

**YOUR MUTUAL FARM**

**INSURANCE POLICY**



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## FARM INSURANCE POLICY

### A GUIDE TO YOUR POLICY

This policy consists of the "Declaration Page" and up to five sections in the policy.

The "Declaration Page" will show the sections and coverage which "you" have purchased.

SECTIONS 1,2,3, and 4 describe insurance which may be purchased for "your" property.

SECTION 5 describes the insurance for "your" "legal liability" to others because of "bodily injury" and "property damage".

Statutory and Additional Conditions follow the five Sections.

This policy contains various exclusions and limitations which eliminate or restrict coverage. Please read it carefully.

Words and phrases shown in "quotations" have special meaning, either as defined in this booklet under Definitions, or as otherwise specifically defined within the applicable section.

Insurance cannot be a source of profit. It is designed to indemnify "you" against actual losses or expenses incurred by "you" or for which "you" are liable, arising from accidental events.

This policy is a legal contract which has been designed for "you", based on the occupancy, use, services, utilities and other circumstances pertinent to "your" property which "you" disclosed to "your" broker or agent at the time "you" completed "your" application. When there is a change to any of these circumstances, be sure to notify "your" broker or agent accordingly.

In the event of loss or damage to "your" property, notify "your" broker or "us" immediately.

### AGREEMENT

"We" provide the insurance described in this policy in return for payment of the premium and subject to the terms and conditions set out. The "Declaration Page" summarizes the coverages and amounts of insurance "we" have agreed to provide and the period for which they are provided. Failure to comply with any term or condition may result in the denial of a claim under this policy.

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

### DEFINITIONS (Applicable to Sections 1,2,3 and 4)

**"Business"** means any full-time or part-time pursuit undertaken for financial gain including a trade, profession or occupation.

**"Cash Cards"** means 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 account or other account.

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

**"Data Problem"** means:

- (i) erasure, destruction, corruption, misappropriation or misinterpretation of "Data";
- (ii) error in creating, amending, entering, deleting or using "Data"; or
- (iii) inability to receive, transmit or use "Data"; or
- (iv) damage to electronic "data" processing equipment or other related component system, process or device.

**"Declaration Page"** means the Section of "your" Insurance Policy containing basic information such as "your" name and address, the description and location of the insured property, the policy term, the amount of coverage, and premium amounts.

**"Digital Assets"** means electronic files for which a fee has been paid that are downloaded and stored on home electronic equipment, computers or mobile phones. "Digital assets" does not include downloaded files pertaining to

“your” “business”.

**“Domestic Fuel Tank”** means a permanently installed, above-ground “domestic fuel tank(s)” that is part of a heating unit for the insured “dwelling” or for the insured detached private structure(s). The “domestic fuel tank” includes equipment, apparatus or piping which forms part of the permanent “domestic fuel tank” installation. A permanently installed “domestic fuel tank(s)” located in the basement of an insured “dwelling” or an insured detached private structure(s) is to be deemed to be above-ground.

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

**“Dwelling”** means the building described on the “Declaration Page” occupied by “you” as a private residence. Under Section 3 Limited Coverages, “dwelling” means the building shown on the “Declaration Page” occupied as a private residence.

**“Electronic Media”** means media that uses electronics or electromechanical devices to access content (opposite of print media) such as; video and audio recordings, multimedia presentations, CDs, DVDs.

**“Farm”** means an area of land and buildings for the growing of crops and/or raising of animals.

**“Flood”** includes, but is not limited to waves, tides, tidal waves, tsunami, storm surge, or seiche; the overflow of any body of “water”, whether natural or man-made, breakage or overflow of man-made dikes, “flood” walls, levees or similar “water” control measures.

**“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 “Spores” or resultant mycotoxins, allergens or pathogens.

**“Ground Water”** means “water” below the surface of the ground, including that which exerts pressure on or flows, seeps, or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors.

**“Homeowner”** means an owner of a freehold “dwelling”.

**“Ice Damming”** means when melted snow refreezes forming a dam that can trap “water” under shingles or other roof finishing layers causing leaks through roof deck joints and nail holes.

**“Identity Fraud”** means the act or acts of knowingly transferring or using, without lawful consent or authority, “your” means of identity which constitutes a violation of any federal, provincial, territorial or municipal law. “Identity Fraud” does not include the fraudulent alteration of account profile information, such as the address to which statements are sent. “Identity Fraud” does not include the unauthorized use of valid credit cards, credit accounts or bank accounts. “Identity Fraud” does not include the fraudulent use of a “business” name, trade name or brand identity or other method of identifying a “business” activity.

**“Identity Fraud Occurrence”** means any act or series of acts of “Identity Fraud” by a person or group which results in an insured loss during the policy period.

**“Leakage”** means the accidental entry, escape or release of “water” or other fluid through a gap, flaw or other opening.

**“Personal Transporter”** means a self-balancing, electric-powered transportation device able to turn in place and designed for one person, with a top speed of 20 km/h.

**“Pollutant”** means any solid, liquid, gaseous or thermal irritant or contaminant, including vapour, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. “Pollutants” do not mean fuel oil that is contained in a “domestic fuel tank” apparatus or pipes used to heat the “dwelling”.

