



HOME INSURANCE

HOMEOWNER

Specified Perils Form (ME1501)

Issued by
MORIN, ELLIOTT ASSOCIÉS LTÉE

AGREEMENT

We provide you, as a homeowner, with coverage against various perils and liabilities as described in this policy, in return for payment of the premium.

A GUIDE TO YOUR POLICY

SECTION I: PROPERTY COVERAGES

Describes the insurance on your dwelling building, detached private structures and personal property. This section also insures any additional living expense or fair rental value loss incurred by you if an insured peril makes your dwelling or part of the dwelling rented to others unfit for occupancy.

SECTION II: LIABILITY COVERAGES

Applies to your legal liability for unintentional bodily injury to others or damage to their property arising out of your premises or your personal actions.

This section includes voluntary medical and funeral payments and voluntary payments for damage to property.

It also provides benefits to residence employees if they are injured while working for you.

OPTIONAL COVERAGES AND RESTRICTIONS

Applicable only if mentioned on the Coverage Summary Page.

GENERAL CONDITIONS

The General Conditions set forth herein apply to all coverages provided by this policy as well as any optional coverages or endorsements.

IMPORTANT

This policy contains various conditions, exclusions and limitations which restrict coverage. Some of them may be amended by endorsement.

Please read your policy carefully.

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DEFINITIONS

“You” and “your” in this section refer to the **Insured**. “We” and “us” refer to the Company providing this insurance. Words and phrases that appear in bold face have special meanings as defined below.

The following definitions apply to the entire policy; if a definition applies to Liability Coverages only, it will be so stated.

Additional living expense means any necessary increase in living expenses, including moving expenses, incurred by the **Insured** so that the **Insured's** household can maintain its normal standard of living.

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

Business means any continuous or regular pursuit undertaken for **remuneration** including a trade, profession or occupation or the rental of buildings.

Cash card or plastic money means a card or other medium storing electronic cash and used as a method of payment, which at the time of the purchase transaction does not require any personal identification number (PIN), signature or authorization time.

Civil authority means an authority as defined in the Civil Protection Act or any other act or regulation.

Collection means a group of related objects of the same general type, gathered for accumulation purposes.

Computer software means computer programs or instructions stored on electronic media, excluding video games of any kind.

Data means information (including facts, concepts or execute statements) represented in any form whatsoever.

Data problem means:

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

Detached private structures means permanent structures or buildings on the **premises** separated from the dwelling by a clear space or connected to the dwelling by a fence, utility line or similar connection only. Detached private structures must not be used for dwelling purposes.

Drawn machinery means a vehicle without a load space that is used to carry only equipment or machinery which is permanently installed upon it.

Fair rental value means the amount of rent you would have received, less any expenses that do not continue by reason of the **occurrence**.

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.

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;
 - any person under 18 years of age in their care; and
 - any person 18 years of age or over under their legal custody, IF STATED ON THE COVERAGE SUMMARY PAGE;
- a **student** who is dependent on the Named **Insured** or his or her **spouse** for support and maintenance even if temporarily residing away from the principal residence;
- WITH RESPECT to Liability Coverages only:
 - any person having authorized use or custody of an animal owned by you and to which this insurance applies, BUT NOT IN THE COURSE OF ANY **BUSINESS**;
 - a **residence employee** while performing duties for you;

- if you die while insured by this policy:
 - your legal representative having temporary custody of the **premises**, for legal liability arising out of the **premises**;
 - any person who was an **Insured** by this policy at the time of your death and who continues to reside on the **premises**.

Occurrence means an event causing loss, injury or damage; all loss, injury or damage arising out of the same general conditions will be considered as arising out of one **occurrence**, regardless of the number of claimants.

Plumbing system means water supply, distribution and drainage piping on the **premises**, including appliances and equipment attached thereto.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including fuel oil, vapour, soot, chemicals, pesticides, herbicides, waste and smoke from agricultural smudging or industrial operations.

Premises means the land contained within the lot lines on which the dwelling described on the Coverage Summary page is situated. Premises also include **premises** where a **student** insured by this policy is residing.

APPLICABLE TO LIABILITY COVERAGES ONLY:

Premises also include:

- seasonal and other residences, provided such **premises** are specifically described on the Coverage Summary page;
- **premises** where you are residing temporarily or which you are using temporarily, AS LONG AS you do not own such **premises**;
- provided they are not insured under any other policy, **premises** contained within the lot lines on which your newly acquired principal residence in Canada is situated, from the date you acquire ownership of, rent or occupy the **premises** but not beyond the earlier of 30 consecutive days or the date the policy term ends;
- individual or family cemetery plots or burial vaults in Canada;
- vacant land in Canada you own or rent, EXCLUDING farm land;
- land in Canada where an independent contractor is building a one or two-family residence to be occupied by you.

Property damage means damage to, or destruction of, or loss of use of property.

Remuneration means payment, in cash or in kind, made to a person for work done or services rendered.

Residence employee means a person who performs duties for you in connection with the maintenance or use of the **premises**, including household or domestic services. This does not include persons while performing duties in connection with your **business** or under an independent contractor agreement or service agreement.

Retention tank or holding pond means a tank in which sudden influxes of surface, ground or storm water runoff are held temporarily before being released gradually into the drainage system.

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 person:

- who is married to or has entered into a civil union with another person and is living with that person;
 - who has been living with another person of the opposite or the same sex and has been publicly represented as that person's **spouse** for at least three years;
- or, in the following cases, for at least one year:
- a child has been born or is to be born of their union;
 - they have adopted a child together;
 - one of them has adopted a child of the other.

Student means a person who is enrolled in and actually attends a school, college or university on a full time basis.

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 section of the public.

Vacant refers to circumstances where, regardless of the presence of furnishings, all occupants have moved out with no intention of returning to reside in the dwelling building. A newly constructed dwelling is vacant after it is completed and before the occupants move in.

Vandalism means the malicious destruction, damage or defacement of property for no specific reason. Vandalism does not include loss or damage resulting from drug operations.

