances and the names of other insurers;

(v) stating 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) stating any changes in title, use, occupation, location, possession or exposures of the property since the contract was issued; and

(vii) stating the place where the property insured was at the time of loss;

(3) if required by the Insurer, give a complete inventory of undamaged property showing in detail quantities and costs of that property; and

(4) if required by the Insurer and if practicable:

(i) produce books of account and inventory lists;

(ii) furnish invoices and other vouchers verified by statutory declaration; and

(iii) furnish a copy of the written portion of any other contract.

(b) The evidence given, produced or furnished under sub-paragraphs (a) (3) and (4) of this condition must not be considered proofs of loss within the meaning of conditions 0 and 0.

9.3.7 Fraud.

Any fraud or willfully false statements in a statutory declaration in relation to the particulars required under Statutory Condition 9.3.6 invalidates the claim of the person who made the declaration.

9.3.8 Who may give notice and proof.

Notice of loss under Statutory Condition 9.3.6 (a) (1) may be given, and proof of loss under Statutory Condition 9.3.6 (a) (2) may be made:

(a) by the agent of the Insured, if:

(1) the Insured is absent or unable to give notice or make the proof; and,

(2) the absence or inability is satisfactorily accounted for; or

(b) by a person to whom any part of the insurance money is payable, if the Insured refuses to do so or in the circumstances described in clause (1) of this condition.

9.3.9 Salvage.

(a) In the event of any loss or damage to insured property, the Insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(b) The Insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the Insured under subparagraph (a) of this condition.

9.3.10 Entry, control and abandonment.

After any loss or damage to insured property, the Insurer has:

(a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage; and

(b) after the Insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but:

(1) without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property; and

(2) without the consent of the Insurer, there can be no abandonment to it of insured property.

9.3.11 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 therefor is made in writing and until proof of loss has been delivered.

9.3.12 When loss is payable.

Unless the contract provides for a shorter period, the loss is payable within sixty (60) days after the proof of loss is completed in accordance with Statutory Condition 9.3.6 and delivered to the Insurer.

9.3.13 Repair or replacement.

(a) Unless a dispute resolution process has been initiated, the Insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within thirty (30) days after receiving the proof of loss.

(b) If the Insurer gives notice under subparagraph (a) of this condition, the Insurer must begin to repair, rebuild, or replace the property within forty-five (45) days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

9.3.14 Action.

Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

9.3.15 Notice.

(a) Written notice may be given to the Insurer in the following ways:

(1) It may be personally delivered at the chief agency or head office of the Insurer in the Province.

(2) It may be sent by registered mail to the chief agency or head office of the Insurer in the Province.

(3) It may be delivered by electronic means.

(b) Written notice may be given to the Insured named in the contract in the following ways:

(1) It may be personally delivered.

(2) It may be delivered by prepaid courier to the latest address of the Insured on the records of the Insurer if there is a record by the person who has delivered it that the notice has been sent.

(3) It may be sent by registered mail to the latest address of the Insured on the records of the Insured.

(4) It may be delivered by electronic means if the Insured consents to delivery by electronic means.

(c) In this condition, the expression “registered” means registered in or outside Canada.

9.4 Standard Mortgage Clause

(Approved by the Insurance Bureau of Canada.)

It is hereby provided and agreed that:

9.4.1 Breach of conditions by mortgagor, owner or occupant.

This insurance and every documented renewal thereof – AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN – is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy or the occupancy of the property for purposes more hazardous than specified in the description of the risk.

PROVIDED ALWAYS that the mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond 30 consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by this policy) shall be paid for by the mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

9.4.2 Right of subrogation.

Whenever the Insurer pays the mortgagee any loss award under this Policy and claims that – as to the mortgagor or owner – no liability therefore existed, it shall be legally subrogated to all rights of the mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

9.4.3 Other insurance.

If there be other valid and collectible insurance upon the property with loss payable to the mortgagee – at law or in equity – then any amount payable thereunder shall be taken into account in determining the amount payable to the mortgagee.

9.4.4 Who may give proof of loss.

In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required proof of loss under the policy, then the mortgagee may give notice upon becoming aware of the loss and deliver as soon as practicable the proof of loss.

9.4.5 Termination.

The term of this mortgage clause coincides with the term of the policy; PROVIDED ALWAYS that the Insurer reserves the right to cancel the policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the mortgagee without the notice stipulated in such Statutory provision.

9.4.6 Foreclosure.

Should title or ownership to said property become vested in the mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the mortgagee.

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Addendum A:
Legal Protection Policy Wordings

This Legal Protection Policy is issued under the Master Policy Number SQ1-2013, which is held by Square One Insurance Services Inc. (Square One). These Policy Wordings describe the legal protection insurance that you have purchased. They include various terms, conditions, and exclusions that limit the insurance this Policy provides. Please read the seven sections of this document carefully and contact us if you have any questions.

ARAG Legal Solutions Inc. (**ARAG**) acts as the insurance manager and has the authority to issue this insurance policy and administer claims on behalf of HDI Global Specialty SE (**HDI**).

This is a Named Perils policy and provides coverage only for the insured events listed within this policy. THIS POLICY CONTAINS CLAUSES WHICH MAY LIMIT THE AMOUNT PAYABLE.