**“Premises”** - in the case of a “homeowner”, means the “dwelling” and the land contained within the lot lines and within 100 feet /31.5 metres of the “dwelling”.

Under Section 3 LIMITED COVERAGES, “premises” means the “dwelling” and the land contained within the lot lines on which the “dwelling” is located.

“**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” or farming operation.

“**Seepage**” means the slow movement or oozing of “water” or other fluid through small openings, cracks or pores.

“**Specified Perils**” means, subject to the exclusions and conditions in this policy:

1. fire;
2. lightning;
3. explosion;
4. smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the “premises”;
5. falling object which strikes the exterior of the “Dwelling” or building;
6. impact by aircraft or land vehicle;
7. riot;
8. vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
9. “water” escape meaning:
  - (a) the sudden and accidental escape of “water” from within a “water main”, swimming pool or equipment attached;
  - (b) the sudden and accidental escape of “water” or steam from within a heating, sprinkler, air conditioning or plumbing system, or a “domestic water container” which is located inside “your” “dwelling”;
  - (c) “water” which enters through an opening which has been created suddenly and accidentally by an insured peril;
10. windstorm or hail;
11. transportation meaning 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 vehicle of a common carrier, but does not include loss or damage to property in a vacation or home trailer which is owned by “you”.

“**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 either of two persons who are:

- married to each other or who have together entered into a marriage that is voidable or void; or
- living together in a conjugal relationship outside marriage and have so lived together continuously for a period of three years or, if they are the natural or adoptive parents of a child, for a period of one year; or
- considered “spouses” under the Family Law Act, or its’ equivalent, in the jurisdiction in which the policy was issued.

“**Student**” means any “student” insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university. The “student” must be dependent on the named insured or his or her “spouse” for support and maintenance in order for coverage on this policy to extend to him/her.

“**Surface waters**” means “water” or natural precipitation temporarily diffused over the surface of the ground not caused by “flood” or escape of “water” from a “domestic water container” or “water main”.

“**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.

“**Under Construction**” means construction from the foundation, or any alterations or repairs to the “dwelling” which result in the piercing of an exterior wall or the roof for more than 24 hours, or which necessitates “your” temporary relocation.

**"Vacant"** refers to the circumstance where, regardless of the presence of furnishings:

- all occupants have moved out with no intention of returning to reside continuously in the "dwelling" and no new occupant has taken up residence; or
- in the case of a newly constructed or acquired "dwelling", no occupant has yet taken up residence.

**"Volunteer"** means any person who donates time to an organization for a charitable purpose or in direct service to the general public or the community.

**"Water"** means the chemical element defined as H<sub>2</sub>O in any of its three natural states, liquid, solid and gaseous.

**"Water main"** means a pipe forming part of a public "water" distribution system, which conveys consumable "water" but not wastewater.

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

**"You" or "your"** means the person(s) named as Insured on the "Declaration Page" and, while living in the same household, his or her "spouse", the relatives of either or any person under the age of 21 in their care. This also includes any "student" insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university.

Only the person named on the "Declaration Page" may take legal action against "us".

## SECTION 1- RESIDENTIAL PROPERTY COVERAGES

### ALL STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY APPLY TO ALL COVERAGES OF SECTION 1

#### COVERAGES

The amounts of insurance are shown on the "Declaration Page" for the coverages "you" have purchased. These amounts include the cost of removal of debris of the property insured by this policy as a result of an Insured Peril. When the damage to the property plus the cost of cleaning and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged Building(s) will be available to cover debris removal expenses.

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 property at the time of loss.

#### COVERAGE A - DWELLING BUILDING

"We" insure:

1. The "dwelling" and attached structures.
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 against the peril of theft only when "your" "dwelling" is completed and ready to be occupied.

**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.

**Tear out:** If any walls, ceilings or other parts of insured buildings or structures must be torn apart before "water" damage covered by this form 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 public "water mains" or outdoor plumbing systems is not insured.

#### COVERAGE B - DETACHED PRIVATE STRUCTURES

We insure structures or buildings separated from the "dwelling" by a clear space, on "your" "premises" but not insured under Coverage A. If they are connected to the "dwelling" by a fence, utility line or similar connection only, they are considered to be detached private structures. Owned docks and boathouses on the shoreline of "your" "premises" are also included in this section of coverage.

#### Property Not Included as Detached Private Structures

This coverage does not apply to any building or structure that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or "business" purposes, whether it is in use, unoccupied, or "vacant".

#### COVERAGE C - PERSONAL PROPERTY

The description of Personal Property in the Residential Policy is as follows:

1. **ON PREMISES:** "We" insure the contents of "your" "dwelling" and other personal property "you" own, wear or use while on "your" "premises" which is usual to the ownership or maintenance of a "dwelling".  
If "you" wish, "we" will include uninsured personal property of others, while it is on "your" "premises" but "we" do not insure property of tenants, roomers or boarders who are not related to "you".

