

Sample Rental Home Insurance Policy Wordings

This is an example of the policy wording. PLEASE NOTE this does not include Statutory and General conditions as they vary based on province. This is also dependent on the coverage selected. They include various terms, conditions, and exclusions that limit the insurance this Policy provides.

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.
- Insured** means any Named Insured (as defined) and:
- (d) while living at the Premises (as defined) on this Policy Declaration (as defined):
 - (1) the relatives of you or your Partner;
 - (2) any person under twenty-one (21) years of age in their care; and
 - (3) any domestic employees.
- 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 regardless of the presence of furnishings or other belongings:
- (a) 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; and,
 - (b) in the case of a newly constructed home, occupants have not yet taken up residence in the home
- 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

If your rental home is a condo, this coverage will be replaced by Condo Owner's Protection coverage.

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 additional 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, trim, windows or garage doors 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 building laws/codes, provided that the original construction, or any subsequent alterations, renovations, or additions were compliant with building laws/codes at the time of construction, alteration, renovation, or addition, and excluding any expenses due to any law which prevents you from rebuilding on the same site; 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 If the Building suffers a total loss and you 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 the Building suffers a partial loss and you repair on the same site within a reasonable time, then payment will be made for the actual cost to repair the Building up to the limit specified on your Policy Declaration. Reasonable efforts will be made to maintain and restore the appearance of the Building; however, logs or timbers will only be replaced if their structural integrity has been compromised.

- (c) 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.
- (d) 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 Landlord's Property

3.3.1 Property insured.

This coverage insures your Landlord's Property at your Premises.

3.3.2 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 Landlord's 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 \$50,000 reasonable and necessary expenses incurred as a result of loss or damage insured under this Policy to:
 - (1) pack, transport, store, and dispose of Landlord's Property in order to facilitate the repair or loss or damage insured under this Policy; and
 - (2) protect Landlord's Property from further damage following a loss.

3.3.3 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 Condo Owner's Protection

If your rental home is a detached house, this coverage will be replaced by Building coverage.

3.4.1 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) amounts you are assessed for direct physical loss or damage to your Condo Corporation's assets that:
 - (1) fall below the applicable deductible under the property insurance policy carried by your Condo Corporation;
 - (2) exceed the applicable limit of coverage under the property insurance policy carried by your Condo Corporation; or
 - (3) are not insured by your Condo Corporation;
- (b) direct physical loss or damage to:
 - (1) improvements, additions, or alterations to your Premises;
 - (2) physical features of your Premises that you are responsible to insure, including countertops, flooring, glass, and other Fixtures; and
 - (3) materials and supplies not insured by your Condo Corporation, when located on your Premises and intended to be used in building, altering or repairing your Premises;
- (c) reasonable expenses incurred to 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 Premises; and
- (d) reasonable expenses incurred for a licensed tradesperson to determine if this Policy covers loss or damage to your Premises. 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.

3.4.2 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.

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 Rental Income

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 lost rental income from the portion of your Premises that is rented to others when:

- (a) direct physical loss or damage insured under this Policy renders the rented portion of your Premises unfit for occupancy; or
- (b) a Civil Authority prohibits your tenant from inhabiting the rented portion of your Premises as a result of direct physical loss or damage to neighbouring premises, when the cause of the direct physical loss or damage is not excluded by this Policy.

4.1.2 Loss or damage not insured.

This coverage does not insure:

- (a) lost rental income due to loss or damage excluded in Section 7:
- (b) lost rental income from roomers or boarders sharing your living unit; or
- (c) expenses due to cancellation of a lease or agreement.

4.1.3 Basis of loss payment.

- (a) Payment will be for the reasonable time required to repair or rebuild that portion of the Premises rented.
- (b) Payment for rental income from long-term rentals will be limited to the fair market value of the rental unit.
- (c) Payment for rental income from Short-Term Rentals will be limited to the lesser of the:
 - (1) actual income earned during the same time period of the prior year; or
 - (2) projected income based on the average income earned during the past six (6) months.
- (d) Payment will only include expenses that continue while that portion of the Premises rented is unfit for occupancy.

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.
- (c) up to a limit of \$250,000, amounts you are assessed under your Condo Corporation's bylaws for compensatory damages because of unintentional Bodily Injury or Property Damage arising out of its ownership of assets, when the liability insurance policy carried by your Condo Corporation is insufficient.