1 Insuring Agreement

1.1 In return for payment of the premium, the Insurer will provide insurance for Legal Costs incurred for insured events described in this Policy, subject to the terms, definitions, conditions, exclusions and limitations set out in this Policy and the Policy Declaration, provided that:

(a) the Date of Occurrence of the insured event happens within the period the Insurer has agreed to cover an Insured Person; and

(b) the insured event occurs within Canada and any legal proceedings will be dealt with by a court, or other body which We agree to, within Canada; and

(c) the Legal Costs are incurred after the claim has been accepted by Us, and are limited to:

(1) the reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the Appointed Representative, including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports incurred by the Appointed Representative;

(2) costs awarded by a court in Canada to opponents in civil cases if the Insured Person has been ordered to pay them, or pays them with our agreement; and

(3) the cost of the Insured Person's net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the Appointed Representative, up to a maximum of $500 per Insured Person per day, and $10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing; and

(d) for civil cases and appeals relating to any insured event, Reasonable Prospects exist for the duration of the claim.

1.2 Except where stated otherwise, the Insurer will not pay Legal Costs incurred with respect to the enforcement of judgments or final orders, or settlement agreements, or minutes of settlement, which may arise in the pursuit or defence of Your legal rights from an accepted claim under this policy.

1.3 Except where stated otherwise, the Insurer will pay Legal Costs incurred in making or defending an appeal, as long as:

(a) the matter being appealed was previously accepted as a claim under this Policy;

(b) the Insured Person tells Us within the time limits allowed to file an appeal that they want to appeal (and within reasonable time to allow for the filing of all necessary documents for an appeal); and

(c) We agree there are Reasonable Prospects of success for the appeal.

1.4 The Policy, together with the Policy Declaration and any endorsement, and incorporating the application and any information You have provided, forms the contract of insurance between You and the Insurer.

1.5 This Policy will not reimburse Legal Costs that you have already incurred.

2 Definitions

The following definitions apply only to this Addendum A: Legal Protection Insurance Policy.

2.1 **Appointed Representative** means the lawyer, accountant or other suitably qualified person appointed by Us on behalf of the Insured Person to act for an Insured Person.

2.2 **Contract of Employment** means a written agreement between the employer and employee setting out both parties' rights, duties and obligations. A Contract of Employment does not include a collective agreement covering a group of employees who are represented by a union, nor does it include a contract for services.

2.3 **Criminal Offence** means an offence under the Criminal Code of Canada (R.S.C., 1985, c. C-46).

2.4 **Date of Occurrence** means:

(a) for civil cases and residential tenancy disputes: the date of the event which leads to a claim. If there is more than one event arising at different times from the same originating cause, the Date of Occurrence is the date of the first of these events;

(b) for criminal cases: the date of the alleged criminal offence, or the earliest date in a series of related alleged criminal offences, for which an Insured Person is charged;

(c) for license or registration appeals: the date when You are first informed by the relevant licensing or regulatory authority of their proposal to review, suspend, alter the terms of, refuse to renew, or cancel your license;

(d) for a Tax Appeal: the date when the Canada Revenue Agency ("CRA") or a provincial tax authority first issues You a notice of assessment, reassessment or determination with which You disagree; and

(e) for a Tax Audit: the date when the CRA or a provincial tax authority first contacts You in relation to commencing an audit.

The insured event must occur within the period the Insurer has agreed to cover the Insured Person.

2.5 **Federal Anti-Spam Legislation** means an Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, S.C. 2010, c. 23.

2.6 **Goods** means any object which is not attached to Real Property, except by its own weight, and can be removed without damage or alterations to the Real Property requiring repair; and, any object which is plugged in and can be removed without any damage or alteration to the Real Property.

2.7 **Insured Person** means You, or Your spouse or civil partner or any son or daughter, normally living with You, and Your directors, officers, partners, managers and employees. Anyone claiming under this Policy must have Your agreement to claim.

2.8 **Insurer** means HDI Global Specialty SE.

2.9 **Legal Costs** means, in respect of the insured events described in this Policy:

(a) all reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the Appointed Representative, including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports;

(b) the costs awarded by a court in Canada to opponents in civil cases if the Insured Person has been ordered to pay them, or pays them with Our agreement; and

(c) the Insured Person's net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the Appointed Representative, up to a maximum of $500 per Insured Person per day, and $10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing.

2.10 **Motor Vehicle** means an automobile, a motorcycle, and any other vehicle propelled or driven otherwise than by muscular power.

2.11 **Order** means an order of a residential tenancy tribunal that if issued would:

(a) grant You vacant possession of the rented premises;

(b) order a Tenant to pay You rent that is in arrears;

(c) order a Tenant to pay You damages pursuant to and as permitted by applicable residential tenancy legislation; or

(d) provide You with any other relief as against the Tenant that is permitted under residential tenancies legislation as a result of the Tenant's activities.

2.12 **Policy** means the application for insurance, the Policy Declaration (as defined) and these Policy Wordings, which together form Your complete insurance Policy.

2.13 **Policy Declaration** means the document that describes the applicable coverages, limits and deductibles.

2.14 **Premises** means the land and all structures contained within the lot lines of the insured location on the Policy Declaration reserved for Your or Your tenants' exclusive use or occupancy.

2.15 **Real Property** means land, and anything growing on, affixed to, or built upon land, including man-made buildings and crops. Real Property is characterized as property that doesn't move, or that is attached to the land.