“Drug operations” includes cultivating, harvesting, processing, manufacturing, distributing or selling of any substance falling within the Controlled Drugs and Substances Act.

S P E C I M E N

SECTION I - PROPERTY COVERAGES

COVERAGES

Amounts of Insurance

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

Inflation Protection

IF SPECIFIED ON THE COVERAGE SUMMARY PAGE, we will automatically increase the amounts of insurance shown on the Coverage Summary page for Coverages A, B, C and D by amounts which are attributable to the inflation increase since the date of the most recent change to these amounts.

Inflation Protection does not apply to mobile homes.

COVERAGE A - DWELLING BUILDING

WE INSURE:

1. While on the **premises**:
 - a. Your dwelling building or mobile home and attached structures;
 - b. Permanently installed outdoor equipment; wind turbines are insured for up to \$5,000;
 - c. Temporary outdoor installations such as car shelters and gazebos, whether assembled or not;
 - d. Appliances, furniture and equipment forming part of the building.
2. Materials and supplies located on or adjacent to the **premises** or in transit and intended for use in construction, alteration or repair of your dwelling building (or mobile home), **detached private structures** and outdoor equipment and installations.
3. Building fixtures and fittings temporarily removed from the **premises** for repair or seasonal storage, for up to 10% of the amount of insurance shown on the Coverage Summary page for your dwelling building.
4. Docks located on or adjacent to the **premises**.

COVERAGE B - DETACHED PRIVATE STRUCTURES

WE INSURE:

Detached private structures on your **premises**.

COVERAGE C - PERSONAL PROPERTY (CONTENTS)

WE INSURE:

1. While on the **premises**:
 - a. Personal property you own or use which is usual to a dwelling, including the following motorized vehicles:
 - remote-control caddies;
 - watercraft;
 - **drawn machinery**;
 - wheelchairs, scooters, including three- or four-wheel scooters, and electric bicycles, with the capability of not exceeding a maximum speed of 32 km per hour;
 - electric vehicles for children with the capability of not exceeding a maximum speed of 10 km per hour;
 - lawn mowers, snow blowers and garden-type tractors;
 - b. Personal property, usual to a dwelling, that is owned by a **student** who is insured by this policy for up to 10% of the amount of insurance shown for personal property on the Coverage Summary page or \$2,500, whichever is the greater, if such property is located at the **student's** residence;
 - c. If you wish, uninsured personal property of others, usual to a dwelling, while it is in your possession on that portion of the **premises** which you occupy.

2. While temporarily away from the **premises**, for up to 10% of the amount of insurance shown for personal property on the Coverage Summary page or \$2,500, whichever is the greater:
 - a. Personal property you own or use which is usual to a dwelling, including the following motorized vehicles:
 - remote-control caddies;
 - watercraft;
 - **drawn machinery**;
 - wheelchairs, scooters, including three- or four-wheel scooters, and electric bicycles, with the capability of not exceeding a maximum speed of 32 km per hour;
 - electric vehicles for children with the capability of not exceeding a maximum speed of 10 km per hour;
 - lawn mowers, snow blowers and garden-type tractors;
 - b. Property, usual to a dwelling, that is owned by a **student** who is insured by this policy;
 - c. If you wish, uninsured personal property, usual to a dwelling, belonging:
 - to others while it is in your possession;
 - to a **residence employee** travelling for you.

Special Limits of Insurance

For each of the following class of items, the stated limitations are the maximum amounts that we will pay per **occurrence**.

1. For any one loss caused by an insured peril:
 - a. Money, including **cash cards** and **plastic money**, bank notes, bullion or gift certificates up to \$200;
 - b. Securities up to \$1,000;
 - c. Watercraft, whether assembled or not, including pedalos, rafts and sailboards, their furnishings, equipment, accessories and motors up to \$1,000;
 - d. **Computer software** up to \$1,000;
 - e. Animals, birds or fish up to \$1,000;
 - f. Books, tools, instruments, clothing, goods and other property pertaining to a **business** up to \$2,000;
 - g. Goods or samples held for sale but not pertaining to a **business** up to \$2,000;
 - h. Lawn mowers, garden-type tractors or snow blowers, including their accessories, and **drawn machinery** up to \$5,000;
 - i. Wine and spirits up to \$100 per container, but not exceeding \$5,000.
2. In case of theft (IF THE COVERAGE SUMMARY PAGE INDICATES THAT THEFT COVERAGE IS INCLUDED):
 - a. Manuscripts and numismatic and philatelic property up to \$1,000;
 - b. Jewellery, precious or semi-precious stones, pearls and watches up to \$1,000;
 - c. Fur garments, garments trimmed with fur and all other fur items up to \$1,000;
 - d. Tape recorder and VCR tapes, compact discs, video DVDs and other similar property up to \$1,000;
 - e. Video games of any kind up to \$1,000;
 - f. Collectible cards including sports and artistic personality cards up to \$1,000;
 - g. **Collections** not subject to any other limitation up to \$1,000;
 - h. Each pedal or electric bicycle, its equipment and accessories up to \$1,000;
 - i. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware not subject to any other limitation up to \$5,000;

- j. Works of art, such as paintings, pictures, drawings, etchings, engravings, prints and lithographs, including their frames, sculptures, statuettes and assemblages, and hand-made rugs and tapestries up to \$5,000.

COVERAGE D - ADDITIONAL LIVING EXPENSE AND FAIR RENTAL VALUE

The amount of insurance for Coverage D is the total amount for any one or a combination of the following coverages.

1. **ADDITIONAL LIVING EXPENSE.** If an insured peril makes your dwelling unfit for occupancy, or you have to move out while repairs are being made, we insure any **additional living expense**. 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** rented to others or held for rental by you unfit for occupancy, we insure its **fair rental value**. 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.

If a **civil authority** prohibits access to your **premises** as a direct result of damage to neighbouring **premises** by an insured peril, we insure any resulting **additional living expense** and **fair rental value** loss for a period NOT EXCEEDING 2 WEEKS.