2. **OFF PREMISES:** “We” insure “your” personal property for an additional amount of up to 10% of the amount of insurance on “your” Personal Property or \$1,500, whichever is greater, while it is temporarily away from “your” “premises”, anywhere in the world. This includes personal property newly acquired by “you” and in “your” possession when there has not been an opportunity to take such property to “your” “premises”.
- Personal property normally kept at any other location “you” own, rent or occupy is not insured.
  - Personal property stored in a warehouse is only insured for the peril of theft.
  - If “you” wish, “we” will include uninsured personal property belonging to others while it is in “your” possession or belonging to a “residence employee” traveling for “you” to a maximum of \$1,500.
  - Personal property of “students” residing away from home is insured up to a limit of \$5,000 for each “student”.
  - Personal property of a parent or family member who is dependent on “you” for support and maintenance, while residing in a nursing home or other health-care facility, is insured up to a limit of \$2,500.
  - Personal property belonging to others which is in “your” possession while “you” are acting as a “volunteer” is limited to \$1,000.
  - Personal property that “you” are moving to a new principal residence in the province of Ontario is insured while in transit and while at “your” new principal residence for up to 30 consecutive days beginning the day “you” start “your” move. The amount of insurance will be divided in the proportion that the value of the property at each premise and in transit bears to the value of all “your” personal property, at the time of loss.

### **Property Not Included as Personal Property**

“We” do not insure loss or damage to motorized vehicles, trailers, aircraft, unmanned air vehicles, drones or their equipment, except:

- motorized wheelchairs;
- scooters having more than two wheels and specifically designed for the carriage of a person with a physical disability and not subject to motor vehicle registration;
- “personal transporters”;
- watercraft;
- motorized lawn mowers, lawn and garden tractors up to 22kW (30 HP), other gardening equipment or snow blowers (subject to Special Limits Applicable to Some Personal Property);
- golf carts not subject to motor vehicle registration;
- electric bicycles maximum speed 32 km/h and not subject to motor vehicle registration;
- electric powered children’s toys, maximum 10 km/h and not subject to vehicle registration.

Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle, aircraft, unmanned air vehicle or drone.

### **Special Limits Applicable to Some Personal Property:**

“We” insure:

1. Jewelry, watches, gems, fur garments and garments trimmed with fur up to \$3,000 in all;
2. Numismatic property (such as coin collections and bank note collections) up to \$300 in all;
3. Collectables, meaning specifically, sports cards, sports memorabilia, and comic book collections, up to \$1,500 in all;
4. Stamps and philatelic property (such as stamp collections) up to \$1,500 in all;
5. Silverware, meaning silverware, silver-plated ware, goldware, gold-plated ware and pewterware up to \$10,000 in all.

The above limits only apply to loss or damage caused by the peril of theft.

“We” insure:

6. Books, tools and instruments pertaining to a “business”, profession or occupation for an amount up to \$3,000 in all, but only while on “your” “premises”. Other “business” property, including samples and goods held for sale, is not insured;
7. Securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right to claim a benefit for an amount up to \$3,000 in all;
8. Money, bullion, or “cash cards” up to \$300 in all;
9. Lawn and garden tractors and golf carts including attachments and accessories up to \$15,000 in all;

10. Watercraft, their furnishings, equipment, accessories and motors up to \$1,000 in all. Loss or damage from windstorm or hail is insured only if they were inside a fully enclosed building. Canoes and rowboats are also insured while in the open;
11. Computer software, including "digital assets" up to \$1,000 in all. "We" do not insure the cost of gathering or assembling information or "data";
12. Antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
13. Parts for motorized vehicles that are not installed yet up to \$3,000 in all;
14. Bicycles and related equipment up to \$1,000 for any one bicycle or unattached piece of equipment;
15. Utility trailers up to \$1,000 in all;
16. "Personal transporters" up to a maximum of \$3,500 for any one "personal transporter" or unattached piece of equipment.
17. Electric bicycles up to a maximum of \$3,000 for any one electric bicycle.

## COVERAGE D - ADDITIONAL LIVING EXPENSES

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. "We" do not insure the cancellation of a lease or agreement.

1. **Additional Living Expense:** If damage to "your" "dwelling" by an insured peril makes it unfit for occupancy, or "you" have to move out while repairs are being made, "we" insure any necessary 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 damage to "your" "dwelling" or detached private structures or unit by an insured peril makes that part of the "dwelling", detached private structure or unit 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", detached private structure or unit rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the "dwelling", detached private structure or unit rented or held for rental is unfit for occupancy.
3. **Civil Authority Prohibits Access:** If, as the direct result of damage to neighbouring "premises" by an insured peril, a civil authority prohibits access to "your" "dwelling" "we" insure any resulting Additional Living Expense and Fair Rental Value for a period not exceeding 30 days.
4. **Emergency Evacuation:** "We" will pay any necessary and reasonable increase in living expense incurred by "you" while access to "your" "dwelling" is prohibited by order of civil authority, but only when such order is given for evacuation as a direct result of a sudden and accidental emergency. "You" are insured for a period not exceeding 30 days from the date of the order of evacuation, or \$3,000, whichever is the lesser. "You" are not insured for any claim arising from evacuation resulting from:
  - (a) "flood", this exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
  - (b) earthquake;
  - (c) war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
  - (d) nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
  - (e) contamination by radioactive material;
  - (f) "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

The term "civil authority" means 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.