2.16 **Reasonable Prospects** means:

(a) for civil cases, that We agree that it is always more likely than not that an Insured Person will recover losses or damages (or obtain other legal remedy which We have agreed to) or make a successful defence;

(b) for appeals relating to any insured event, that We agree that it is always more likely than not that the appeal will be successful; and

(c) for residential tenancy disputes, that We agree that it is always more likely than not that You will obtain an Order in Your favour.

2.17 **Superintendent** means a person who resides in a Superintendent's Premises.

2.18 **Superintendent's Premises** means any of Your rental units that is used by a person employed as Your janitor, manager, security guard or superintendent.

2.19 **Tax Appeal** means an appeal regarding an assessment, reassessment or determination made by the CRA or a provincial tax authority, including an administrative appeal to the CRA or a provincial tax authority and an appeal to the Tax Court of Canada or a superior court of a province.

2.20 **Tax Audit** means an inspection and verification by the CRA or a provincial tax authority of Your financial accounting records to determine whether You have paid the correct amount of tax.

2.21 **Tenant** means a person to whom You have rented the Premises and entered into a valid residential tenancy agreement with, including any other person who, with Your knowledge and consent, also resides at the Premises as part of the Tenant's immediate family and includes any sub-tenants of the Tenant whom You consent to.

2.22 **We, Us,** and **Our** means ARAG Legal Solutions Inc. which has been authorized by the Insurer to act as the insurance manager for this Policy.

2.23 **You** and **Your** means the policyholder shown on the Policy Declaration.

3 Coverages

This section describes the insurance provided under each legal protection coverage, subject to the Limit of Indemnity (as described in Section 5 of this Addendum).

3.1 Personal Property Protection

3.1.1 What is covered.

The Insurer will pay an Insured Person's Legal Costs to pursue their legal rights in a civil action relating to physical property which they own following:

(a) an event which causes physical damage to such physical property, provided that the amount in dispute exceeds $500;

(b) a legal nuisance (meaning any unlawful interference with the Insured Person's use or enjoyment of their land, or some right over, or in connection with it); or

(c) a trespass.

3.1.2 What is not covered.

Any claim relating to:

(a) property pertaining to, or intended for use in, any business, trade, profession, occupation, or activity undertaken for profit or compensation;

(b) a contract entered into by the Insured Person;

(c) disputes related to easements or other agreed rights over land;

(d) any building or land other than the Insured Person's principal or recreational home;

(e) someone legally taking the Insured Person's Real Property from them, whether the Insured Person is offered money or not, or restrictions or controls placed on the Insured Person's Real Property by any governmental, quasi-governmental or public or local authority;

(f) work done by, or on behalf of, any governmental, quasi-governmental or public or local authority, unless the claim is for accidental physical damage;

(g) a Motor Vehicle;

(h) mining, subsidence, heave or landslide;

(i) defending an Insured Person's legal rights, other than in defending a counter-claim; or

(j) the first $500 in Legal Costs of any claim for legal nuisance or trespass. This is payable if the dispute cannot be resolved by Us and requires an Appointed Representative. This amount is payable to the Appointed Representative as soon as they are retained.

3.2 Business Property Protection

3.2.1 What is covered.

The Insurer will pay the Insured Person's Legal Costs to pursue their legal rights in a civil action relating to physical business property they own following:

(a) an event which causes physical damage to such property, provided that the amount in dispute exceeds $1,000;

(b) a legal nuisance (meaning any unlawful interference with their use or enjoyment of their land, or some right over or in connection with it); and

(c) a trespass.

3.2.2 What is not covered.

Any claim relating to:

(a) a contract entered into by You;

(b) disputes related to easements or other agreed rights over land;

(c) Goods that are away from any premises occupied by You unless the Goods are at such premises for the purpose of installations or use in work to be carried out by You;

(d) someone legally taking Your Real Property from You, whether You are offered money or not, or restrictions or controls placed on Your Real Property by any governmental, quasi-governmental or public or local authority;

(e) work done by, or on behalf of, any governmental, quasi-governmental or public or local authority unless the claim is for accidental physical damage;

(f) a Motor Vehicle, other than physical damage to Motor Vehicles where You are engaged in the business of purchasing, selling, leasing, repairing or performing maintenance upon Motor Vehicles;

(g) mining, subsidence, heave or landslide; or

(h) defending Your legal rights, other than in defending a counter-claim.

3.3 Bodily Injury Protection

3.3.1 What is covered.

The Insurer will pay an Insured Person's Legal Costs to pursue their legal rights following a specific or sudden accident which causes their death, illness or bodily injury.

3.3.2 What is not covered.

Any claim relating to:

(a) a dispute with any provincial workers' compensation board;

(b) psychological injury or mental illness unless the condition arises from a specific or sudden accident that has caused physical bodily injury;

(c) surgery, clinical or medical negligence;

(d) death, illness or bodily injury arising from:

(1) an Insured Person's ownership, use or operation of a Motor Vehicle; or

(2) an Insured Person being a passenger in a Motor Vehicle; or

(e) defending an Insured Person's legal rights, other than in defending a counter-claim.

3.4 Employee Legal Defence

3.4.1 What is covered.

The Insurer will pay an Insured Person's Legal Costs to defend their legal rights in relation to their being prosecuted for an alleged Criminal Offence arising from their work as an employee.