The periods of time stated above are not limited by the expiration of the policy.

EXTENSIONS OF COVERAGE

The following extensions of coverage do not increase the amounts of insurance in this policy and are subject to the limitations and exclusions of this policy.

1. Moving to Another Home

Provided it is not insured under any other policy, we insure up to the amount shown for Coverage C - Personal Property (Contents):

- a. personal property while in transit within Canada to your new principal residence;
- b. personal property in the newly acquired or rented dwelling in Canada which is to be occupied by you as your principal residence.

Coverage applies to loss or damage caused by perils specified in the policy for 30 days commencing on the date you begin to move property to your new residence, but not beyond the date your policy term ends.

2. Property Removed from the Premises

If you must remove insured property from your **premises** to protect it from loss or damage covered by this policy, it is insured against perils specified in the policy for 30 days or until your policy term ends, whichever occurs first.

The limitation stated for property temporarily away from the **premises** does not apply to this section.

3. Credit or Debit Cards and Forgery (IF THE COVERAGE SUMMARY PAGE INDICATES THAT THEFT COVERAGE IS INCLUDED):

Notwithstanding the Special Limits of Insurance, we will pay up to \$1,000 for:

- a. loss resulting from unauthorized transactions by any person other than an **Insured** using a credit or debit card issued to you or electronic means, including over the Internet, provided you have complied with all the conditions under which the card was issued and all of the access conditions for the transactions;
- b. loss caused by forgery or alteration of cheques, drafts or other negotiable instruments or by your acceptance in good faith of counterfeit paper currency.

4. Change of Temperature

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

5. Freezer Foods

We will pay up to \$1,000 on frozen foods contained in a freezer in your dwelling building when loss is caused by mechanical breakdown of the freezer or power interruption.

This amount includes reasonable expenses incurred to save and preserve the food from spoilage while your freezer unit is being repaired.

WE DO NOT INSURE loss caused by an interruption of electrical power due to the operation of a circuit breaker or fuse or the accidental or intentional disconnection of the power supply to the freezer.

6. Data

We will pay up to \$500 for loss of **data**, including music files, not pertaining to a **business**, for which duty or license fees have been paid, caused by an insured peril.

7. Debris Removal

We will pay debris removal expenses necessarily incurred to demolish or repair insured property damaged by an insured peril.

8. Tear out

We will replace or repair any interior parts of the insured building that must be removed or torn apart before any repairs can be made to the **plumbing system**, domestic water container or appliance or its equipment having caused insured water damage.

“Domestic water container or appliance” includes, but is not limited to, fish tanks, water beds, heating, air conditioning or fire extinguishing systems, swimming pools, spas, saunas, fountains and basins.

9. Fire Department Charges

If there is an agreement with a fire department outside the municipality where your dwelling building is located, we will reimburse you for up to \$1,000 if that fire department charges for attending your dwelling building because of an insured peril.

10. Growing Plants

We insure exterior trees, shrubs, plants and lawns on your **premises** for up to 5% of the amount of insurance shown on the Coverage Summary page for your dwelling building. We will not pay more than \$250 for any one tree, plant or shrub including expenses incurred in the removal of their debris.

We insure these items against loss caused by fire, lightning, explosion, impact with a vehicle or aircraft, riot, **vandalism**, theft or attempted theft (IF THE COVERAGE SUMMARY PAGE INDICATES THAT THEFT COVERAGE IS INCLUDED).

INSURED PERILS

INSURED PERILS	EXCLUSIONS
YOU ARE INSURED against direct loss or damage to property insured caused by the following perils:	The Insured Perils are subject to the following exclusions, which are additional to those contained elsewhere in this policy. WE DO NOT INSURE:
1. Fire.	
2. Lightning.	
3. Fluctuations in artificially generated electric currents.	
4. Explosion.	
5. Smoke. This peril means smoke due to a sudden and accidental, unusual and faulty operation of any heating or cooking unit or fireplace.	
6. Impact by objects, other than a vehicle or aircraft, which strike the exterior of your dwelling building or detached private structures .	6. Loss or damage caused by impact by water-borne objects.
7. Impact with a vehicle or aircraft.	7. Loss or damage to animals.
8. Riot.	
9. Vandalism .	9. Loss or damage: <ol style="list-style-type: none"> a. occurring while your dwelling building is under construction or vacant even if permission for construction or vacancy has been given by us; b. caused by theft or attempted theft (UNLESS THE COVERAGE SUMMARY PAGE INDICATES THAT THEFT COVERAGE IS INCLUDED); c. occurring while the premises are used in whole or in part for criminal activities.
10. Water damage caused by: <ol style="list-style-type: none"> a. the rupture of, or the discharge or sudden and accidental overflow of water from, public watermains carrying drinking water; b. the rupture of, or the discharge, overflow or sudden and accidental spill of water from: <ul style="list-style-type: none"> – a plumbing system; – a domestic water container or appliance or its equipment. “Domestic water container or appliance” includes, but is not limited to, fish tanks, water beds, heating, air conditioning or fire extinguishing systems, swimming pools, spas, saunas, fountains and basins; c. water which enters in the building through an opening which has been created suddenly and accidentally by an insured peril. 	10. Water damage: <ol style="list-style-type: none"> a. caused by continuous or repeated discharge or overflow of water, whether or not the Insured was aware of such discharge or overflow; b. caused by the discharge, backing up or overflow of water from a building sewer, sewer, ditch, sump, septic tank, drainfield or other wastewater treatment system, retention tank or holding pond, French drain, eavestrough, downspout or rainwater leader; c. caused by rupture due to freezing: <ul style="list-style-type: none"> – of outdoor systems or vessels containing water, BUT THIS EXCLUSION DOES NOT APPLY TO DAMAGE CAUSED BY THE RUPTURE OF THE DRINKING WATER MAIN SUPPLYING THE DWELLING BUILDING; – during the usual heating season, of property which is located within: <ul style="list-style-type: none"> • an unheated building; • a heated building, 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: <ul style="list-style-type: none"> - arranged for a competent person to enter your dwelling daily to ensure that heating was being maintained; or - shut off the water supply and drained all the pipes and appliances. Damage caused by freezing to property inside the premises is covered if you had taken either one of the precautions mentioned above;

