

MOBILE HOMEOWNERS 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, exclusions and conditions set out in this policy. 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 or agricultural operation.

Coverage Summary page means the Coverage Summary page.

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

Data Problem means:

erasure, destruction, corruption, misappropriation, misinterpretation of Data; error in creating, amending, entering, deleting or using Data; or inability to receive, transmit or use Data.

Domestic Water Container means a device or apparatus for personal use on the Premises for containing, heating, chilling or dispensing water.

Dwelling means the mobile home building described on the Coverage Summary page, wholly or partially occupied by you as a private residence.

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

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

Insured means the person(s) named as an 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. 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 an Insured even if temporarily residing away from the principal residence of the Named Insured stated on the Coverage Summary page. Only the person(s) named on the

Coverage Summary page may take legal action against us.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including vapour, soot, fumes, acids, alkalis, chemicals, pesticides, herbicides, waste and smoke, whether from agricultural smudging or industrial operations or any other source.

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

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

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

Spouse means:

(a) either two persons who are married to each other; or have together entered into a marriage that is voidable or void, in good faith on the part of the person asserting a right under the policy; or

(b) 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.

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

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

Vacant means the circumstance where, regardless of the presence of furnishings, all occupants have moved out of the Dwelling with no intention of returning; or where 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 company providing this insurance.

You or your means the Insured.

COVERAGES

The Amounts of Insurance are shown on the Coverage Summary page.

Coverage A Dwelling Building

We insure:

1. The Dwelling including appliances, furniture and equipment forming a permanent part of the building, permanently attached carports or garages, awnings, skirting, porches and tie down equipment;
2. Permanently installed outdoor equipment on the Premises;
3. Outdoor swimming pool and attached equipment on the Premises;
4. Materials and supplies located on or adjacent to the Premises intended for use in construction, alteration or repair of your Dwelling or private structures on the

Premises. We insure these against the peril of theft only when your Dwelling is completed and ready to be occupied (the Dwelling Building).

Building Fixtures and Fittings

You may apply up to 10% of the Amount of Insurance on your Dwelling to insure building fixtures and fittings temporarily removed from the Premises for repair or seasonal storage.

Emergency Removal Expense

You may apply up to 5% of the Amount of Insurance on your Dwelling to cover any reasonable expenses to remove the building to protect it should it be endangered by an Insured Peril. Any payment made under this extension is not subject to a deductible.

Outdoor Trees, Plants and Shrubs

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

Coverage B Detached Private Structures

We insure:

1. structures or buildings on your Premises separated from the Dwelling by a clear space but not insured under Coverage A Dwelling Building; and
2. structures or buildings on your Premises connected to the Dwelling by a fence, utility line or similar connection only (Detached Private Structures).

If you have more than one Detached Private Structure, the Amount of Insurance will be divided in the proportions that the value of each structure has to the value of all such structures at the time of loss.

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. We do not insure appliances, furniture or equipment forming a permanent part of the building. 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. 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. 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.
3. We insure the Personal Property of any student insured by this policy, who is temporarily living away from the principal residence of the Named Insured or his or her Spouse for the purpose of attending a school, college, or university. 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 or 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 or 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 your Premises.

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

Special Limits of Insurance

The Personal Property listed below is subject to Special Limits of Insurance. These Special Limits do not increase the Amount of Insurance shown on the Coverage Summary page. The limit applies to all items in each numbered paragraph set out below 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, but only while on your Premises, for an amount up to \$3,000 in all. 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 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 a 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 and/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 and/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 and/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 policy, we insure your 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 claim arising from evacuation resulting from:

- 1) flood, including 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 caused by nuclear explosion;
- 5) contamination by radioactive material; or
- 6) directly or indirectly, in whole or in part by Terrorism or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. 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

The following Extensions of Coverage are included but do not increase the Amount of Insurance shown on the Coverage Summary page unless noted in this section; and are subject to the terms, exclusions and conditions of this policy.

1. Debris Removal

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

2. Property Removed

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

3. Moving to Another Home

We 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.

4. 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 policy. This coverage is not subject to a deductible.

5. 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.

6. 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 insured by the policy 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.

7. Lock Replacement

We will pay up to \$500 to replace or re key, at our option, the locks on your Dwelling Building and Detached Private Structures 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.

8. Tear Out

If any walls, ceilings or other parts of insured buildings or structures must be torn apart before water damage covered by this policy can be repaired we will pay the cost of such work and its restoration. The cost of tearing out and replacing property to repair damage related to outdoor Domestic Water Containers or public Watermains is not insured.

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 policy. 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.

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;
- d. caused by any tenant, tenant's guests, tenant's employee, or member of the tenant's household.

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

- a. the sudden and accidental escape of water from a Watermain;
- b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or air conditioning system, Domestic Water Container, which is located inside your Dwelling;
- c. the sudden and accidental escape of water from a Domestic Water Container located outside your Dwelling. However, such damage is not covered when the escape of water is caused by freezing;
- d. water which enters 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 Building and Detached Private Structures if you have been away from your Premises for more than 4 consecutive days but you will still be insured if you had taken either of the following precautions: arranged for a competent person to enter your Dwelling each day you were away to ensure that heating was being maintained; or shut off the water supply and 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 Building and Detached Private Structures;
 - 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 or tidal waves, tsunami, spray from any of the above, 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 to your Personal Property within a building or to the interior of a building 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. GLASS BREAKAGE. Glass that forms part of your Dwelling or Detached Private Structures on your Premises, including glass in storm windows and doors, is insured against accidental breakage. This peril does not include loss or damage occurring while a building is under construction or Vacant even if permission for construction or vacancy has been given by us.