3.4.2 What is not covered.

Any claim relating to:

(a) an Insured Person being prosecuted for a breach of highway traffic laws or regulations in connection with the ownership, use or operation of a Motor Vehicle; or

(b) an Insured Person being prosecuted for an alleged Criminal Offence arising from their conduct as an employer.

3.5 Business Legal Defence

3.5.1 What is covered.

The Insurer will pay the Insured Person's Legal Costs to:

(a) defend an Insured Person's legal rights in relation to:

(1) their being investigated by the police in respect of an alleged Criminal Offence;

(2) their being prosecuted for an alleged Criminal Offence;

(3) a civil action being taken against them for compensation in connection with a failure, or alleged failure, to comply with requirements under protection of privacy legislation; and

(4) an investigation or prosecution against them under applicable occupational health and safety legislation;

(b) defend an Insured Person's legal rights if civil action is taken against them in their capacity as a trustee of a pension fund set up for the benefit of an Insured Person's employees;

(c) respond to a Notice for Production issued against an Insured Person, under the Federal Anti-Spam Legislation;

(d) make representations on behalf of an Insured Person who has been issued a Notice of Violation, under the Federal Anti-Spam Legislation; and

(e) defend an Insured Person against a private action brought by an individual made under the Federal Anti-Spam Legislation.

3.5.2 What is not covered.

Any claim relating to:

(a) an Insured Person being prosecuted in connection with the ownership, use or operation of a Motor Vehicle;

(b) any defence against any Insured Person for refusing to comply with a request by a designated person who is carrying out their duties and functions under the Federal Anti-Spam Legislation; or

(c) any defence against any Insured Person who obstructs or hiders, or knowingly makes a false or misleading statement or provides false or misleading information to, a designated person who is carrying out their duties and functions under the Federal Anti-Spam Legislation.

3.6 Personal Employment Disputes

3.6.1 What is covered.

The Insurer will pay an Insured Person's Legal Costs to pursue or defend their legal rights in a legal dispute which arises out of, or relates to:

(a) their Contract of Employment or future employment;

(b) an alleged breach of their statutory rights under employment legislation; and

(c) an alleged breach of their rights under applicable human rights legislation, as it relates to their employment.

3.6.2 What is not covered.

Any claim relating to:

(a) disputes arising out of an Insured Person's conduct as an employer;

(b) employers' disciplinary hearings or internal grievance procedures;

(c) a dispute (other than described under (c) below) where the cause of action arises within the first 30 days of inception of this Policy;

(d) lay-off or job elimination within the first 90 days of inception of this Policy;

(e) death, illness or bodily injury; or

(f) a contract for services.

3.7 Business Employment Disputes

3.8 What is covered.

The Insurer will pay the Insured Person's Legal Costs to defend their legal rights:

(a) following the dismissal of an employee;

(b) in legal proceedings in respect of any dispute with an employee or ex-employee which arises:

(1) out of, or in relation to, a Contract of Employment with the Insured Person;

(2) from an alleged breach of their statutory rights under employment legislation; and

(3) from an alleged breach of their rights under applicable human rights legislation, as it relates to their employment.

3.9 What is not covered.

Any claim relating to:

(a) a dispute (other than described under (b) or (c) below) where the cause of action arises within the first 90 days of inception of this Policy;

(b) a dispute with an employee who was subject to a written or oral warning (formal or informal) within the 180 days immediately preceding the inception date of this Policy, if the Date of Occurrence was within the first 180 days of inception of this Policy;

(c) lay-off or job elimination within the first 180 days of inception of this Policy;

(d) death, illness or bodily injury, and/or loss of or damage to property;

(e) the negotiation of a collective bargaining agreement, a general work disruption (including but not limited to a strike, work slowdown or a work-to-rule campaign), or a dispute made pursuant to a collective bargaining agreement; or

(f) a contract for services.

3.8 Personal Tax Protection

3.8.1 What is covered.

The Insurer will pay an Insured Person's Legal Costs in respect of a Tax Appeal or a Tax Audit relating to their personal tax affairs, provided that the Insured Person has taken reasonable care to ensure that all returns are complete and correct and submitted within the statutory time limits allowed.

3.8.2 What is not covered.

Any claim relating to:

(a) the tax affairs of a corporation, or if the Insured Person is carrying on business, involved in a business partnership, or otherwise self-employed, the tax affairs relating to such activities;

(b) any claim arising from a tax avoidance scheme, arrangement, or plan of any kind; or

(c) any claim arising from an investigation or enquiry by the CRA into alleged gross negligence, dishonesty or criminal offences.

3.9 Business Tax Protection

3.10 What is covered.

The Insurer will pay an Insured Person's Legal Costs in respect of a Tax Appeal or a Tax Audit relating to:

(a) liability for income tax, GST, PST or HST arising from their business; and

(b) payroll deductions compliance by their business;

provided that the Insured Person has taken reasonable care to ensure that all returns are complete and correct, and submitted within the statutory time limits allowed.

3.11 What is not covered.

Any claim relating to:

(a) a tax evasion scheme, arrangement, or plan of any kind;

(b) Your failure to register for GST and/or PST and/or HST;

(c) an investigation or inquiry by the CRA into alleged gross negligence, dishonesty or Criminal Offences.