INSURED PERILS (CONTINUED)	EXCLUSIONS (CONTINUED)
11. Hail.	d. caused by entrance, seepage or run-off of ground or surface water through basement walls, doors, windows or other openings therein, foundations, basement floors or sidewalks, unless concurrently and directly caused by a peril not otherwise excluded;
12. Windstorm.	e. caused by entrance or seepage of rain or snow through walls or roofs and doors, windows or other similar openings therein, unless through an aperture concurrently and directly caused by a peril not otherwise excluded;
13. Glass Breakage. Glass that forms part of your dwelling building or detached private structures , including glass in storm windows and doors, is insured against accidental breakage.	f. occurring while your dwelling building is under construction or vacant even if permission for construction or vacancy has been given by us. 11. Loss or damage to wind turbines. 12. Loss or damage to wind turbines.
14. Transportation. This peril means loss or damage to insured property carried in any motor vehicle or attached trailer.	13. Loss or damage occurring while: a. your building is under construction even if permission for construction has been given by us; b. your dwelling building is vacant even if permission for vacancy has been given by us.
15. Theft, including damage caused by attempted theft (IF THE COVERAGE SUMMARY PAGE INDICATES THAT THEFT COVERAGE IS INCLUDED). This also applies to insured property stored in a warehouse for a period of 30 days commencing on the date you begin to store property but not beyond the date your policy term ends.	15. Loss or damage: a. which happens at any location, OTHER THAN THE DWELLING DESCRIBED ON THE COVERAGE SUMMARY PAGE OR A STUDENT'S RESIDENCE, which you own or rent, UNLESS YOU ARE TEMPORARILY LIVING THERE AT THE TIME OF THE OCCURRENCE ; b. by any tenant or member of the tenant's household to property used by them; c. to: – property from a dwelling building under construction on the premises , materials and supplies for use in the construction or property located on or adjacent to the premises , until the dwelling is completed and ready to be occupied; – property from a building under construction outside the premises , materials and supplies for use in the construction or property located on or adjacent to the site of such building, until the building is completed and ready to be occupied; d. occurring while your dwelling building is vacant even if permission for vacancy has been given by us; e. to animals, birds or fish.

SAMPLE

PROPERTY EXCLUDED

WE DO NOT INSURE:

1. Any property illegally acquired or kept.
2. Any property lawfully seized or confiscated.
3. Property normally kept at any location you own OTHER THAN THE DWELLING DESCRIBED ON THE COVERAGE SUMMARY PAGE.
4. Damage to property causing the loss, including but not limited to cases where the loss results from the breakdown, inherent vice or nature of the property.
5. Samples, goods and other property at any fairground, exhibition or exposition for the purpose of exhibition or sale.
6. Outdoor spas or swimming pools, their equipment, wherever located, and patios and decks attached to the swimming pools or spas but detached from your dwelling.
7. Docks outside the **premises** or adjacent **premises**.
8. Motorized vehicles and trailers, except motorized vehicles described in Coverage C - Personal Property (Contents), aircraft and parts, furnishings, equipment and accessories designed exclusively for vehicles owned by, or in the control of, the **Insured**.
9. Aircraft or motor vehicle kits, except for motorized vehicles as described in Coverage C - Personal Property (Contents).
10. Property of roomers or boarders who are not related to you, unless they are named on the Coverage Summary page.

COMMON EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this policy. WE DO NOT INSURE:

1. Activities

Loss or damage occurring while the **premises**, including your dwelling building or detached private structures, are used in whole or in part for:

- a. **business** purposes known to the **Insured**, unless declared on the Coverage Summary page;
- b. farming purposes for remuneration, unless declared on the Coverage Summary page;
- c. criminal activities known to the **Insured**.

2. Contamination

Loss, damage or expense caused directly or indirectly by biological contamination of any kind and from any source.

3. Defects

Loss or damage caused by defect or mechanical, electrical or electronic breakdown or disturbance.

This exclusion does not apply:

- a. to loss or damage caused by fluctuations in artificially generated electric currents;
- b. to resulting damage to other insured property caused by a peril not otherwise excluded.

4. Moving of buildings

Loss or damage:

- a. to your dwelling building or detached private structures arising out of their displacement;
- b. to your mobile home arising out of its displacement, or while the levelling jacks or blocks are removed or all utilities are disconnected, EXCEPT IF THE MOBILE HOME IS MOVED IN AN EMERGENCY TO PROTECT IT FROM AN INSURED PERIL.

5. By-laws

Loss or damage caused directly or indirectly, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

6. Gradual damage

- a. Loss or damage to property caused by wear and tear or gradual deterioration;
 - b. Loss or damage to property caused by rust, corrosion, dampness, extremes of temperature, wet or dry rot, fungi or spores;
 - c. Repeated damage to property;
- but resulting damage to other insured property caused by a peril not otherwise excluded is insured.

7. Data

Loss or damage caused directly or indirectly:

- a. to **data**, EXCEPT AS PROVIDED IN THE EXTENSIONS OF COVERAGE;
- b. by **data** problem.

However, if fire or explosion results from **data** problem, this exclusion does not apply to damage to insured property directly caused by such perils.

8. Wilful negligence or criminal act

Loss or damage resulting from any criminal act or wilful negligence by an **Insured**, but this exclusion does not apply to any other **Insured** who has not committed and is not involved in the criminal act or wilful negligence.

9. War

Loss, damage or expense caused directly or indirectly by invasion, war or civil war, insurrection, rebellion, revolution, military or usurped power or by operation of armed forces while engaged in hostilities, whether war be declared or not.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage or expense.

10. Flood

Loss, damage or expense caused directly or indirectly by flood reaching the **premises**.

"Flood" includes waves, tides, tidal waves, tsunamis, dam breaks and the rising or overflow of any stream of water or body of water, whether natural or man-made.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage or expense.

