

## TENANTS POLICY STANDARD FORM

### IMPORTANT

*This policy contains various exclusions and limitations which eliminate or restrict coverage. Please read it carefully. Insurance cannot be a source of profit. It is only designed to indemnify you against actual losses incurred by you or for which you are liable.*

### AGREEMENT

We provide the insurance described in this policy in return for payment of the premium and subject to the terms and conditions set out. This policy is not complete without the Coverage Summary page. All amounts of insurance, premiums and other amounts expressed in this policy are in Canadian Currency.

This form consists of two sections:

**SECTION I** describes the insurance on your property. It also includes additional living expenses and/or fair rental value.

**SECTION II** describes the insurance for your legal liability for bodily injury to others or damage to property of others arising out of your premises or your personal actions. It also includes benefits following injury or damage to property of others.

### SECTION I PROPERTY

#### COVERAGES

#### DEFINITIONS (Applicable To Section I)

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

**Coverage Summary Page** means the Coverage Summary Page and/or the Declarations.

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

**Dwelling** means that portion of the building described on the Coverage Summary page occupied by you as a tenant for private residence purposes.

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

**Insured** means the person(s) named as Insured on the Coverage Summary page and, while living in the same household: his or her spouse; the relatives of either; and any person under the age of 21 in their care. Spouse means either of a man and a woman who are married to each

other or who have together entered into a marriage that is voidable or void, or either of two persons who are living together in a conjugal relationship outside marriage and have so lived

together continuously for a period of 3 years or, if they are the natural or adoptive parents of a child, for a period of 1 year. In addition, a student who is enrolled in and actually attends a school, college or university and who is dependent on the Named Insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principal residence stated on the Coverage Summary page.

Only the person(s) named on the Coverage Summary page may take legal action against us.

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

**Residence Employee** means a person employed by you to perform duties in connection with the maintenance or use of the premises. This includes persons who perform household or domestic services or duties of a similar nature for you. This does not include persons while performing duties in connection with your business.

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

**Vacant** refers to the circumstance where, regardless of the presence of furnishings, all occupants have moved out with no intention of returning and no new occupant has taken up residence; or in the case of a newly constructed dwelling is vacant after it is completed and before the occupant(s) move(s) in. However, a building being constructed is not considered to be vacant.

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

**We**, **us** or **our** means the Insurer providing this insurance.

**You** or **your** means the Insured.

### COVERAGES

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

#### Coverage C Personal Property

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

If you are not the owner of the dwelling, we also insure dwelling improvements and betterments made by you or acquired at your expense but only in the portion of the dwelling you occupy as a private residence. If you wish, we will include uninsured personal property of others while it is on that portion of your premises which you occupy but we do not insure property of roomers or boarders who are not related to you.

2. We insure your personal property while it is temporarily away from your premises, anywhere in the world. However, personal property normally kept at any other location you

own, rent or occupy is insured up to \$1,000 in all. If you wish, we will include personal property belonging to others while it is in your possession or belonging to a residence employee travelling for you. Personal property stored in a warehouse is only insured for 30 days from the date that the personal property is first put into storage. To extend cover in storage for a further period we must be notified and your policy must be endorsed as required.

3. We insure the personal property of any student insured by this policy, who is temporarily living away from home for the purpose of attending a school, college, university, or other educational institution. The most we will pay under this coverage is \$5,000 in all for personal property used by any student insured by this policy.

4. We insure the Personal Property owned by you or your parent(s) while you are your parent(s) is (are) residing in a nursing home or care facility, up to \$2,500 in all.

#### We do not insure loss or damage to:

1. motorized vehicles or their equipment (except for watercraft, lawn mowers, other gardening equipment,

snow blowers, wheelchairs or scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability, and motorized golf carts);

2. camper units, truck caps or their equipment;
3. aircraft or their equipment;
4. jet propelled personal watercraft, their furnishings and equipment;
5. property used for business away from the premises. Equipment includes audio, visual, recording, or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. Equipment does not include spare automobile parts.