#### **ADDITIONAL COVERAGES OF SECTION 1:**

1. **Lawns, Outdoor Trees, Shrubs and Plants:** "You" may apply up to 5% of the amount of insurance on "your" "dwelling" to lawns, trees, shrubs and plants owned by "you" on "your" "premises". "We" will not pay more than \$500 for any one lawn, tree, shrub or plant, including debris removal expenses.  
"We" insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism or malicious acts, as described under Insured Perils.  
"We" do not insure items grown for commercial purposes.
2. **Pollution Damage - Insured Premises:** If a sudden and unintentional event occurs during the policy term resulting in pollution or contamination of property of the insured "premises", which is required to be reported to any provincial authority, "we" will pay up to \$5,000, in any one policy year, subject to the policy deductible, for costs to remove and restore property of the insured "premises".
3. **Credit or Debit Cards and Forgery and Counterfeit Money:**  
"We" will pay for:
  - (a) "your" legal obligation to pay because of the theft or unauthorized use of credit or debit cards, automated teller cards, library or video cards issued to "you" or registered in "your" name provided "you" have complied with all of the conditions under which the card was issued;
  - (b) loss to "you" caused by forgery or alteration of cheques, drafts or other negotiable instruments;
  - (c) loss by "your" acceptance in good faith of counterfeit Canadian or United States paper currency.

"We" do not cover:

- (a) losses caused by a resident of "your" household;
- (b) losses caused by a person to whom the card has been entrusted;
- (c) losses arising out of "your" "business" pursuits.

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

No deductible applies to this Additional Coverage.

4. **Refrigerator and Freezer Foods:** "We" insure foodstuffs while contained in any refrigerator or food freezer unit(s) located within (or on) "your" "premises" for loss up to \$1,000 per occurrence when caused by a power failure or mechanical breakdown of such unit(s). "You" may apply a part of this limit to any reasonable expenses incurred, excluding repair or replacement parts, to reduce or avert the loss.  
"We" do not insure loss or damage:
  - (a) due to deliberate manual disconnection of the electrical power supply on "your" "premises";
  - (b) due to inherent vice and/or natural spoilage;
  - (c) due to "your" failure to take all reasonable steps to prevent further loss or damage to the insured property;

No deductible applies to this Additional Coverage.

5. **Fire Department Charges:** "We" will reimburse "you" for up to \$5,000 per occurrence if "you" are legally obligated to pay "your" municipal fire department resulting from charges incurred for attending "your" "premises" to save or protect insured property from loss or damage, or further loss or damage, due to an insured peril.

No deductible applies to this Additional Coverage.

6. **Arson or Theft Conviction Reward:** "We" will pay up to \$1,000 for information which leads directly to the conviction of any person or persons who rob from any person insured under this policy, or steal, vandalize, burglarize or commit arson to any covered property insured by this policy. The \$1,000 maximum payment under this section applies regardless of the number of persons providing information.  
No deductible applies to this Additional Coverage.

## INSURED PERILS - RESIDENTIAL PROPERTY - STANDARD FORM

If the "Declaration Page" shows that Residential Property - Standard Form applies, "we" insure "your" "dwelling", detached private structures, and "your" personal property against direct loss or damage caused by the following perils as described and subject to the exclusions, limitations and conditions of this form:

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".
4. FALLING OBJECT: This peril means a falling object which strikes the exterior of the "dwelling" or building, but not objects which strike because of snowslide, iceslide, landslide or any other earth movement.
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:
  - (a) loss or damage occurring while the "dwelling" is "under construction" or "vacant" even if permission for construction or vacancy has been given by "us";
  - (b) damage caused by "you", members of "your" household, or "your" employees, any tenants, employees or member of the tenant's household;
  - (c) loss or damage caused by theft or attempted theft.
8. WATER ESCAPE: This peril means:
  - (a) the sudden and accidental escape of "water" from within a "water main";
  - (b) the sudden and accidental escape of "water" or steam from within a heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" which is located inside "your" "dwelling";
  - (c) The sudden and accidental escape of water from outdoor plumbing systems, or "domestic water container", which is located outside "your" "dwelling", and on "your" "premises";
  - (d) "water" which enters through an opening which has been created suddenly and accidentally by an insured Peril.

But "we" do not cover loss or damage:

  - i) caused by continuous or repeated "seepage" or "leakage" of "water";
  - ii) caused by "flood", this exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
  - iii) caused by backing up or escape of "water" from a sewer or drain, sump or septic tank;
  - iv) caused by "ground water" or rising of the water table;
  - v) caused by "surface waters", unless the "water" escapes from a "water main" or "domestic water container" located outside "your" "dwelling";
  - vi) to "water mains", heating, sprinkler, air conditioning or plumbing systems, or a "domestic water container" from which the "water" escaped;
  - vii) to outdoor plumbing systems, "domestic water containers" and attached equipment located outside "your" "dwelling", and on "your" "premises" caused by freezing, "water", or rupture;
  - viii) occurring while the "dwelling" is "under construction" or "vacant", even if permission for construction or vacancy has been given by "us";
  - ix) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or "domestic water container" unless it happens within a "dwelling" heated during the usual heating season and "you" have not been away from "your" "premises" for more than four consecutive days. However, if "you" had arranged for a competent person to enter "your" "dwelling" daily to ensure that heating was being maintained or if "you" had shut off the "water" supply and had drained all the pipes and appliances "you" would still be insured;
  - x) caused by freezing in an unheated portion of the "dwelling".
9. WINDSTORM or HAIL: This peril does not include loss or damage to the interior of a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.