11. Natural earth movements

- a. Loss or damage caused directly or indirectly to property by natural earth movements such as:

- earthquake and volcanic eruption;
- snowslide, landslide, subsidence, erosion or expansion;
- tidal wave and tsunami.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage or expense.

- b. Loss or damage caused directly to property by natural earth movements resulting from:

- freezing and thawing;
- exposure to cold or heat;
- the drying out, irrigation or drainage of the ground.

12. Water table

Loss or damage to property caused directly or indirectly by a rising of the water table.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage or expense.

13. Work on property

Loss or damage to property while being worked on or undergoing any process, whether or not it involves the application of heat, but resulting damage to other insured property caused by a peril not otherwise excluded is insured.

14. Pollution

Loss, damage or expense caused directly or indirectly or arising out of the actual or threatened discharge, dispersal, release or escape of pollutants.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage or expense.

15. Nuclear incident

- a. Loss, damage or expense caused directly or indirectly by any nuclear accident as defined in any nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion;
- b. Loss or damage caused by contamination by radioactive material.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage or expense.

16. Terrorism

Loss, damage or expense caused directly or indirectly by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage or expense.

17. Vacancy

Loss or damage occurring after your dwelling building has, to your knowledge, been vacant for more than 30 consecutive days.

BASIS OF SETTLEMENT

Subject to the General Conditions of the policy, we will pay for insured loss or damage up to the applicable amount(s) of insurance for any loss or damage arising out of one **occurrence**.

Any payment for loss or damage will not reduce the amounts of insurance provided by this policy.

If any property is subject to more than one limitation, only the lowest limitation will apply.

Inflation Protection

IF SPECIFIED ON THE COVERAGE SUMMARY PAGE and if there is a loss insured by this policy, we will automatically increase the amounts of insurance shown on the Coverage Summary page for Coverages A, B, C and D by amounts which are attributable to the inflation increase since the most recent change to these amounts.

Inflation Protection does not apply to mobile homes.

Deductible

This amount is shown on the Coverage Summary page and is deducted from the total amount of the insured loss or damage. The deductible applies before any limitation.

Dwelling Building and Detached Private Structures

We will pay for insured loss of or damage to your dwelling building and detached private structures as described below.

1. Replacement Cost

If you repair or replace the damaged or destroyed dwelling building or detached private structures, we will pay the cost, at the date of the **occurrence**, of repairs or replacement (whichever is less) without deduction for depreciation, provided:

- a. repair or replacement is effected on the location of the damaged building, with materials of similar quality within a reasonable time after the **occurrence**;
- b. the building occupancy is the same as prior to the **occurrence**.

If the above conditions are not met or in the event of loss of or damage to a mobile home, we will pay the actual cash value of the damage at the date of the **occurrence**.

2. Actual Cash Value

The Actual Cash Value will take into account such things as the cost of repairs or replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the **occurrence**, the resale value and the normal life expectancy.

Personal Property

We will pay for insured loss of or damage to personal property as described below:

1. Replacement Cost

IF REPLACEMENT COST IS SPECIFIED ON THE COVERAGE SUMMARY PAGE and if you repair or replace personal property, we will pay the cost, at the date of the **occurrence**, of repairs or replacement (whichever is less) without deduction for depreciation, provided:

- a. repair or replacement is effected with property of like kind and quality;
- b. repair or replacement is effected within a reasonable time.

REPLACEMENT COST DOES NOT APPLY TO:

- property that was not useable for its original purpose or had not been maintained in workable condition;
- articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings and sculptures;
- articles for which their age or history contributes to their value, such as memorabilia, souvenirs, and collection items.

If the above conditions are not met, we will pay the actual cash value of the damage at the date of the **occurrence**.

2. Actual Cash Value

The Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

SECTION II - LIABILITY COVERAGES

COVERAGES

This insurance applies only to accidents or occurrences which take place during the term of this policy.

Amounts of Insurance

The amount of insurance for each coverage is shown on the Coverage Summary page. It applies to each **Insured** separately but is the maximum amount we will pay for any one accident or **occurrence** no matter how many Insureds are involved.

COVERAGE E - LEGAL LIABILITY

The amount of insurance shown on the Coverage Summary page under Coverage E is the maximum amount we will pay for all compensatory damages in respect of any one accident or **occurrence** other than as provided under Additional Agreements. We will pay all sums which you become legally liable to pay as compensatory damages because of **bodily injury** or **property damage**.

1. Personal Liability

We will pay all sums which you become legally liable to pay as compensatory damages because of unintentional **bodily injury** or **property damage**, including resultant loss of use, arising out of:

a. Your personal actions anywhere in the world, provided the dwelling building described on the Coverage Summary page is occupied by you as a principal residence.

If the dwelling building described on the Coverage Summary page is not occupied by you as a principal residence, you are insured only for legal liability arising out of the ownership, maintenance or use of the **premises** described on the Coverage Summary page.

b. Your ownership, use or occupancy of the **premises**. This insurance also applies if you assume, by a written contract, the legal liability of other persons in relation to your **premises**, but we do not insure claims arising from:

- liability you have assumed by contract with a railway company;
- a contract for the production or distribution of energy.

c. Your ownership, use or operation of watercraft:

- equipped with an outboard, inboard or inboard-outboard motor or motors of not more than 19 kW (25 H.P.) in total;
- not more than 8 metres (26 feet) in length;
- shown on the Coverage Summary page and any watercraft having the same characteristics, acquired after the effective date of this policy, you will be insured automatically for a period of 14 days only from the date of acquisition but not beyond the date your policy term ends.

d. Your use or operation of watercraft which is not owned by any **Insured** but we do not insure damage to the watercraft itself.

e. Your ownership, use or operation of the following motorized vehicles:

- remote-control caddies and motorized golf carts while in use on a golf course;
- wheelchairs, scooters, including three- or four-wheel scooters, and electric bicycles, with the capability of not exceeding a maximum speed of 32 km per hour;
- electric vehicles for children with the capability of not exceeding a maximum speed of 10 km per hour;
- lawn mowers, snow blowers, garden-type tractors of not more than 19 kW (25 H.P.), including their trailers or attachments, used or operated mainly on your property PROVIDED they are not used for compensation or hire.