#### **Outdoor Trees, Plants and Shrubs**

You may apply up to 5% in all, of the contents cost, to loss or damage to trees, plants and shrubs which you own on your premises. We will not pay more than \$500 for any one tree, plant or shrub, including debris removal expenses. We insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts, as described under Insured Perils. We do not insure items grown for commercial purposes, or lawns.

#### **Special Limits of Insurance**

The personal property listed below is subject to Special Limits of Insurance. These limits do not increase the amount of insurance shown on the Coverage Summary page. The limit applies to all items in that group and to each loss.

We insure:

1. animals including birds and fish up to \$1,000 in all;
2. books of account, tools and instruments pertaining to a business for an amount up to \$3,000 in all, but only while on your premises. Other property used for business, including samples and goods held for sale, is not insured;
3. securities up to \$3,000 in all;
4. money including cash cards (meaning cards designed to store a cash value by electronic means for use as a mode of payment, without a personal identification number and without direct access to a bank or other account) or bullion up to \$300 in all;
5. garden type tractors including attachments and accessories up to \$5,000 in all;
6. trailers and their equipment up to \$1,000 in all;
7. watercraft, their furnishings, equipment, accessories and motors up to \$1,000 in all;
8. spare automobile parts up to \$1,000 in all. Loss will be measured on an Actual Cash Value basis as defined under the Basis of Claim Payment section;

The following Special Limits of Insurance apply if the items described below are stolen:

9. jewellery, watches, gems, fur garments and garments trimmed with fur up to \$3,000 in all;
10. numismatic property (such as coin collections) up to \$300 in all;
11. manuscripts, stamps and philatelic property (such as stamp collections) up to \$1,000 in all;
12. collectible cards (such as sports personality cards) and comic books up to \$1,000 in all;
13. each bicycle, its equipment and accessories, up to \$500 in all;
14. records, tapes, compact discs, dvds, videos up to \$500 in all, but only while off premises.

#### **Coverage D Additional Living Expense**

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

**1. Additional Living Expense.** If as a result of damage by an Insured Peril your dwelling is unfit for occupancy or you have to move out while repairs are being made, we insure any

Additional Living Expense. Additional Living Expense means any necessary and reasonable increase in living expenses, including moving expenses incurred by you, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild your dwelling or, if you permanently relocate, the reasonable time required for your household to settle elsewhere.

**2. Fair Rental Value.** If an Insured Peril makes that part of the dwelling or detached private structures on the premises rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Fair Rental Value means the amount for which that part of the dwelling or detached private structures was rented, held for rental, or could reasonably be

rented on the open market during the period of repair or replacement if the loss or damage had not occurred, whichever is the least, less the amount of any expense that does not

continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy. Payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental.

**3. Prohibited Access.** If a civil authority prohibits access to your dwelling:

- a. as a direct result of damage to neighbouring premises by an Insured Peril under this form, we insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding 2 weeks; or
- b. by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, we insure any resulting Additional Living Expense incurred by you for the period access is prohibited, not exceeding 30 days and up to \$2,500.

This coverage is not subject to a deductible.

You are not insured for any loss arising from evacuation resulting from:

- 1) flood meaning waves, tides, tidal waves (tsunami) or the rising of, the breaking out or the overflow of, any body of water, whether natural or man made;
- 2) earthquake;
- 3) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- 4) any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- 5) contamination by radioactive material.

The term civil authority referred to in Coverage D shall mean any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under a Federal, Provincial or Territorial legislation with respect to the protection of persons and property in the event of an emergency. We do not insure the cancellation of a lease or agreement.

## EXTENSIONS OF COVERAGE

### 1. **Damage to Dwelling**

You may apply up to \$500 of your Personal Property insurance to pay for damage, not including fire damage:

- a. to the portion of the dwelling you occupy as a private residence, directly caused by theft or attempted theft;
- b. to the interior of the portion of the dwelling you occupy as a private residence, directly caused by vandalism or malicious acts.