This peril does not include damage:

  - (a) to outdoor radio and/or TV antennae, towers, satellite receivers and their attachments;
  - (b) due to weight or pressure of ice or snow, waves, "flood", land subsidence, whether driven by wind or not.
10. GLASS BREAKAGE. "We" insure glass that forms part of "your" "dwelling" or detached private structures on "your" "premises", including glass in storm windows and doors, 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 vehicle 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:

- i) property in a cabin or home trailer which "you" own;
- ii) 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 any tenant, 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.
13. COLLAPSE, INCLUDING COLLAPSE CAUSED BY THE WEIGHT OF ICE OR SNOW: This peril means the collapse of foundations, walls, floors or roof of a "dwelling". This peril does not include loss or damage caused directly or indirectly:
  - (a) to outside property such as awnings, fences, trellises, fibreglass or plastic roof coverings, swimming pools, patios, driveways, walks or retaining walls, outdoor radio and/or TV antennae, towers, satellite receivers and their attachments;
  - (b) by earthquake, or by the settling, cracking, expanding, contracting, moving, shifting or bulging of any "dwelling";
  - (c) by rodents (such as squirrels and rats), insects or vermin (such as raccoons and skunks), bats or by dampness of atmosphere, dryness of atmosphere, rotting, rust or corrosion.
14. FUEL LEAKAGE: This peril means the sudden and accidental escape of fuel from a permanently installed "domestic fuel tank" (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured "dwelling" or detached private structure.
15. CHANGE OF TEMPERATURE: This peril means loss or damage to personal property kept in "your" "dwelling", caused by a change of temperature that results from physical damage to "your" "dwelling" caused by an insured peril.

## **LOSS OR DAMAGE NOT INSURED – RESIDENTIAL PROPERTY – STANDARD FORM**

### **Property Excluded:**

"We" do not insure loss or damage to:

1. "your" insured "dwelling" when it has, to "your" knowledge, been "vacant" for more than 30 consecutive days;
2. "dwellings" or detached private structures while being moved or transported;
3. any property illegally acquired or kept;
4. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
5. property resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
6. electrical devices or appliances caused by electrical currents other than lightning;
7. property while undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
8. household pets;
9. retaining walls not constituting part of any insured building, except for loss or damage caused by the perils of Fire, Lightning, Impact by Land Vehicle or Aircraft or Vandalism or Malicious Acts;
10. buildings, units or structures designed for agricultural purposes or used in whole or in part for farming or any other commercial or "business" purposes unless declared on the "Declaration Page";
11. buildings and/or structures, and their contents, 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 the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
12. livestock.

### **Perils Excluded:**

"We" do not insure loss or damage resulting from, contributed to or caused directly or indirectly:

13. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
14. by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from

- fire, lightning, or explosion of natural, coal or manufactured gas;
- 15. by contamination by radioactive material;
- 16. by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or "pollutants", except damage to the "dwelling" or personal property caused by Peril 14 Fuel Leakage or as provided under Additional Coverage of Section 1;
- 17. by wear, tear, scratching, marring, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, "fungi" or "spore(s)", or contamination;
- 18. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), bats, insects or household pets, except loss or damage to building glass;
- 19. because of increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
- 20. by an intentional or criminal act or failure to act by:
  - (a) "you" or any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy; or
  - (c) "your" employees or anyone to whom the damaged or lost property was entrusted.
    - 1. This exclusion applies only to the claim of a person:
      - i) whose act or omission caused the insured loss or damage;
      - ii) who abetted or colluded in the act or omission;
      - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
      - iv) who is in a class prescribed by regulation.
    - 2. An insured person to whom this exclusion does not apply:
      - i) must co-operate with "us" in respect of the investigation of the loss or damage, including without limitation
        - by submitting to an examination under oath, if requested by "us";
        - by producing for examination at a reasonable time and place designated by "us", documents specified by "us" that relate to the loss or damage; and
        - by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by "us".
      - ii) cannot recover more than their proportionate interest in the lost or damaged property.
- 21. by mysterious disappearance;
- 22. by the cost involved to correct faulty material, workmanship, or design;
- 23. by impact of waterborne objects, including ice, whether driven by wind or not;
- 24. in whole or in part by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

**Data Exclusion**

This policy does not insure:

- (a) "Data";
- (b) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Specified Perils" as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

## OPTIONAL FORMS OF INSURED PERILS OF SECTION 1

### OPTION 1: RESIDENTIAL PROPERTY – BROAD FORM

If the “Declaration Page” shows that Residential Property - Broad Form applies:

#### INSURED PERILS - RESIDENTIAL PROPERTY - BROAD FORM

##### A. DWELLING BUILDING and DETACHED PRIVATE STRUCTURES:

“We” insure “your” “dwelling” and detached private structures against direct physical loss or damage subject to the exclusions, limitations and conditions of this form.