WE DO NOT INSURE for damage caused to the above vehicles.

f. Your ownership, use or operation of any trailer or its equipment, provided that such trailer is not attached to or carried on a motorized vehicle.

WE DO NOT INSURE:

- a. claims arising from the sale of a commercial or industrial building or a residential building containing more than 6 dwelling units;
- b. damage to property:
 - you own, use, occupy or lease;
 - in your care, custody or control;
 - as a result of work done on it;
 - belonging to you or any person residing in your household;
- c. **bodily injury** to you or to any person residing in your household OTHER THAN A RESIDENCE EMPLOYEE;
- d. any fines, penalties, punitive damages, exemplary damages or any other sum over and above actual compensatory damages.

2. Damage to Premises Owned by Others

YOU ARE INSURED for claims made against you arising from legal liability for unintentional damage to **premises** owned by others which you are using, renting, occupying or have in your care, custody or control, or their contents, caused by fire, explosion, smoke or water damage AS DEFINED IN SECTION I.

3. Employers' Liability

YOU ARE INSURED for claims made against you arising from legal liability for unintentional **bodily injury** to residence employees arising out of and in the course of their employment by you.

WE DO NOT INSURE liability imposed upon or assumed by you under any workers' compensation statute.

4. Business and Business Property

YOU ARE INSURED against claims arising out of:

- a. activities during the course of your **business** which are not ordinarily incidental to your **business**;
- b. the temporary or part time **business** pursuits of an **Insured** under the age of 21 years or a **student** who is dependent upon the Named **Insured** or his or her **spouse** for support and maintenance;
- c. the use of part of your dwelling building or private detached structures by you for **business**, IF DECLARED ON THE COVERAGE SUMMARY PAGE;
- d. the rental of:
 - your dwelling building to others on an occasional basis;
 - not more than 3 car spaces in garages on the **premises**;
 - a dwelling building containing not more than 6 dwelling units, IF DECLARED ON THE COVERAGE SUMMARY PAGE;
 - rooms in your dwelling building, IF DECLARED ON THE COVERAGE SUMMARY PAGE.

Additional Agreements

If a claim is made against you for which you are insured under Coverage E, we will defend you at our cost. We reserve the right to investigate, negotiate and settle any claim or suit if we decide this is appropriate.

In addition to the limit of insurance under Coverage E, we will pay:

1. all expenses which we incur;
2. all costs charged against you in any suit insured under Coverage E;
3. any interest awarded by the court on that part of the judgment which is insured under Coverage E;
4. premiums for:
 - a. bonds to release any property that is being held as security;
 - b. appeal bonds required in any insured lawsuit involving you;

- up to the amount of insurance, 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, EXCEPT LOSS OF EARNINGS, which you incur at our request.

COVERAGE F - VOLUNTARY MEDICAL OR FUNERAL PAYMENTS

WE WILL PAY medical expenses incurred within 1 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 nursing, surgical, dental, hospital, ambulance service and funeral expenses.

The amount of insurance shown on the Coverage Summary page under Coverage F 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 plan or law, or under any other insurance contract;
- 2. expenses covered by any workers' compensation statute;
- 3. your expenses or those of persons residing with you, OTHER THAN RESIDENCE EMPLOYEES;
- 4. expenses for **bodily injury** caused intentionally by you or at your direction;
- 5. for claims arising out of the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is shown in this section.

COVERAGE G - VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY

WE WILL PAY up to the amount shown on the Coverage Summary page under Coverage G, for **property damage** you cause to others even though you are not legally liable. You may also use this coverage to reimburse others for **property damage** caused intentionally by an **Insured**, 12 years of age or under.

WE DO NOT INSURE:

- 1. damage arising out of the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is provided by this section;
- 2. damage caused:
 - a. to property you or your tenants own or rent;
 - b. to property which is insured under Section I;
- 3. damage caused by the loss of use, disappearance or theft of property.

Basis of Payment - Coverage G

- 1. WE WILL PAY the actual cash value of the property at the date of the **occurrence**, up to the amount shown on the Coverage Summary page under Coverage G. The Actual Cash Value is the cost of replacement less any depreciation or the cost of repairs (whichever is less) with property of like kind and quality.
- 2. We may:
 - a. pay for the loss in money or repair or replace the property;
 - b. settle any claim either with you or the owner of the property;
 - c. take over any salvage.
- 3. Within 60 days after the **occurrence**, you must submit to us (under oath if required) a proof of loss containing the following information:
 - a. the amount, place, time and cause of loss;
 - b. the interest of all persons in the property affected;
 - c. the actual cash value of the property at the time of the **occurrence**.

- 4. If necessary, you must help us verify the damage.
- 5. You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until 60 days after the required proof of loss has been filed with us.

COVERAGE H - VOLUNTARY COMPENSATION FOR RESIDENCE EMPLOYEES

We offer to pay the benefits described below if your **residence employee** sustains accidental **bodily injury**, even though you are not legally liable provided:

- a. you are released from any liability for the accident;
- b. we are subrogated in the rights of the **residence employee** or any person acting on his or her behalf against any at fault third party.

If your **residence employee** or any person acting on his or her behalf does not accept these benefits or sues you, we may withdraw our offer, but this will not affect your legal liability insurance.

WE WILL NOT PAY benefits for any hernia injury.

BENEFITS

In this coverage "weekly indemnity" means two-thirds of your residence employee's weekly wage at the date of the accident, but we will not pay more than \$200 per week.

1. Loss of Life

If your **residence employee** dies from injuries received in the accident within the following 26 weeks, we will pay:

- a. to those wholly dependent upon the **residence employee**, a total of 100 times the weekly indemnity in addition to any benefit for Temporary Total Disability paid up to the date of death;
- b. actual funeral expenses up to \$1,000.