### 2. **Debris Removal**

We will pay the cost of removing from your Premises the debris of property insured which results from loss or damage insured by this policy. If the amount payable for loss, including expense for debris removal, is greater than the amount of Insurance on Coverage C Personal Property, an additional 5% of the amount of insurance on Coverage C Personal Property will be available to cover debris removal expense.

### 3. **Property Removed**

If you must remove insured property from your premises to protect it from loss or damage, it is insured by this form for 30 days or until your policy term ends, whichever occurs first.

The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all insured property at the time of loss.

### 4. **Moving to Another Home**

In the event that you purchase a new residence within Canada in substitution for the residence insured under this policy, then for a period of 30 days after the registration of the conveyance of title of such residence to you, and provided we are still the insurer, all insurances under this policy shall be in effect at both residences, but subject to the amount of insurance shown

on the Coverage Summary page. This coverage is only applicable provided that we are notified of such purchase within 30 days of the registration of the conveyance of title of such residence to you and you pay any additional premium required. We also insure your personal property while in transit to and at another location within Canada which is to be occupied by you as your principal residence, provided we are still the insurer. Coverage applies for 30 consecutive days commencing on the date personal property is removed from your premises, but not beyond the date the policy expires or is terminated. This coverage does not increase the amount of insurance.

### 5. **Fire Department Charges**

We will reimburse you for up to \$2,500 for fire department charges incurred for attending your premises to save or protect insured property from loss or damage, or further loss or damage insured against by this form. This coverage is not subject to a deductible.

### 6. **Change of Temperature**

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

### 7. **Freezer Food**

We will pay up to \$2,000 for loss or damage to food while contained in a freezer located on your premises caused by the accidental interruption of electrical power on or off the premises or by mechanical breakdown of the freezer. This coverage includes damage to the freezer when it is due to food spoilage and also reasonable expenses

incurred by you to save and preserve food from spoilage while your freezer is being repaired.

We do not insure:

- a. loss from spoilage caused by the operation of an electrical circuit breaker or fuse or by accidental or intentional disconnection of the power supply to the freezer unit;
- b. expenses incurred in the acquisition of frozen food;
- c. loss from natural spoilage.

This coverage is not subject to a deductible.

### 8. **Lock Replacement**

We will pay up to \$500 to replace or re key, at our option, the locks on your principal residence if your keys are stolen, provided the theft is reported to the police or law enforcement

agency having jurisdiction at the location of the theft.

This coverage is not subject to a deductible.

### 9. **Arson or Theft Conviction Reward**

We will pay up to \$1,000 to any person, excluding law enforcement officers or agencies, for information which leads to a conviction for either arson or theft in connection with loss

or damage to property insured by this form. This coverage may increase the amount otherwise applicable and the \$1,000 limit applies to both arson and theft. However, the \$1,000 limit will not be increased regardless of the number of persons providing information.

The maximum amount we will pay under this extension of coverage is \$1,000 in any one claim.

This coverage is not subject to a deductible.

### 10. **Credit, Debit or Automated Teller Cards and Depositors Forgery**

We will pay:

- 1) your legal obligation under Canadian Law because of the unauthorized use of any credit card issued to you or registered in your name(s), including the unauthorized use of the card number, provided you have complied with all the conditions under which the card was issued;
- 2) loss caused by theft of debit or automated teller cards issued to you or registered in your name(s) provided you have complied with all of the conditions under which the card was issued;
- 3) loss to you caused by forgery or alteration of any cheques, drafts or other negotiable instruments.

We do not cover use by a resident of your household, or any person who has been entrusted with the credit card, debit card or automated teller card.

We may make any investigation and settle any claim or suit for liability under the Credit Card coverage or for enforcement of payment under the Forgery coverage. We may defend, at our expense, a member of your household, your bank or the bank of your household member.

The most we will pay under this coverage during the policy term is \$5,000.

This coverage is not subject to a deductible.

### 11. **Counterfeit Money**

We will up to \$200 during the policy term for any loss arising from your acceptance in good faith of counterfeit Canadian or United States paper currency.