#### LOSS OR DAMAGE NOT INSURED – DWELLING BUILDING and DETACHED PRIVATE STRUCTURES - RESIDENTIAL PROPERTY – BROAD FORM

##### Property Excluded:

“We” do not insure loss of or damage to:

1. “your” insured “dwelling”, when it has to “your” knowledge, been “vacant” for more than 30 consecutive days;
2. “dwellings” or detached private structures while being moved or transported;
3. buildings or structures used in whole or in part or designed for farming, commercial or “business” purposes unless declared on the “Declaration Page”;
4. any property illegally acquired or kept;
5. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
6. property resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
7. lawns, outdoor trees, shrubs or plants except as provided under Additional Coverages of this policy;
8. property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
9. retaining walls not constituting part of any insured building, except for loss or damage caused by the perils of Fire, Lightning, Impact by Land Vehicle or Aircraft or Vandalism or Malicious Acts;
10. buildings and/or structures, and their contents, 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 the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
11. livestock.

##### Perils Excluded:

“We” do not insure against loss or damage resulting from, contributed to or caused directly or indirectly:

12. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
13. by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
14. by contamination by radioactive material;
15. by or resulting from contamination or pollution or the release, discharge or dispersal of contaminants or “pollutants”, except damage to the “dwelling” caused by the sudden and accidental escape of fuel from a permanently installed “domestic fuel tank” (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured “dwelling” or detached private structure or as provided under Additional Coverages of Section 1;
16. by wear, tear, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, “fungi” or “spore(s)”, or contamination;
17. by scratching or marring of any property or breakage of any fragile or brittle articles unless caused by a Specified Peril, impact by watercraft or aircraft, or theft or attempted theft;
18. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects, bats or household pets, except loss damage to building glass;
19. because of increased costs of repair or replacement due to operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
20. by an intentional or criminal act or failure to act by:
  - (a) “you” or any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy; or
  - (c) “your” employees or anyone to whom the damaged or lost property was entrusted.

1. This exclusion applies only to the claim of a person:
    - i) whose act or omission caused the insured loss or damage;
    - ii) who abetted or colluded in the act or omission;
    - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
    - iv) who is in a class prescribed by regulation.
  2. An insured person to whom this exclusion does not apply:
    - i) must co-operate with "us" in respect of the investigation of the loss or damage, including without limitation
      - by submitting to an examination under oath, if requested by "us";
      - by producing for examination at a reasonable time and place designated by "us", documents specified by "us" that relate to the loss or damage; and
      - by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by "us".
    - ii) cannot recover more than their proportionate interest in the lost or damaged property.
  21. by the cost involved to correct faulty material, workmanship, or design;
  22. by settling, expansion, contraction, moving, bulging, buckling, or cracking except resulting damage to building glass;
  23. by smoke from agricultural smudging or industrial operations;
  24. by buildup of smoke. Smoke damage must be sudden and accidental;
  25. by any earth movement including, but not limited to, earthquake, landslide, snowslide, iceslide. If any of these results in fire or explosion, "we" will pay only for the resulting loss or damage;
  26. by collapse of:
    - (a) outside property such as awnings, fences, or trellises unless resulting from structural collapse of foundations, walls, floors or roof of a building;
    - (b) patios, driveways, walks or retaining walls, outdoor radio and/or television antennae, towers, satellite receivers and their attachments;
  27. by "water" unless the loss or damage directly resulted from:
    - (a) the sudden and accidental escape of "water" from within a "water main";
    - (b) the sudden and accidental escape of "water" or steam from within a heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" which is located inside "your" "dwelling";
    - (c) The sudden and accidental escape of "water" from outdoor plumbing systems, or "domestic water container", which is located outside "your" "dwelling", and on "your" "premises";
    - (d) "water" which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
    - (e) "water" from the accumulation of ice or snow on the roof or eavestrough, which enters the "dwelling" through the roof as a result of "ice damming";
- But "we" do not cover loss or damage:
- i) caused by continuous or repeated "seepage" or "leakage" of "water";
  - ii) caused by "flood", this exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
  - iii) caused by backing up or escape of "water" from a sewer or drain, sump or septic tank;
  - iv) caused by "ground water" or rising of the water table;
  - v) caused by "surface waters", unless the "water" escapes from a "water main" or "domestic water container" located outside "your" "dwelling";
  - vi) to "water mains", heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" from which the "water" escaped;
  - vii) to outdoor plumbing systems, "domestic water containers" and attached equipment located outside "your" "dwelling", and on "your" "premises caused by freezing, "water", or rupture;
  - viii) occurring while the "dwelling" is "under construction" or "vacant", even if permission for construction or vacancy has been given by "us";
  - ix) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or "domestic water container" unless it happens within a "dwelling" heated during the usual heating season and "you" have not been away from "your" "premises" for more than four consecutive days. However, if "you" had arranged for a competent person to enter "your" "dwelling" daily to ensure that heating was being maintained or if "you" had shut off the "water" supply and had drained all the pipes and appliances "you" would still be insured;
  - x) caused by freezing in an unheated portion of the "dwelling".