3.10 Personal Contract Disputes

3.10.1 What is covered.

(a) The Insurer will pay an Insured Person's Legal Costs to pursue or defend their legal rights in a dispute relating to an agreement or an alleged agreement that the Insured Person has entered into for:

(1) buying or selling Goods (including the purchase, sale, rental, lease, service, repair, testing or cleaning of a Motor Vehicle or its spare parts or accessories); and

(2) obtaining services.

(b) The Insurer will pay an Insured Person's Legal Costs arising from a dispute with a leasing company regarding the amounts due under a lease in respect of a Motor Vehicle leased by the Insured Person in the event that it is declared a total loss by the Insured Person's own automobile insurer following a collision.

3.10.2 What is not covered.

(a) Any claim where:

(1) the amount in dispute is less than $500; or

(2) the cause of action arises within the first 90 days of inception of this Policy.

(b) Any claim relating to:

(1) a contract regarding an Insured Person's trade, profession, occupation, employment or any business venture;

(2) a contract regarding an Insured Person purchasing or selling Real Property;

(3) a contract for legal services;

(4) construction work, or designing or structurally renovating any building where the amount in dispute exceeds the statutory limits of the small claims court jurisdiction where the dispute is located;

(5) the settlement payable under an insurance policy (We will cover a dispute arising from the Insured Person's insurer refusing their claim, but not a dispute over the amount of the claim);

(6) a dispute arising from any loan, mortgage, pension, investment, borrowing or any other financial product (other than described under (5) above);

(7) a dispute over the terms of a lease of land or buildings or a licence or tenancy of land or buildings. However, the Insurer will cover a dispute with a professional advisor in connection with the drafting of a lease, licence or tenancy agreement; or

(8) a contract involving a Motor Vehicle not owned or leased by an Insured Person.

3.11 Business Contract Disputes and Debt Recovery

3.11.1 What is covered.

The Insurer will pay the Insured Person's Legal Costs to pursue or defend their legal rights in a dispute relating to an agreement, or an alleged agreement, which has been entered into by an Insured Person or on their behalf for:

(a) selling or buying Goods; or

(b) providing or obtaining services.

3.11.2 What is not covered.

Any claim relating to:

(a) an amount in dispute of $1,000 or less;

(b) a cause of action that arises within the first 90 days of this Policy;

(c) any dispute related to money owed to an Insured Person to which a construction lien would apply, unless a claim is made under this Policy within 30 days of the money becoming due and payable;

(d) the settlement payable under an insurance policy (the Insurer will cover a dispute arising from Your insurer refusing Your claim, but not a dispute over the amount of the claim);

(e) a dispute arising from any loan, mortgage, pension, investment, borrowing or any other financial product other than described under (a) above;

(f) a dispute over the terms of a lease of land or buildings or a license of tenancy of land or buildings if You are the lessor, licensor or landlord of the land or buildings. However, the Insurer will cover a dispute with a professional advisor in connection with the drafting of a lease, license or tenancy agreement;

(g) a contract regarding you purchasing or selling Real Property;

(h) a contract for legal services;

(i) a contract involving a Motor Vehicle other than agreements relating to the sale of Motor Vehicles where You are engaged in the business of purchasing, selling, or leasing Motor Vehicles; or agreement related to the repair and/or maintenance of Motor Vehicles where You are engaged in the business of repairing and/or performing maintenance upon Motor Vehicles;

(j) a dispute with an employee or ex-employee which arises out of, or relates to, a Contract of Employment with You;

(k) the breach of a professional obligation or duty, including any claim based on:

(1) professional liability; or

(2) the commission of a fault of an ethical nature, or arising out of a disciplinary process.

3.12 Business License Protection

3.12.1 What is covered.

The Insurer will pay the Insured Person's Legal Costs to represent them in appealing to the relevant statutory or regulatory authority, court or tribunal following an event which results in a licensing or regulatory authority suspending, altering the terms of, refusing to renew, or cancelling their license to conduct their business.

3.12.2 What is not covered.

Any claim relating to:

(a) an original application for, or application for renewal of, a statutory license;

(b) the ownership, use or operation of a Motor Vehicle; or

(c) a professional license issued to an individual.

3.13 Driver's License Protection

3.13.1 What is covered.

The Insurer will pay an Insured Person's Legal Costs to defend their legal rights in relation to protecting their driver's license from being revoked or suspended following an event arising in connection with the ownership, use or operation of a Motor Vehicle.

3.13.2 What is not covered.

Any claim where the revocation or suspension is based upon any of the following:

(a) an Insured Person's alleged use of alcohol or drugs, including failure to provide a sample or be tested for the presence of such substances;

(b) an Insured Person's allegedly operating a Motor Vehicle for any type of race or contest, while performing a stunt or on a bet or wager; or

(c) the Insured Person's alleged use of a prohibited electronic/communication device while driving.

3.14 Driver's Legal Defense

3.14.1 What is covered.

The Insurer will pay an Insured Person's Legal Costs to defend their legal rights in relation to being prosecuted for a highway traffic or motor vehicle offence in connection with the ownership, use or operation of a Motor Vehicle while not acting in the capacity of the Insured Person's trade, profession, occupation, or employment.