This coverage is not subject to a deductible.

### 12. **Inflation Protection**

If there is a loss insured under Section I, we will automatically increase the amounts of insurance shown

on the Coverage Summary page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy, the latest renewal, anniversary date or annual review date or from the date of the most recent change to the amounts of insurance shown on the Coverage Summary page, whichever is the latest. On renewal, anniversary date or annual review date of this policy, we will automatically increase the amounts of insurance shown on the Coverage Summary page under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy or the latest renewal, anniversary date or annual review date and we may adjust the premium accordingly.

#### **INSURED PERILS**

You are insured against direct loss or damage resulting from accidents or occurrences which take place during the period this policy is in force, caused by the following perils as described and limited:

**1. FIRE or LIGHTNING.**

**2. EXPLOSION.**

**3. SMOKE.** This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises, but not smoke from fireplaces.

**4. FALLING OBJECT.** This peril means a falling object which strikes the exterior of a building.

**5. IMPACT BY AIRCRAFT OR LAND VEHICLE.**

Animals are not insured under this peril.

**6. RIOT.**

**7. VANDALISM or MALICIOUS ACTS.** This peril does not include loss or damage:

- a. occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us;
- b. caused by you;
- c. caused by theft or attempted theft.

**8. WATER DAMAGE.** This peril means loss or damage caused by:

- a. the sudden and accidental escape of water from a watermain, swimming pool or equipment attached;
- b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or air conditioning system or domestic water container, which is located inside your dwelling;
- c. the sudden and accidental escape of water from a domestic water container located outside your dwelling. However, such damage is not covered when the escape of water is caused by freezing; or
- d. water which enters your dwelling through an opening which has been created suddenly and accidentally by an Insured Peril other than Water Damage.

We do not insure loss or damage:

- i) caused by freezing during the usual heating season within a heated portion of your dwelling if you have been away from your premises for than 4 consecutive days but you will still be insured if you had taken one of the following precautions: arranged for a competent person to enter your dwelling each day you were away to ensure that heating was being maintained, shut off the water supply and had drained all the pipes and domestic water containers, or your heating system is connected by a monitored heating alarm to a station providing 24 hour service,
- ii) caused by freezing within an unheated portion of your dwelling;

- iii) caused by continuous or repeated seepage or leakage of water;
- iv) caused by the backing up or escape of water from a sewer or storm drain, sump or septic tank;
- v) caused by ground water or rising of the water table;
- vi) caused by flood, surface waters, waves, tides, tidal water (tsunami), spray from any of the aforementioned, whether or not driven by wind, unless the water escapes from a watermain or from a domestic water container located outside your dwelling;
- vii) caused by shoreline ice build up or by water borne ice or other objects, all whether driven by wind or not;
- viii) to a watermain;
- ix) to a system or domestic water container from which the water escaped;
- x) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy.

**9. WINDSTORM or HAIL.** This peril does not include loss or damage within a building to your personal property or to improvements or betterments made by you or acquired at your expense caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.

Subject to the Special Limits of Insurance we insure damage to watercraft and their equipment, only while they are in a fully enclosed building; however canoes and rowboats are insured while in the open.

This peril does not include loss or damage:

- a. to outdoor radio and TV antennae (including satellite receivers) and their attachments;
- b. due to weight, pressure or melting of ice or snow, whether driven by wind or not;
- c. due to waves or floods, whether driven by wind or not.

**10. TRANSPORTATION.** This peril means loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier.

This peril means loss or damage to:

- a. your personal property while it is temporarily removed from your premises;
- b. building fixtures and fittings when they are temporarily removed from your premises for repair or seasonal storage.

This peril does not include loss or damage to:

- a. property in a vacation or home trailer which you own;
- b. any watercraft, their furnishings, equipment or motors.