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.

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) resulting from you, or anyone on your express or implied authority, voluntarily parting with title, ownership, or possession of any property insured under this Policy, whether or not induced to do so by any fraudulent scheme, trick, device, or false pretense;
- (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 Earthquake, snowslide, landslide, or other earth movement except for loss or damage caused directly by Earthquake caused by hail; caused by settling, sinking, expansion, contraction, moving, bulging, buckling, or cracking of any Building or Detached Structures, except for resulting damage to Service Lines;
- (l) caused by faulty design, material, workmanship, or an inherent defect, except for damage to Service Lines; or
- (m) 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, for more than 30 consecutive days; 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 ;
- (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) amounts assessed against you by your Condo Corporation, resulting from physical loss or damage to its assets;
- (g) Bodily Injury to you or to any person residing in your household, other than a domestic employee;
- (h) Terrorism or any activity or decision of a government agency or other entity to prevent, respond to, or terminate Terrorism;
- (i) 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;
- (j) your assumption by contract unless your legal liability would have applied if no contract had been in force;
- (k) the ownership, use, or operation of any Aircraft or premises used as an airport or landing facility, and all activities related to either;
- (l) the transmission, threat of transmission, or fear of any communicable disease;
- (m) sexual, physical, psychological, or emotional abuse, molestation or harassment, including corporal punishment, by you, at your direction, or with your knowledge;
- (n) your failure to take steps to prevent sexual, physical, psychological, or emotional abuse, molestation or harassment, or corporal punishment;
- (o) the intentional, fraudulent, or criminal acts of your tenants, or any other person at your tenants' direction;
- (p) the failure to act of your tenants, or any other person at your tenants' direction;
- (q) the act of willful negligence by your tenants, or any other person at your tenants' direction;
- (r) the transmission of Electronic Data;
- (s) libel, slander, defamation, invasion of privacy, mental anguish or injury, false arrest or imprisonment, wrongful detention, wrongful entry or eviction, malicious prosecution, or humiliation;
- (t) the discharge, dispersal, release, or escape of Pollutants;
- (u) any governmental direction or request that the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants; or
- (v) 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;
- (c) the assets of your Condo Corporation; or
- (d) 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 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 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.

8.5 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.

8.6 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.

8.7 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.

8.8 Tenant's Protection Deductible

8.8.1 For loss or damage insured under Tenant's Protection coverage, the Tenant's Protection Deductible as specified on your Policy Declaration applies per Occurrence.

- 8.8.2** For loss or damage insured under both Tenant's Protection and one or more other Property Coverages, the appropriate Standard Deductible, Earthquake Deductible, Glass Deductible, Hail Deductible, or Inland Flood 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 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. Policy language.

It is the express wish of the parties that this Policy and all related documents, including notices and other communications, be drawn up in the English language only. (Il est la volonté expresse des parties que cette Police et tous les documents s'y rattachant, y compris les avis et les autres communications, soient rédigés et signés en anglais seulement.) Liability Conditions

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

9.1.8 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.

9.1.9 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.

9.1.10 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.

9.1.11 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.

9.1.12 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.

9.2 Standard Mortgage Clause

(Approved by the Insurance Bureau of Canada.)

It is hereby provided and agreed that:

9.2.1 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.

9.2.2 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.

9.2.3 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.

9.2.4 Who may give proof of loss.

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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.

9.2.5 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.

9.2.6 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, and subject to the policy terms, definitions, conditions, exclusions, and limitations set out in this policy and the Policy Declaration Page, the Insurer will provide insurance for Legal Costs incurred for insured events described in this Policy, 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 the territorial limit and any legal proceedings will be dealt with by a court, or other body which We agree to, within the territorial limit; 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 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;
 - (d) You have paid the insurance premium specified; and
 - (e) 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 **Cannabis means** a cannabis plant that belongs to the genus Cannabis, and any other meaning prescribed by cannabis laws, not including illicit cannabis.
- 1.1 **Cannabis laws** mean the Cannabis Act, S.C. 2018, c. 16, its regulations, documents incorporated by reference, and amendments thereto, and any related or similar federal, provincial or territorial legislation and regulations.
- 2.3 **Contract of Employment** means a written agreement between the insured person and their employer 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.
- 2.4 **Criminal Offence** means an offence under the Criminal Code of Canada (R.S.C., 1985, c. C-46) or any of its amendments.
- 2.5 **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 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
 - (d) 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.
- 2.6 **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.
- 2.7 **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.
- 2.8 **Insured Person** means You, or Your spouse or common law partner and any relatives or children normally living at the principal address. This includes dependent students who may be living away from the principal residence. , and

Your directors, officers, partners, managers and employees. Anyone claiming under this Policy must have Your agreement to claim.