2. Temporary Total Disability

If your **residence employee** temporarily becomes totally disabled from injuries received in the accident within the following 14 days and cannot work at any job, we will pay weekly indemnity up to 26 weeks while such disability continues. We will not pay for the first 7 days unless the disability lasts for 6 weeks or more.

3. Permanent Total Disability

If your **residence employee** becomes permanently and totally disabled from injuries received in the accident within the following 26 weeks and cannot work at any job, we will pay weekly indemnity for 100 weeks in addition to benefits provided under Temporary Total Disability.

4. Permanent Partial Disability

If, as a result of the accident, your **residence employee** suffers the loss of, or permanent loss of use of any of the following, within 26 weeks of the accident, we will pay weekly indemnity for the number of weeks shown in the Schedule. These benefits will be paid in addition to Temporary Total Disability benefits only and for not more than 100 weeks.

Schedule of benefits

For loss or irrecoverable loss of use of:	No. of weeks
a. Arm, forearm or hand.....	100
b. One finger	25
c. More than one finger	50
d. One leg or foot.....	100
e. One toe.....	25
f. More than one toe.....	50
g. Both eyes.....	100
h. One eye	50
i. Hearing of both ears	100
j. Hearing of one ear	50

5. Medical expenses

We will also pay:

- a. medical expenses including nursing, surgical, dental, hospital, or licensed nursing and ambulance expenses as a result of the accident, within 26 weeks of the accident, and up to a maximum of \$1,000;
- b. the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5,000.

WE DO NOT INSURE you for expenses covered by any plan or law, or any other insurance contract.

CONDITIONS

The **residence employee** must, if requested:

- a. submit to a physical examination at our expense by doctors we select as often as we may reasonably require;
- b. authorize us to obtain medical and other records.

In case of death of a **residence employee** following an accident, we can require an autopsy before we make payment.

COMMON EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this policy, WE DO NOT INSURE for claims arising from:

1. Activities

- a. Your **business** or any **business** use of your **premises** EXCEPT AS SPECIFIED IN THIS SECTION;
- b. Your farming operations or any use of your **premises** for farming operations, if undertaken for remuneration, UNLESS DECLARED ON THE COVERAGE SUMMARY PAGE.

2. Aircraft

The ownership, use or operation of any aircraft or **premises** used as an airport or landing strip, and all necessary or incidental operations.

3. Assault or harassment

Indecent acts, sexual assault, sexual harassment, corporal punishment or abuse by or with the express or implied consent of an **Insured** or by any other person at the direction of an **Insured**.

4. Electronic communications

The distribution or display of **data** via a Website, the Internet, an intranet or extranet or any similar device or system designed or intended for electronic communication of **data**.

5. Contamination

Biological contamination of any kind and from any source.

6. Libel or slander

The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's rights of privacy.

7. Data

Bodily injury or **property damage** caused by:

- a. erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
- b. error in creating, amending, entering, deleting or using **data**; including any loss of use.

8. Wilful negligence or criminal act

Bodily injury or **property damage** caused by any criminal act or wilful negligence by an **Insured**, but this exclusion does not apply to any other **Insured** who has not committed and is not involved in the criminal act or wilful negligence.

9. War

Bodily injury or **property damage** caused directly or indirectly by invasion, war or civil war, insurrection, rebellion, revolution, military or usurped power or by operation of armed forces while engaged in hostilities, whether war be declared or not.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the **bodily injury** or **property damage**.

10. Disease

The transmission of communicable disease by an **Insured**.

11. Pollutants

Bodily injury or **property damage** arising out of the actual or threatened discharge, dispersal, release or escape of pollutants.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the **bodily injury** or **property damage**.

12. Assumed liability

Liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force.

13. Nuclear liability

Bodily injury or **property damage** which is also insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers regardless of exhaustion of such policy limits or its termination.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the **bodily injury** or **property damage**.

14. Professional services

The rendering or failure to render any professional service.

15. Terrorism

Bodily injury or **property damage** arising directly or indirectly out of **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 whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the **bodily injury** or **property damage**.

16. Vehicles insured

The use or operation of any watercraft or motorized vehicle insured under Section II while it is:

- a. used for carrying passengers or property for compensation;
- b. used for **business** purposes, except temporary or part time **business** pursuits of an **Insured** under the age of 21 years or a **student** who is dependent on the Named **Insured** or his or her **spouse** for support and maintenance;
- c. used in any race or speed or skill test;
- d. rented to others; or
- e. being used or operated without the owner's consent.

17. Vehicles not insured

The ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this section.

OTHER INSURANCE

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.

OPTIONAL COVERAGES AND RESTRICTIONS

B1 – OUTDOOR SPA AND SWIMMING POOL ENDORSEMENT

(This insurance is provided only if mentioned on the Coverage Summary page)

Words and phrases that appear in bold face are defined in the policy to which this endorsement is attached.

INSURED PROPERTY

Without increasing the amounts of insurance shown on the Coverage Summary page, WE INSURE:

- your outdoor spa and swimming pool (above ground, inground or semi-inground);
- their equipment, including maintenance equipment and equipment to control water quality;
- patios and decks attached to the spa or swimming pool but detached from the dwelling building.

EXTENSION OF COVERAGE

For the purpose of this endorsement, without increasing the amounts of insurance shown on the Coverage Summary page and in case of loss or damage caused by a peril insured against, the “Tear out” Extension of Coverage is replaced by the following:

We will replace or repair any parts that must be removed or torn apart before any repairs can be made to property insured by this endorsement.

Any damage caused to exterior trees, shrubs, plants and lawns on your premises during the demolition or repairs will be covered for up to 5% of the amount of insurance shown on the Coverage Summary page for Coverage A - Dwelling Building. We will not pay more than \$250 for any one tree, plant or shrub including the expenses incurred in the removal of their debris.

WE DO NOT INSURE:

Any increase in the cost of repairing, replacing or reconstructing undamaged property insured by this endorsement resulting from changes in the height, area or style of the spa or swimming pool.