**11. THEFT, INCLUDING DAMAGE CAUSED BY ATTEMPTED THEFT.**

This peril does not include loss or damage:

- a. which happens at any other dwelling which you own, rent or occupy, except while you are temporarily living there;
- b. from the part of the dwelling rented to others, caused by theft or attempted theft by any tenant, tenant's guests, tenant's employee or member of the tenant's household;
- c. to property in or from a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and ready to be occupied;
- d. to animals, birds or fish;
- e. resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud.

**12. ELECTRICITY.** This peril means sudden and accidental damage from artificially generated electrical current.

**13. ESCAPE OF FUEL OIL.** This peril means damage to personal property caused by the bursting or overflow of your domestic fixed fuel tank, its apparatus or pipes.

### EXCLUSIONS SECTION I

We do not insure:

1. property at any fairground, exhibition or exposition for the purpose of exhibition;
2. any property illegally acquired, kept, stored or transported, or property subject to forfeiture;
3. evidences of debt or title;
4. animals, birds or fish unless the loss or damage is caused by an Insured Peril other than theft or attempted theft, impact by aircraft or land vehicle;

**nor do we insure loss or damage:**

5. to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
6. occurring after the portion of your dwelling which you occupy has, to your knowledge, been vacant for more than 30 consecutive days;
7. caused by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
8. caused by contamination by radioactive material;
9. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
10. resulting from any intentional or criminal act or failure to act by:
  - a. any person insured by this policy; or
  - b. any other person at the direction of any person insured by this policy;
11. to personal property while undergoing a process involving the application of heat, but resulting damage to other property is insured;
12. caused by snowslide, earthquake, landslide, any other earth movement or erosion. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;
13. caused by birds, vermin, bats, rodents, insects, domestic or domesticated animals;
14. against loss or damage caused directly or indirectly by the failure of any electronic data processing equipment, or other equipment, including micro chips embedded therein; computer program; software; media; data; memory storage system; memory storage device; real time clock; date calculator; or any other related component, system, process or device, to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data field. Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused directly by INSURED PERILS (as defined in the policy).

### BASIS OF CLAIM PAYMENT

We will pay for insured loss of or damage to personal property and dwelling improvements and betterments as described below up to your financial interest in the property, but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence. Any loss or damage shall not reduce the amounts of insurance provided by this policy.

#### Deductible

A deductible is the amount that you are responsible for in a loss. We are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible shown on the Coverage Summary page in any one occurrence, up to the amount of insurance. If your claim involves personal property on which the Special Limits of Insurance apply, the limitations apply to losses exceeding the deductible amount.

#### Personal Property

1. The basis of claim payment may be either A or B below, subject to the amount of insurance shown on the Coverage Summary page:

A. Replacement Cost basis:

If the Coverage Summary page shows Replacement Cost (Contents) we will pay for the cost to repair or replace insured personal property which is lost or damaged, with new property of similar kind and quality, where that personal property is repaired or replaced within a reasonable time after loss or damage occurs. Payment on a Replacement Cost basis does not apply to:

- a. articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings and statuary;
- b. articles for which their age, rarity, obsolescence or history, substantially contributes to their value, such as memorabilia, souvenirs, and collectors items;
- c. property that has not been maintained in good or workable condition;
- d. property that is no longer used for its original purpose.

For these articles or property we will pay only on the basis of Actual Cash Value.

B. Actual Cash Value basis:

If the Coverage Summary page shows Actual Cash Value (Contents), we will pay the Actual Cash Value of the loss or damage up to the applicable amount of insurance.

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

3. For other records, including books of account, drawings or card index systems, we will pay the cost of blank books, pages, cards or other materials plus the cost of actually transcribing or copying the records.

#### Dwelling Improvements and Betterments

If you replace or repair damaged or destroyed building improvements and betterments at your expense with materials of similar quality within a reasonable time after damage we will pay for the actual cost of repairs or replacement (whichever is less) without deduction for depreciation. If loss or damage is not replaced or repaired, we will pay the Actual Cash Value of the loss or damage at the date of the occurrence.