28. due to vandalism or malicious acts caused by "you" or any members of "your" household, or "your" employees, or by any tenant, employee or member of the tenant's household;
29. by vandalism or malicious acts or theft or glass breakage occurring while "your" "dwelling" is "under construction" or "vacant" even if permission for construction or vacancy has been given by "us";
30. by theft or attempted theft by any tenant, members of a tenant's household or employees of the tenant;
31. by impact of waterborne objects, including ice, whether driven by wind or not;
32. in whole or in part by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

### **Data Exclusion**

This policy does not insure:

- (a) "Data";
- (b) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Specified Perils" as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

### **B. INSURED PERILS - RESIDENTIAL PERSONAL PROPERTY - BROAD FORM:**

"We" insure "your" personal property against direct loss or damage caused by the following perils as described and subject to the exclusions, limitations and conditions of this form.

"We" insure "your" Personal Property against direct loss or damage 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".
4. FALLING OBJECT: This peril means a falling object, which strikes the exterior of the "Dwelling" or building, but not objects which strike because of snowslide, iceslide, landslide or any other earth movement.
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:
  - (a) loss or damage occurring while the "dwelling" is "under construction" or "vacant" even if permission for construction or vacancy has been given by "us";
  - (b) damage caused by "you", members of "your" household, or "your" employees, any tenant's, employee's or member of the tenant's household;
  - (c) loss or damage caused by theft or attempted theft.
8. WATER ESCAPE: This peril means:
  - (a) the sudden and accidental escape of "water" from within a "water main";
  - (b) the sudden and accidental escape of "water" or steam from within a heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" which is located inside "your" "dwelling";
  - (c) the sudden and accidental escape of "water" from outdoor plumbing systems or "domestic water container", which is located outside "your" "dwelling", and on "your" "premises";
  - (d) "water" which enters through an opening which has been created suddenly and accidentally by an insured Peril;

But "we" do not cover loss or damage:

- i) caused by continuous or repeated "seepage" or "leakage" of "water";
- ii) caused by "flood", this exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
- iii) caused by backing up or escape of "water" from a sewer or drain, sump or septic tank;
- iv) caused by "ground water" or rising of the water table;
- v) caused by "surface waters", unless the "water" escapes from a "water main" or "domestic water container" located outside "your" "dwelling";
- vi) to "water mains", heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" from which the "water" escaped;

- vii) to outdoor plumbing systems, “domestic water containers” and attached equipment located outside “your” “dwelling”, and on “your” “premises” caused by freezing, “water”, or rupture;
  - viii) occurring while the “dwelling” is “under construction” or “vacant”, even if permission for construction or vacancy has been given by “us”;
  - ix) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or “domestic water container” unless it happens within a “dwelling” heated during the usual heating season and “you” have not been away from “your” “premises” for more than four consecutive days. However, if “you” had arranged for a competent person to enter “your” “dwelling” daily to ensure that heating was being maintained or if “you” had shut off the “water” supply and had drained all the pipes and appliances “you” would still be insured;
  - x) caused by freezing in an unheated portion of the “dwelling”.
9. WINDSTORM or HAIL: This peril does not include loss or damage to the interior of a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.  
This peril does not include damage:
- (a) due to weight or pressure of ice or snow, waves, “flood”, land subsidence, whether driven by wind or not.
10. GLASS BREAKAGE. “We” insure glass that forms part of “your” “dwelling” or detached private structures on “your” “premises”, including glass in storm windows and doors, against accidental breakage.  
This peril does not include loss or damage occurring while “your” 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 vehicle 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:
- i) property in a cabin or home trailer which “you” own;
  - ii) 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 any tenant, 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.
13. COLLAPSE, INCLUDING COLLAPSE CAUSED BY THE WEIGHT OF ICE OR SNOW: This peril means the collapse of foundations, walls, floors or roof of a “dwelling”. This peril does not include loss or damage caused directly or indirectly:
- (a) to outside property such as awnings, fences, trellises, fibreglass or plastic roof coverings, patios, driveways, walks or retaining walls, outdoor radio and/or TV antennae, towers, satellite receivers and their attachments;
  - (b) by earthquake, or by the settling, cracking, expanding, contracting, moving, shifting or bulging of any “dwelling”;
  - (c) by rodents (such as squirrels and rats), insects or vermin (such as raccoons and skunks), bats or by dampness of atmosphere, dryness of atmosphere, rotting, rust or corrosion.
14. FUEL LEAKAGE: This peril means the sudden and accidental escape of fuel from a permanently installed “domestic fuel tank” (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured “dwelling” or detached private structure;
15. CHANGE OF TEMPERATURE: This peril means loss or damage to personal property kept in “your” “dwelling”, caused by a change of temperature that results from physical damage to “your” “dwelling” caused by an insured peril.