- 2.9 **Insurer** means HDI Global Specialty SE.
- 2.10 **Legal Costs** means, in respect of the insured events described in this Policy:
- (a) all reasonable and necessary costs, inclusive of any applicable 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;
 - (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.
- 2.11 **Motor Vehicle** means an automobile, a motorcycle, and any other vehicle propelled or driven otherwise than by muscular power.
- 2.12 **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.
- 2.13 **Policy** means the application for insurance, the Policy Declaration (as defined) and these Policy Wordings, which together form Your complete insurance, Policy.
- 2.14 **Policy Declaration** means the document that describes the applicable coverages, limits and deductibles.
- 2.15 **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.
- 2.16 **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.
- 2.17 **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.
- 2.18 **Real Property** means land, and anything on, affixed to, or built upon land. This also includes man-made buildings as well as crops. Real property is characterized as property that doesn't move, or that is attached to the land
- 2.19 **Superintendent** means a person who resides in a Superintendent's Premises.
- 2.20 **Superintendent's Premises** means any of Your rental units that is used by a person employed as Your janitor, manager, security guard or superintendent.
- 2.21 **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.

- 2.22 **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.
- 2.23 **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.
- 2.24 **Territorial limit** means Canada;
- 2.25 **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.
- 2.26 **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).

This coverage does not apply to Your Policy.

3.1 Residential Tenancy Disputes

3.1.1 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.

3.1.2 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.

3.2 Landlord Order Enforcement

3.2.1 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.

3.2.2 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.

3.3 Landlord Legal Defence

3.3.1 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.

3.3.2 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.

3.4 Telephone Legal Helpline

3.4.1 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.

3.4.2 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.

3.4.3 To contact this service call **1.866.816.2399**.

3.4.4 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. This policy contains clauses which may limit the amount payable.

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: **1.866.816.2399**. We will then advise You on next steps.

5 Limit of Indemnity

The Insurer will pay up to the limit of indemnity shown in the Policy Declaration Page 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 used for any illegal activity. .

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 Judicial review

Any claim arising from or relating to a judicial review.

6.10 Excluded activities

Any claim arising from or relating to:

- (a) assault, violence, indecent or obscene materials, dishonesty, defamation or slander; or
- (b) except as it relates to claims accepted under Insured event 1. Employment Disputes, an allegation against an insured person involving the use of alcohol or cannabis or the unauthorized or unregulated manufacture, unlicensed dealing in alcohol or cannabis, or dealing in or using illegal drugs; or
- (c) illegal immigration; or
- (d) money laundering or bribery offences, breaches of international sanctions, or any other financial crime activities.

6.11 Costs awarded outside of Canada.

Any Legal Costs awarded in any jurisdiction outside of Canada.

6.12 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.

6.13 Disputes with ARAG, 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.

6.14 Fraudulent claims.

Any claim which is fraudulent, exaggerated or dishonest.

6.15 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.

6.16 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;
- (d) Pollution or contamination;
- (e) Pressure waves from aircrafts or other aerial devices traveling at sonic or supersonic speed.

6.17 Defamation.

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

6.18 Disputes between insured persons.

Any disputes between insured persons under this policy

6.19 Disputes relating to the validity of legislation.

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

7 General Conditions

Square One Insurance Services

squareone.ca | 1.855.331.6933

Date: March 2025

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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.

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.

If the Insured Person refuses to settle the claim following advice to do so from the appointed representative, the Insurer reserves the right to refuse to pay further legal costs associated with the insured person's claim. 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, or withdraws a claim without our consent, 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.

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

Alternatively, the insurer can be contacted by: Telephone at 1.416.867.9712 or email at complaints-canadianbranch@hdi-specialty.com

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 occurrence, or prior to the expiry of the applicable limitation period in the province where this policy was issued, whichever is earlier. 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, telephone, or via our website at www.arag.ca.

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 8.6 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.