#### Replacement Cost

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

1. repairing the property with materials of similar kind and quality; or
2. replacing the property with new articles of similar kind, quality and usefulness; without any deduction for depreciation. We will pay on the basis of Replacement Cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise we will pay on the basis of the Actual Cash Value.

For personal property described under Special Limits of Insurance we will not pay more than the applicable limit under either the Replacement Cost or Actual Cash Value basis.

#### **Actual Cash Value**

Actual Cash Value means the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the loss or damage, the resale value and the normal life expectancy.

#### **Insurance Under More Than One Policy**

If you have insurance on specifically described property, this policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, we will pay our rateable proportion of the loss or claim under this policy.

## **SECTION II LIABILITY COVERAGE**

### **DEFINITIONS (Applicable To Section II)**

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

**Business** in this section has the same meaning as in Section I.

**Business Property** means property on which a business is conducted, property rented in whole or in part to others, or held for rental.

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

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

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

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without the owner's permission;
2. a residence employee while performing duties in connection with the ownership, use or operation of motorized vehicles and trailers for which coverage is provided in this form;
3. your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the premises;
4. any person who is insured by this form at the time of your death and who continues residing on the premises.

**Legal Liability** means responsibility which courts recognize and enforce between persons who sue one another.

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

1. premises where you are residing temporarily or which you are using temporarily, as long as you are not:
  - a. the owner of the premises;
  - b. the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days;
2. premises in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
  - a. 30 consecutive days after you acquire or take possession of that premises;

- b. the date the policy expires or is terminated; or
- c. the date upon which specific liability insurance is arranged for such premises;
3. individual or family cemetery plots or burial vaults;
4. vacant land in Canada you own or rent, other than farm land;
5. land in Canada where you are, or an independent contractor is, building a one, two or three family residence to be occupied by you.

**Property Damage** means:

1. physical damage to, or destruction of, tangible property;
2. loss of use of tangible property.

**Residence Employee** in this Section has the same meaning as in Section I.

**We** or **us** or **our** in this Section have the same meaning as in Section I.

**You** or **Your** in this Section means the Insured.

## **COVERAGES**

This insurance applies:

1. only to accidents or occurrences which take place during the period this policy is in force;
2. separately to each insured against whom the claim is made or action is brought.

### **Coverage E Legal Liability**

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

We will pay all sums which you become legally liable to pay as compensatory damages because of claims made against you arising from unintentional bodily injury or property damage covered under any of the sections of Coverage E described below. We will not pay any fines, penalties, punitive damages, exemplary damages or any other sum over and above actual compensatory damages. The limit of liability shown on the Coverage Summary page is the maximum amount we will pay, under one or more sections of Coverage E, for all compensatory damages in respect of one accident or occurrence regardless of the number of insureds against whom claims are made or actions are brought. Defense, costs and supplementary expense payments as described under Defense, Settlement, Supplementary Payments, are in addition to the limit of liability. You are insured for claims made against you arising from:

1. **Personal Liability** legal liability for unintentional bodily injury or property damage arising out of your personal actions anywhere in the world. You are not insured for claims made against you arising from:
  - a. liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force;
  - b. damage to property owned, used, occupied or leased by an Insured;
  - c. damage to property in your care, custody or control;
  - d. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
  - e. bodily injury to you or to any person residing in your household other than a residence employee;
  - f. the personal actions of a named Insured who does not reside on the premises described on the Coverage Summary page unless the Insured is temporarily living away from home for the purpose of attending a school, college, university or other educational institution.
2. **Premises Liability** legal liability for unintentional bodily injury or property damage arising out of your ownership, use or occupancy of the premises. You are not insured for claims made against you arising from:

a. liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force, but we do insure claims made against you for the legal liability of other persons in relation to your premises that you have assumed under a written contract;

b. damage to property owned, used, occupied, or leased by an Insured;

c. damage to property in your care, custody or control;

d. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;

e. bodily injury to you or to any person residing in your household other than a residence employee.