INSURED PERILS

YOU ARE INSURED against direct loss or damage to property insured caused by the “INSURED PERILS” specified in Section I of the policy.

All other terms and conditions of the policy remain unchanged.

B2 – WATER DAMAGE ENDORSEMENT - GROUND WATER AND SEWERS

(This insurance is provided only if mentioned on the Coverage Summary page)

Words and phrases that appear in bold face are defined in the policy to which this endorsement is attached.

The maximum amount payable under this endorsement for any one or a combination of Coverages A, B, C and D and the Extensions of Coverage is the amount of insurance shown on the Coverage Summary page for this endorsement, subject to the deductible.

YOU ARE INSURED against direct water damage to the property insured caused by:

1. sudden and accidental entrance or seepage of surface or ground water through basement walls, doors, windows or other openings therein, foundations or basement floors, unless concurrently and directly caused by a peril not otherwise excluded in Section I – Property Coverages;
2. sudden and accidental discharge, backing up or overflow of water from a building sewer, sewer, ditch, sump, septic tank, drainfield or other wastewater treatment system, **retention tank** or **holding pond** or French drain;
3. rising of the water table.

WE DO NOT INSURE

water damage:

to property caused directly or indirectly by an event described above that occurs before, during or after flood reaches the **premises**.

“Flood” includes waves, tides, tidal waves, tsunamis, dam breaks and the rising or overflow of any stream of water or body of water, whether natural or man-made.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss, damage or expense;

- caused directly to property outside buildings, including plumbing systems; but resulting damage to other insured property caused by a peril not otherwise excluded is insured.

All other terms and conditions remain unchanged, including the exclusion of water damage caused by continuous or repeated discharge or overflow of water, whether or not the **Insured** was aware of such discharge or overflow.

All other terms and conditions of the policy remain unchanged.

R1 – ENDORSEMENT EXCLUDING ANIMALS - PERSONAL LIABILITY

(This exclusion is applicable only if mentioned on the Coverage Summary page)

The following exclusion is additional to all other exclusions contained in Section II “Liability Coverages” of this policy.

YOU ARE NOT INSURED FOR CLAIMS ARISING DIRECTLY OR INDIRECTLY FROM:

The ownership or use of animals described on the Coverage Summary page.

All other terms and conditions of this policy remain unchanged.

GENERAL CONDITIONS

This policy is subject to the Civil Code of the Province of Quebec

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

1. STATEMENTS

1.1 Representation of risk (Article 2408)

The client, and the **Insured** if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

The **Insured** shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from the events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the **Insured** within thirty days of the proposal, the policy ceases to be in force.

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the **Insured** nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the **Insured** is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the **Insured** for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Articles 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the **Insured**.

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the **Insured** has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the **Insured** or the assignment of his interest in the insurance to a co-**Insured**, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the **Insured**.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the **Insured's** books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the **Insured** of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the **premises**, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

2.7 Fire or Explosion Caused by Volcanic Eruptions, Earthquakes and Other Cataclysms

Notwithstanding Article 2486 of the Civil Code of the Province of Québec, the Insurer is liable for fires or explosions directly caused by volcanic eruptions, earthquakes and other cataclysms.

3. LOSSES

3.1 Notice of loss (Article 2470)

The **Insured** shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

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

3.2 Information to be provided (Article 2471)

The **Insured** shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the **Insured** is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the **Insured** fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the **Insured** shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the **occurrence** of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the **Insured's** intentional fault.

Where there is more than one **Insured**, the obligation of coverage remains in respect of those **Insureds** who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the **Insured** is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police

(applicable to property insurance only)

The **Insured** must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(applicable to property insurance only)

At the expense of the Insurer, the **Insured** must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the **Insured's** failure to take such action shall not be recoverable.

The **Insured** may not abandon the damaged property if there is no agreement to that effect. The **Insured** shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the **premises** and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and cooperation

The **Insured** shall cooperate with the Insurer in the processing of all claims.

(The following two paragraphs are applicable to liability insurance only: article 2504)

No transaction made without the consent of the Insurer may be set up against him.

The **Insured** shall not admit any liability nor settle or attempt to settle any claim, except at his own risk.

3.8 Right of action (Article 2502)

(applicable to liability insurance only)

The Insurer may set up against the injured third person any grounds he could have invoked against the **Insured** at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the **Insured** in respect of facts that occurred after the loss.

4. COMPENSATION AND SETTLEMENT

4.1 Basis of settlement (Articles 2490, 2491, 2493)

(applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the **Insured**, of the value of the insured property.

If the amount of insurance is less than the value of the property the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity in the event of partial loss.

4.2 Pair and set

(applicable to property insurance only)

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

4.3 Parts

(applicable to property insurance only)

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

4.4 Replacement (Article 2494)

(applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the **Insured** shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others

(applicable to property insurance only)

Where a claim is made as a result of loss of or damage to property not owned by the **Insured**, the Insurer reserves the right to pay the indemnity to the **Insured** or to the owner of the property and to deal directly with such owner.

4.7 Waiver

Neither the Insurer nor the **Insured** shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

4.8 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the **Insured** against persons responsible for the loss except when they are members of the **Insured's** household. The Insurer may be fully or partly released from his obligation towards the **Insured** where, owing to any act of the **Insured**, he cannot be so subrogated.

5. OTHER INSURANCE

5.1 Property insurance (Article 2496)

The **Insured** who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the **Insured**.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the **Insured** has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of

such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- **Contribution by equal share:** If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.
- **Contribution by limits:** If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. CANCELLATION (ARTICLES 2477 AND 2479)

This policy may be cancelled at any time:

- (a) By mere written notice from each of the Named **Insureds**. Termination takes effect upon receipt of the notice and the **Insured** shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each Named **Insured**. Termination takes effect fifteen days following receipt of such notice by the **Insured** at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named **Insureds** have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named **Insureds**.

In this Condition, the words "premium actually paid" mean the premium actually paid by the **Insured** to the Insurer or its representative but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the **Insured**.

7. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named **Insured** by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

SPENCER