11. 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.

12. 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. caused by theft from the part of the dwelling rented to others by any tenant, 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.

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

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

15. COLLISION OR UPSET. This peril means loss or damage caused only to your dwelling while your manufactured home is being transported or towed by a vehicle operated in the business of a person licenced as a common carrier.

"Collision" means contact with another object.

EXCLUSIONS SECTION I

We do not insure:

1. buildings or structures used in whole or in part for Business purposes unless shown on the Coverage Summary page;
2. property at any fairground, exhibition or exposition for the purpose of exhibition;
3. any property illegally acquired, kept, stored or transported, or property subject to forfeiture;
4. evidences of debt or title;

5. animals, birds or fish unless the loss or damage is caused by an Insured Peril other than impact by aircraft or land vehicle;

nor do we insure loss or damage:

6. to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;

7. occurring after your Dwelling has been Vacant for more than 30 consecutive days;

8. 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 caused by nuclear explosion;

9. caused by contamination by radioactive material;

10. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;

11. 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;

12. to Personal Property while undergoing a process involving the application of heat, but resulting damage to other property is insured;

13. caused by snowslide, earthquake, landslide, any other earth movement or erosion;

14. caused by birds, vermin, skunks, raccoons, bats, rodents, insects, domestic or domesticated animals, except loss or damage to building glass;

15. due to conversion, embezzlement or secretion by any person in possession of the Dwelling;

16. caused by rust or corrosion, wet or dry rot or by fungi or spores or by contamination;

17. caused by or resulting from the release, discharge or dispersal of fuel oil;

18. caused:

a) to Data, or

b) directly or indirectly by Data Problem. However, if loss or damage caused by Data Problem results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, water damage, all as described Specified Perils, this exclusion shall not apply to such resulting loss or damage;

19. caused directly or indirectly, in whole or in part, by Terrorism or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;

20. to buildings or structures or Personal property contained in them, used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from or containing marijuana or any other substance falling within Schedule II of the Narcotic Control Regulations under the Controlled Drugs and Substances Act;

21. arising out of the actual or threatened discharge, dispersal, release or escape of Pollutants.

BASIS OF CLAIM PAYMENT

We will pay for insured loss of or damage to the Dwelling and Detached Private Structures and Personal Property as described below up to your financial interest in the property, but not exceeding the applicable Amount(s) of Insurance for any loss or damage arising out of one occurrence. Any loss or damage shall not reduce the Amount(s) of Insurance provided by this policy.

Deductible

All coverages under Section I are subject to a deductible, unless stated otherwise. 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. If your claim involves Personal Property on which the Special Limits of Insurance apply, the limitations apply to losses exceeding the deductible amount.

Disappearing Deductible

If the amount of the loss exceeds \$10,000, the deductible will no longer apply and we will pay the full amount of the loss (Disappearing Deductible). However, a Disappearing Deductible clause does not apply:

- a. if loss or damage to your Premises occurs while the Dwelling is Vacant and/or while the building that is lost or damaged is under construction, even if we have given permission for such construction or vacancy at the time of loss or damage;
- b. if an Earthquake Endorsement is included in the policy from inception or is added to the policy in mid term, this Disappearing Deductible clause does not apply to any loss or damage caused directly by the peril of earthquake.

Dwelling Building, Detached Private Structures and Personal Property

We will pay the Actual Cash Value of the loss or damage on the date of the occurrence subject to the Amount of Insurance shown on the Coverage Summary page. In determining the cost of repairs or replacement we will not pay for or include the increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services.

Actual Cash Value

Actual Cash Value means the cost, at the time of loss, to repair or replace property less any depreciation. In determining depreciation we will consider the condition immediately before the loss or damage, the resale value and the normal life expectancy.

Co-insurance Clause (applicable to Coverage A)

We will pay for no greater proportion of any loss than the amount bears to 80% of the actual cash value of the property. If this policy insures two or more items, this condition shall apply to each item separately.

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 Premises means Premises on which a Business is conducted, Premises 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.

Data 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 policy;
3. your legal representative having temporary custody of the insured Premises, if you die while insured by this policy, for legal liability arising out of the Premises;
4. any person who is insured by this policy 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 their 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 private principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
 - a. 30 consecutive days;
 - b. the date the policy expires or is terminated; or
 - c. the date upon which specific liability insurance is arranged for such Premises;
3. individual or family cemetery plots or burial vaults in Canada;
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.

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

Property Damage means:

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

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

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

Terrorism 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 person named as Insured on the Coverage Summary page who does not reside on the Premises unless that person is temporarily living away from the principal residence of the Named Insured or his or her Spouse for the purpose of attending a school, college, or university.
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 policy;
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 reasonably require;
 - c. authorize us to obtain medical and other records.
- Proofs and authorization may be given by someone acting on behalf of the injured person.

Action Against Us

No 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 (30 H.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 (50H.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. If the watercraft or motor with which it is equipped is acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of acquisition. You are not insured if your watercraft is a jet powered personal watercraft unless shown on the Coverage Summary page and a separate premium has been charged for 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 which you do not own, 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 Premises:

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 the 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 Premises by you for incidental office occupancy;
- 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 Premises 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 a 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, including any loss of use caused by:

- a. erasure, destruction, corruption, misappropriation or misinterpretation of Data;
- b. error in creating, amending, entering, deleting or using Data;

11. any distribution or display via a website, the internet, an intranet or extranet or any similar device or system designated or intended for electronic communication of Data;

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

13. Bodily injury or Property Damage arising out of the actual or threatened discharge, dispersal, release or escape of Pollutants.

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.