3. **Tenants' Legal Liability** legal liability for unintentional property damage to premises owned by others or their contents, which you are using, renting or have in your custody or control caused by fire, explosion, water damage or smoke. Smoke means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises, but not smoke from fireplaces. Water Damage has the same

meaning as stated under Insured Perils, item 8, in Section I. You are not insured for liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force.

4. **Employers' Liability** legal liability for unintentional bodily injury to residence employees arising out of and in the course

of their employment by you. You are not insured for liability imposed upon or assumed by you under any Workers' Compensation Statute. There are other exclusions that apply to all Coverages under Section II. Please refer to Exclusions Section II.

#### **Defense, Settlement, Supplementary Payments**

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

We will also pay:

1. all expenses which we incur;
2. all costs charged against you in any legal action insured under Coverage E;
3. any interest accruing after judgment on that part of the judgment which is within the limit of liability of Coverage E;
4. premiums for appeal bonds required in any insured legal action involving you and bonds to release any property that is being held as security, up to the limit of liability, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this form;
6. reasonable expenses including actual loss of income up to \$100 per day, which you incur at our request.

#### **What You Must Do After an Accident or Occurrence**

1. When an accident or occurrence takes place you must promptly give us notice (in writing if requested by us). The notice must include:

- a. your name and policy number;
- b. the date, time, place and circumstances of the accident or occurrence;
- c. names and addresses of witnesses and potential claimants.

2. You must also:

a. cooperate with us in any legal actions including obtaining witnesses, information and evidence about the accident or occurrence, if we ask you;

b. immediately send to us legal documents and any other written communications you receive concerning the accident or occurrence.

#### **Action Against Us**

No legal action may be brought against us:

1. until you have fully complied with all the terms of this Coverage, nor until the amount of your obligation to pay has been finally determined, either by a judgment against you or by an agreement which has our consent;
2. more than one year after either the date of an agreement which has our consent or of the final determination of the action against you, including appeals, if any.

#### **Unauthorized Settlements**

You shall not, except at your cost, voluntarily make any payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of accident.

#### **Coverage F Voluntary Medical Payments**

We will pay reasonable medical expenses incurred within one year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured on your premises. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses.

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

We will not pay:

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

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

#### **What You Must Do After an Accident or Occurrence**

1. When an accident or occurrence takes place you must promptly give us notice (in writing if requested by us). The notice must include:

- a. your name and policy number;
- b. the date, time, place and circumstances of the accident or occurrence including the name and address of each injured person;
- c. names and addresses of witnesses.

2. If requested by us, you must arrange for the injured person(s) to:

- a. give us written proof of loss as soon as possible, under oath if required;
- b. submit to physical examination at our expense by doctors we select as often as we may reasonable require;
- c. authorize us to obtain medical and other records. Proofs and authorization may be given by someone acting on behalf of the injured person.

#### **Action Against Us**

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

### **Coverage G Voluntary Payment for Damage to Property**

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by an Insured, 12 years of age or under.

We do not insure:

1. damage to property owned or rented by an Insured or an Insured's tenant;
2. damage to property which is insured under Section I;
3. claims resulting from the loss of use, disappearance or theft of property.

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

#### **Basis of Payment**

We will pay whichever is the lower amount of:

1. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
2. the limit of liability shown on the Coverage Summary page. We may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with you or the owner of the property. We may take over any salvage if we wish.

#### **What You Must Do After an Accident or Occurrence**

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

#### **Action Against Us**

No legal action may be brought against us until:

1. you have fully complied with all the terms of this Coverage;
2. 60 days after the written proof of loss has been filed with us.

### **SPECIAL LIMITATIONS**

#### **1. Watercraft You Own:**

You are insured against claims arising out of your ownership, use or operation of:

- a. watercraft, including their attachments, equipped with an outboard motor or motors of not more than 22kW (30H.P.) in total when used with or on a single watercraft;
- b. watercraft, including their attachments, equipped with any other type of motor including an inboard or an inboard outboard motor of not more than 38kW (50 H.P.);
- c. non motorized watercraft, including their attachments, not more than 8 metres (26 feet) in length.