3.14.2 What is not covered.

Any claim relating to:

(a) an Insured Person's alleged use of alcohol or drugs while using or operating a Motor Vehicle, including failure to provide a sample or be tested for the presence of such substances;

(b) an Insured Person's allegedly operating a Motor Vehicle for any type of race or contest, while performing a stunt or on a bet or wager;

(c) parking or obstruction offences;

(d) the Insured Person's alleged use of a prohibited electronic/communication device while using or operating a Motor Vehicle; or

(e) automated Traffic Enforcement Camera Offences including but not limited to photo radar and photo red light tickets.

3.15 Total Loss Valuation Disputes

3.15.1 What is covered.

The Insurer will pay an Insured Person's Legal Costs arising from a dispute with the Insured Person's own automobile insurer regarding the value of a Motor Vehicle in the event that the Motor Vehicle is declared a total loss by the Insured Person's own automobile insurer.

3.15.2 What is not covered.

Any claim relating to:

(a) losses, costs, damages or benefits other than Legal Costs;

(b) disputes with an automobile insurer before the insurer has provided the Insured Person with its position in writing on the matter; or

(c) disputes between an Insured Person and any other person (including that other person's insurer) in respect of that other person's liability or fault for any injury, death or damage.

3.16 Residential Tenancy Disputes

3.16.1 What is covered.

The Insurer will pay Your Legal Costs to pursue an application before a residential tenancy tribunal to obtain an Order relating to the Premises as a result of:

(a) non-payment of rent;

(b) abandonment of the Premises by a Tenant;

(c) a Tenant giving You notice to terminate a tenancy by a certain date but failing to do so;

(d) a Tenant not complying with the terms of a prior court order or mediated settlement that is in Your favour and pertains to the tenancy with that Tenant;

(e) a Tenant's employment as a Superintendent having ended;

(f) a Tenant causing damage to Your property;

(g) a Tenant conducting an illegal activity in or on the Premises;

(h) a Tenant disturbing Your quiet enjoyment or that of any other Tenant;

(i) overcrowding of the Premises;

Provided that:

(j) in all cases, You have provided the Tenant with the proper and valid statutory notice of Your intention to bring an application to obtain an Order; and

(k) in a claim for monies owing to You pursuant to the lease,

(1) You obtained a satisfactory reference for each Tenant at the commencement of the tenancy; and

(2) the amount owed by the Tenant exceeds $500 and is a legal rent; and

(l) in a claim for damage to Your property,

(1) You have detailed information and descriptions of the Premises, including the condition of any contents and fixtures owned by You as of the commencement of the tenancy; and

(2) the cost to repair the damage exceeds $1,000.

3.16.2 What is not covered.

(a) any claim where the cause of action arises within the first 60 days of inception of this Policy;

(b) any claim relating to a commercial tenancy;

(c) any claim relating to the drafting of a tenancy agreement, lease or any agreement to enter into a tenancy agreement or lease;

(d) any claim (except an application for an Order) relating to a dispute with an employee or ex-employee which arises out of, or relates to, a Contract of Employment with You;

(e) any claim related to rent control, rent review or applying for an increased rent; or

(f) the cost to enforce an Order.

3.17 Landlord Order Enforcement

3.17.1 What is covered.

For any order obtained under the Residential Tenancy Disputes coverage that grants You vacant possession of the rented Premises, the Insurer will pay Your Legal Costs to obtain vacant possession.

3.17.2 What is not covered.

Any cost or expense related to:

(a) changing locks;

(b) removing the Tenant's property from the Premises;

(c) disposing of the Tenant's property;

(d) repairing or remediating any damage to the Premises; or

(e) returning the property to a rentable condition.

3.18 Landlord Legal Defence

3.18.1 What is covered.

The Insurer will pay the Insured Person's Legal Costs if, as a result of their renting residential accommodations to a Tenant, they are prosecuted for a Criminal Offence.

3.18.2 What is not covered.

Any claim arising from or related to any property You own or rent to others that is used, or allegedly used, for the growing, processing or manufacture of any illegal substance.

3.19 Telephone Legal Helpline

3.19.1 We will provide You and any other Insured Person access to a Legal Helpline through which You or they can receive confidential general legal assistance and information over the phone relating to any personal or home business related legal problem or any residential tenancy legal problem. The helpline lawyer will help determine Your legal rights and options under the provincial laws of the applicable province and the federal laws of Canada. The lawyer cannot provide case specific research or review documents.

3.19.2 We will provide you access to a legal helpline through which you can receive confidential general legal assistance and information over the phone relating to any legal problem to help determine legal rights and options under the laws of the applicable province and the federal laws of Canada. The lawyer cannot provide case specific research or review documents. We will provide this service 24 hours a day, 7 days a week. Calls to this service may be recorded.

3.19.3 To contact this service call 1-877-255-4269.

3.19.4 We will not accept responsibility if the helpline service is unavailable for reasons We cannot control.

4 Making a Claim

Please contact Us as soon as practicable following an insured event, and in no event later than 120 days after the Date of Occurrence of the insured event. Please note that the Insurer will not pay for any costs You may incur before We have accepted Your claim, even if We later accept the claim.

You may report a claim to Us by: (a) mail at Our Head Office address: 121 King Street West, Suite 2200, Toronto, Ontario M5H 3T9; (b) by email at claims@arag.ca; or, (c) telephone at: **1.877.255.4269**. We will then advise You on next steps.

5 Limit of Indemnity

Except where a lower limit is specifically stated otherwise in this Policy, the Insurer will pay up to the limit of indemnity shown on the Policy Declaration in respect of Legal Costs related to all claims resulting from one or more events arising at the same time or from the same originating cause.

