

# Home Under Renovation 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 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 a Business (as defined), 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 or a strata corporation 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, or the Strata Property Act of British Columbia.
- 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 **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).
- 2.15 **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.
- 2.16 **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).
- 2.17 **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.
- 2.18 **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.

- 2.19 **Insurer** means the insurance company underwriting this Policy (as defined) and named on your Policy Declaration (as defined).
- 2.20 **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.
- 2.21 **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.
- 2.22 **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.
- 2.23 **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).
- 2.24 **Named Insured** means the person(s) appearing under the heading "Named insured" on the Policy Declaration (as defined).
- 2.25 **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).
- 2.26 **Partner** means your spouse, or the person with whom you are permanently cohabiting in a marriage-like relationship.
- 2.27 **Personal Property** means tangible, moveable property that you own, including all household appliances. For the purpose 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.
- 2.28 **Policy** means the application for insurance, the Policy Declaration (as defined) and these Policy Wordings, which together form your complete insurance Policy.
- 2.29 **Policy Declaration** means the document containing policy information, applicable coverages, limits and deductibles, special conditions and the application for insurance.
- 2.30 **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.
- 2.31 **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.
- 2.32 **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 or your tenants' exclusive use or occupancy.
- 2.33 **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).
- 2.34 **Replacement Cost** means the actual cost to repair, replace or rebuild, whichever is less, with like kind and quality.
- 2.35 **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.
- 2.36 **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.

- 2.37 **Vacant** means all occupants have left the home with no intention of returning and no new occupants have moved into it, regardless of the presence of furnishings or other belongings. In the case of a newly constructed home, Vacant means occupants have not yet moved into the home. In the case of a newly acquired home, Vacant means occupants have not moved into the home within seven (7) days of when you take legal ownership of the home.
- 2.38 **Water Backup** means the backing up or escape of freshwater or wastewater from a sewer, storm drain, drain, sump, or septic tank.
- 2.39 **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) remove debris from your Premises;
  - (2) 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;
  - (3) 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 on Premises

### 3.3.1 Property insured.

This coverage insures:

- (a) your Personal Property at your Premises or while temporarily away from your Premises; and
- (b) 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.

## 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 Construction or Renovation Delay Expenses

#### 4.1.1 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 reasonable and necessary increases in the cost of accommodations, food, residential utilities, interest expenses and legal costs if your Premises experiences construction or renovation delays as a result of direct physical loss or damage insured under this Policy.

#### **4.1.2 Loss or damage not insured.**

This coverage does not insure lost or foregone rental income.

## 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 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 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 your ownership, use or occupancy of the Premises;
- (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 arising out of or involving:
  - (1) your personal actions anywhere in the world;
  - (2) Business activity; or
- (b) any fines, penalties, punitive damages, exemplary damages or any other sum over and above actual compensatory damages.

## 6 Legal Protection Coverages

This section does not apply to your Policy.

## 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 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;
- (c) resulting from lawful seizure or confiscation;
- (d) 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;
- (e) 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;
- (f) caused by contamination from radioactive material;
- (g) arising out of the actual or threatened discharge, dispersal, release or escape of, or contamination by, Pollutants;
- (h) 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;
- (i) caused by mechanical breakdown, except for mechanical breakdown of Service Lines and resulting loss or damage;
- (j) caused by rust or corrosion, wet or dry rot, fungi, spores, bacteria, mould, condensation, acid rain or smog, except for damage to Service Lines;
- (k) caused by snowslide, landslide or other earth movement except for loss or damage caused directly by Earthquake;

- (l) caused by settling, sinking, expansion, contraction, moving, bulging, buckling or cracking of any Building or Detached Structures, except for resulting damage to Service Lines;
- (m) caused by faulty design, material, workmanship, or an inherent defect, except for damage to Service Lines; or
- (n) 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 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.

### 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 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.

### 8.4 Hail Deductible

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

### 8.5 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.

### 8.6 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.

## 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 by advising you thirty (30) days in advance. Changes may involve, but are not limited to, the coverages, limits, deductibles, rates, terms, exclusions or conditions under this Policy. 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. As long as you continue to pay the premiums when due, it is deemed that you have accepted these changes.
  - (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 General Insurance 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 (c)(2) of this condition, the contract is terminated at that time and Statutory Condition 9.3.59.3.5(b) applies 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
  - (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 fifteen (15) days mentioned 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's postal address.

#### **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 9.3.9:
  - (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 9.3.12 and 9.3.13.

**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 In case of disagreement.**

- (a) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required, or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in *The Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (b) There is no right to a dispute resolution process under this condition until:
- (1) a specific demand is made in writing; and
  - (2) the proof of loss has been delivered to the Insurer.

#### **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 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 may be personally delivered at, or sent by registered mail to, the Insured's last known address as provided to the Insurer by the Insured.

## **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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