If you own any motors or watercraft larger than those stated above, you are insured only if they are shown on the Coverage Summary page and a separate premium has been charged for liability. You are not insured if your watercraft is a jet propelled personal watercraft unless shown on the Coverage Summary page and a separate premium has been charged for the liability.

#### **2. Watercraft You Do Not Own:**

You are also insured against claims arising out of your use or operation of watercraft which you do not own, provided:

- a. the watercraft is being used or operated with the owner's consent;

b. the watercraft is not owned by anyone included in the definition of Insured in Section II of this policy. You are not insured for damage to the watercraft itself.

#### **3. Motorized Vehicles You Own:**

You are insured against claims arising out of your ownership, use or operation of:

- a. self propelled lawn mowers, snow blowers, garden type tractors of not more than 19kW (25 H.P.) unless scheduled on the Coverage Summary page;
- b. motorized golf carts;
- c. motorized wheelchairs, including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability.

#### **4. Motorized Vehicles You Do Not Own:**

You are also insured against claims arising out of your use or operation of any self propelled land vehicle, amphibious vehicle or air cushion vehicle, provided that:

- a. the vehicle is not subject to motor vehicle registration and is designed primarily for use off public roads;
- b. the motorized vehicle is not owned by anyone included in the definition of Insured in Section II of this policy. You are not insured for damage to the vehicle itself.

#### **5. Watercraft and Motorized Vehicle Uses We Do Not Insure:**

We do not insure the use or operation of any watercraft or motorized vehicle, whether owned by you or not, while it is:

- a. used for carrying passengers for compensation;
- b. used for business purposes;
- c. used in any race or speed test (except sail craft);
- d. rented to others;
- e. being used or operated without the owner's consent if you are not the owner.

#### **6. Trailers:**

We insure you against claims arising out of your ownership, use or operation of any trailer or its equipment, provided such trailer is not a motorized vehicle subject to motor vehicle registration, nor is attached to, carried on, or being towed by a motorized vehicle subject to motor vehicle registration.

#### **7. Business and Business Property:**

We insure you against claims arising out of:

- a. your personal actions during the course of your trade, profession or occupation which are not related directly to your trade, profession or occupation;
  - b. the occasional rental to others of a portion of the dwelling usually occupied by you as a private residence, if the rented portion of the dwelling is used only as a private residence;
  - c. the use of part of your dwelling by you for incidental office;
  - d. the rental to others, or holding for rent, of not more than 3 car spaces or stalls in garages or stables on the premises;
  - e. the temporary or part time business pursuits of an insured person under the age of 21 years.
- Claims arising from any other business pursuit or operation are insured only if liability coverage for it is shown on the Coverage Summary page.

### **EXCLUSIONS SECTION II**

The following exclusions apply in addition to those contained under Coverages E, F and G.

We do not insure claims arising from:



1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. bodily injury or property damage which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
3. business pursuits or any business use of the premises except as provided under the Special Limitations, item 7, Business and Business Property in Section II;
4. the rendering or failure to render any professional service;
5. bodily injury or property damage caused by any intentional or criminal act or failure to act by:
  - a. any person insured by this policy; or
  - b. any other person at the direction of any person insured by this policy;
6. a. sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or  
b. failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment;
7. the transmission of communicable disease by any person insured by this policy;
8. the ownership, use or operation of any watercraft, motorized vehicle or trailer except as provided under the Special Limitations in Section II;
9. the ownership, use or operation of:
  - a. any aircraft;
  - b. premises used as an airport or landing facility; and all activities related to either;
10. bodily injury or property damage arising out of the failure of any electronic data processing equipment, or other equipment, including micro chips embedded therein; computer program; software; media; data; memory storage system; memory storage device; real time clock; date calculator; or any other related component, system, process or device, to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data field. Such failure shall include any error in original or modified data entry or programming.

**Insurance Under More Than One Policy**

If you have other insurance which applies to a loss or claim, or would have applied if this policy did not exist, this policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.