Subject to the above, in any twelve-month period of insurance, the first of which commences on the inception date of this Policy, the Insurer will pay Legal Costs of no more than the aggregate limit shown on the Policy Declaration in respect of all claims that arise in that period of insurance that result from different originating causes.

6 General Exclusions

This section describes the exclusions under this Policy. This insurance does not apply to:

6.1 Prohibited Use.

A claim arising from any event occurring which the Motor Vehicle is being used for any illegal activity, other than in relation to an accepted claim in respect of any event insured under this Policy.

6.2 Wilful acts.

Any claim resulting from an act which is wilfully committed, and the results of which are consciously intended, by an Insured Person.

6.3 Late reported claims.

A claim reported to Us more than 120 days after the Date of Occurrence.

6.4 Legal Costs not agreed with Us.

Legal Costs incurred before Our written agreement that the Insurer will pay them.

6.5 Legal action not agreed with Us.

Legal action an Insured Person takes which We or the Appointed Representative have not agreed to or where an Insured Person does anything that hinders Us or the Appointed Representative.

6.6 Contingency fee agreements.

Any Legal Costs arising as a consequence of a contingency fee agreement.

6.7 Disputes with any governmental or public body.

Any Legal Costs relating to a review or dispute regarding the lawfulness of any decision or action of any federal or provincial governmental or quasi-governmental body, or any other local or public authority, other than in relation to an accepted claim in respect of any event insured under this Policy.

6.8 Class action proceedings.

Any claim where an Insured Person is a party to a legal action brought under applicable class proceedings legislation, or where an Insured Person has opted out of being party to a legal action brought under applicable class proceedings legislation.

6.9 Costs awarded outside of Canada.

Any Legal Costs awarded in any jurisdiction outside of Canada.

6.10 Damages, fines and penalties.

Damages, fines, penalties, compensation or restitution orders which the Insured Person is ordered to pay by a court or other authority and any costs awarded in criminal or statutory proceedings.

6.11 Disputes with Us, the Insurer, or Square One.

Any dispute with Us, the Insurer, or Square One, not otherwise dealt with under General condition 7.9. Disputes over Reasonable Prospects for a claim.

6.12 Fraudulent claims.

Any claim which is fraudulent, exaggerated or dishonest.

6.13 Claims under this Policy by a third party.

Apart from Us, only an Insured Person may enforce all or any part of this Policy and the rights and interests arising from or connected with it.

6.14 Nuclear, war, terrorism and pollution or contamination risks.

Any claim caused by, contributed to, or arising from any of the following:

(a) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;

(b) an event which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;

(c) terrorism or a decision of a government agency or other entity to prevent, respond to or terminate terrorism; or

(d) pollution or contamination.

6.15 Defamation.

A claim relating to written or oral remarks which damage an Insured Person's reputation.

6.16 Disputes relating to the validity of legislation.

Any constitutional or other challenge to the validity of Federal, Provincial, or Municipal Legislation.

7 General Conditions

This section describes general conditions that apply to this Policy.

7.1 Observance of Policy terms.

The Insured Person must:

(a) comply with the terms and conditions of this Policy;

(b) notify Us immediately of any change in circumstance which may materially affect Our assessment of the risk;

(c) take reasonable steps to avoid and prevent claims;

(d) take reasonable steps to avoid incurring unnecessary costs;

(e) send everything We reasonably ask for in writing; and

(f) report to Us full and factual details of any claim as soon as practicable and give Us any information We reasonably need.

7.2 Notice of insured event.

The Insured Persons shall notify Us of any event which may give rise to coverage, as soon as they become aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to coverage shall be forfeited by the person insured where such non-compliance has caused prejudice to Us.

7.3 Conduct and control of claim.

If it is necessary to take legal proceedings, including a Tax Appeal, an Appointed Representative will be appointed by Us on behalf of the Insured Person in accordance with Our standard terms of appointment and will be retained by the Insured Person.

Where We have agreements with more than one law firm with respect to a specialty, the Insured Person may select their Appointed Representative from that panel of law firms.

The Insured Person must cooperate reasonably with Us and must keep Us up-to-date regarding the progress of the claim.

The Insured Person must cooperate with the Appointed Representative and must follow the recommendations of the Appointed Representative, which have been agreed to by Us.

The Insured Person must give the Appointed Representative any instructions that We reasonably require.

7.4 Consent to access information.

The Insured Person will provide written consent, at the commencement of the retainer of the Appointed Representative, permitting the Appointed Representative, at Our reasonable request, to give Us, or Our reinsurers, actuaries or auditors, or any regulatory authority or its agents, to the extent required by law, access to all correspondence, documents and records in the Appointed Representative's possession or control which are relevant to the matter. This consent will include permission to deliver up all such documents or copies of all such documents at Our reasonable request.

7.5 Offers to settle a claim.

The Insured Person must tell Us if anyone offers to settle a claim and must not negotiate or agree to a settlement without Our written consent, not to be unreasonably withheld.

If the Insured Person does not accept an offer We, based on the advice of the Appointed Representative, consider reasonable to settle a claim, We may refuse to pay further Legal Costs.

The Insurer reserves the right to pay the Insured Person the reasonable amount of damages that the Insured Person is claiming, or that is being claimed against them, or negotiate a reasonable settlement of any claim, instead of starting or continuing legal proceedings. In these circumstances the Insured Person must allow Us to take over and conduct in their name the pursuit or settlement of any claim. The Insured Person will also allow Us to pursue at Our own expense and for Our own benefit, any claim for compensation against any other party and must give Us all information and assistance required.

7.6 Withdrawal of coverage.

If an Insured Person settles or negotiates a claim without Our consent, not to be unreasonably withheld, or does not give to the Appointed Representative any instructions that We reasonably require, We can withdraw coverage and will be entitled to reclaim from the Insured Person any Legal Costs We have paid.

7.7 Sanction limitation.

The Insurer shall not be deemed to provide coverage and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer to any sanction, prohibition or restriction under trade or economic sanctions, laws, or regulations of Canada, the United Nations, or the European Union.

7.8 Assessment and recovery of costs.

The Insured Person must instruct the Appointed Representative to have Legal Costs taxed, assessed or audited if We ask for this.

The Insured Person must take every reasonable step to recover Legal Costs that We have to pay and must pay Us any amounts that are recovered.

Where a settlement is made on a without costs basis the Appointed Representative will determine what proportion of that settlement will be deemed Legal Costs and payable to or by Us.

7.9 Cancellation of a representative's appointment.

If the Appointed Representative refuses to continue acting for the Insured Person with good reason, or if the Insured Person dismisses the Appointed Representative without our prior consent, the coverage the Insurer provides will end immediately.

7.10 Disputes over Reasonable Prospects for a claim.

If there is a dispute between an Insured Person and Us over Reasonable Prospects, the Insured Person may obtain, at their expense, an opinion, from a lawyer mutually agreed to by the Insured Person and Us, on the merits of a claim or proceedings. If the lawyer's opinion indicates that Reasonable Prospects exist, We will reimburse the reasonable cost of obtaining the opinion.

7.11 Complaint handling.

If You are not satisfied with any aspect of Our service, please write to ARAG Legal Solutions Inc., 121 King Street West, Suite 2200, Toronto, Ontario M5H 3T9.

Alternatively You can telephone Us at 1-888-582-5586 or email Us at customerrelations@arag.ca.

If You are still not happy, You can contact the General Insurance OmbudService (GIO). The GIO is an independent organization which exists to help resolve problems between individuals and their insurance providers. The GIO's services are available free of charge to the customer and the GIO can be contacted by telephone (toll-free number 1-877-225-0446), or through their website at www.giocanada.org. The GIO should be contacted only after the Insured Person has first tried to resolve the issue directly with Us.

7.12 Other insurance.

The Insurer will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this Policy did not exist.

7.13 Applicable law.

This Policy will be governed, interpreted and enforced in accordance with the laws of the province of where this Policy was issued and the federal laws of Canada.

7.14 Currency.

All of the dollar limits described in this Policy are in Canadian funds.

7.15 Action against Us or the Insurer.

Any action or proceeding against Us or the Insurer for the recovery of any claim under this Policy is absolutely barred unless commenced within two years after the date of the cause of action against Us arising. Any such action or proceeding shall be held in the province where this Policy was issued and in accordance with its laws and the federal laws of Canada.

7.16 Communication with Us.

The Insured Person can communicate with Us by telephone, mail or email. New claims may also be reported to Us by mail or telephone.

8 Statutory Conditions

8.1 Property of others.

The Insurer is not liable for loss or damage to property owned by a person other than the Insured Person unless:

(a) otherwise specifically stated in the contract; or

(b) the interest of the Insured Person in that property is stated in the contract.

8.2 Change of interest.

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

8.3 Material change in risk.

(a) The Insured Person must promptly give notice in writing to the Insurer or its agent of a change that is:

(1) material to the risk; and

(2) within the control and knowledge of the Insured Person.

(b) If the Insurer or its agent is not promptly notified of a change under subparagraph (a) of this condition, the contract is void as to the part affected by the change.

(c) If the Insurer or its agent is notified of a change under subparagraph (a) of this condition, the Insurer may:

(1) terminate the contract in accordance with Statutory Condition 7.4; or

(2) notify the Insured Person in writing that, if the Insured Person desires the contract to continue in force, the Insured Person must, within 15 days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.

(d) If the Insured Person fails to pay an additional premium when required to do so under subparagraph (c)(2) of this condition, the contract is terminated at that time and Statutory Condition 7.4(b)(1) applies in respect of the unearned portion of the premium.

8.4 Termination of insurance.

(a) The contract may be terminated:

(1) by the Insurer giving to the Insured Person 15 days' notice of termination by registered mail or 5 days' notice of termination personally delivered; or

(2) by the Insured Person at any time on request.

(b) If the contract is terminated by the Insurer:

(1) the Insurer must refund the excess of premium actually paid by the insured person over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract; and

(2) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

(c) If the contract is terminated by the Insured Person, the Insurer must refund as soon as practicable the excess of premium actually paid by the Insured Person over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

(d) The 15 day period referred to in subparagraph (a)(1) of this condition starts to run on the day the registered letter or notification of it is delivered to the Insured Person's postal address.

8.5 Fraud.

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 7.6 invalidates the claim of the person who made the declaration.

8.6 Notice.

(a) 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.

(b) Written notice to the Insured Person may be personally delivered at, or sent by registered mail addressed to, the Insured Person's last known address as provided to the Insurer by the Insured Person.