**LOSS OR DAMAGE NOT INSURED – PERSONAL PROPERTY - RESIDENTIAL PROPERTY – BROAD FORM  
Property Excluded:**

“We” do not insure loss or damage to:

- 1. “your” insured property when “your” “dwelling” has to “your” knowledge, been “vacant” for more than 30 consecutive days;
- 2. any property illegally acquired or kept;
- 3. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- 4. property resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;

5. property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
6. household pets;
7. retaining walls not constituting part of any insured building, except for loss or damage caused by the perils of Fire, Lightning, Impact by Land Vehicle or Aircraft or Vandalism or Malicious Acts;
8. buildings, units or structures designed for agricultural purposes or used in whole or in part for farming or any other commercial or "business" purposes unless declared on the "Declaration Page";
9. buildings and/or structures, and their contents, 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 the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
10. livestock.

**Perils Excluded:**

"We" do not insure loss or damage resulting from, contributed to or caused directly or indirectly:

11. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
12. by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
13. by contamination by radioactive material;
14. by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or "pollutants", except damage to the "dwelling" (if "you" are the owner) or personal property caused by Peril 14 or as provided under Additional Coverage of Section 1;
15. by the cost involved to correct faulty material, workmanship, or design;
16. by wear, tear, scratching, marring, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, "fungi" or "spore(s)", or contamination;
17. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects, bats or household pets, except loss or damage to building glass;
18. because of increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
19. by an intentional or criminal act or failure to act by:
  - (a) "you" or any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy; or
  - (c) "your" employees or anyone to whom the damaged or lost property was entrusted.
    1. This exclusion applies only to the claim of a person:
      - i) whose act or omission caused the insured loss or damage;
      - ii) who abetted or colluded in the act or omission;
      - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
      - iv) who is in a class prescribed by regulation.
    2. An insured person to whom this exclusion does not apply:
      - i) must co-operate with "us" in respect of the investigation of the loss or damage, including without limitation
        - by submitting to an examination under oath, if requested by "us";
        - by producing for examination at a reasonable time and place designated by "us", documents specified by "us" that relate to the loss or damage; and
        - by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by "us".
      - ii) cannot recover more than their proportionate interest in the lost or damaged property.
20. by mysterious disappearance;
21. by impact of waterborne objects, including ice, whether driven by wind or not;
22. in whole or in part by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

**Data Exclusion**

This policy does not insure:

- (a) "Data";

(b) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Specified Perils" as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

## **OPTION 2: RESIDENTIAL PROPERTY - PLUS FORM**

### **INSURED PERILS - RESIDENTIAL PROPERTY - PLUS FORM**

If the "Declaration Page" shows that Residential Property - Plus Form applies, "we" insure "your" "dwelling", detached private structures, and "your" personal property, against direct physical loss or damage, subject to the exclusions, limitations and conditions of this form.

### **LOSS OR DAMAGE NOT INSURED – RESIDENTIAL PROPERTY – PLUS FORM**

#### **Property Excluded:**

"We" do not insure loss of or damage to:

1. "your" insured property when "your" "dwelling" has to "your" knowledge, been "vacant" for more than 30 consecutive days;
2. buildings or structures used in whole or in part or designed for farming, commercial or "business" purposes unless declared on the "Declaration Page";
3. "dwellings" or detached private structures while being moved or transported;
4. any property illegally acquired or kept;
5. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
6. property resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
7. lawns, outdoor trees, shrubs or plants except as provided under Additional Coverages of this policy
8. property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
9. household pets, unless the loss or damage is caused by a "Specified Peril" other than item (6) "impact" or item (11) "transportation";
10. sporting equipment where the loss or damage is due to its use;
11. property at any fairground, exhibition or exposition for the purpose of exhibition or sale;
12. retaining walls not constituting part of any insured building, except for Fire, Lightning, Impact by Land Vehicle or Aircraft or Vandalism or Malicious Acts;
13. buildings and/or structures, and their contents, 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 the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
14. livestock.

#### **Perils Excluded:**

"We" do not insure against loss or damage resulting from, contributed to or caused directly or indirectly:

15. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
16. by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
17. by contamination by radioactive material;
18. by or resulting from contamination or pollution or the release, discharge or dispersal of contaminants or "pollutants", except damage to the "dwelling" caused by the sudden and accidental escape of fuel from a permanently installed "domestic fuel tank" (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured "dwelling" or detached private structure or as provided under Additional Coverages of Residential Property – Plus Form;
19. by wear, tear, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, "fungi" or spore(s), or contamination;
20. by scratching or marring of any property or breakage of any fragile or brittle articles unless caused by a Specified Peril, impact by watercraft or aircraft, or theft or attempted theft;
21. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects, bats or household pets, except loss or damage to building glass;
22. by an intentional or criminal act or failure to act by:

- (a) "you" or any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy; or
  - (c) "your" employees or anyone to whom the damaged or lost property was entrusted.
1. This exclusion applies only to the claim of a person:
    - i) whose act or omission caused the insured loss or damage;
    - ii) who abetted or colluded in the act or omission;
    - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
    - iv) who is in a class prescribed by regulation.
  2. An insured person to whom this exclusion does not apply:
    - i) must co-operate with "us" in respect of the investigation of the loss or damage, including without limitation
      - by submitting to an examination under oath, if requested by "us";
      - by producing for examination at a reasonable time and place designated by "us", documents specified by "us" that relate to the loss or damage; and
      - by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by "us".
    - ii) cannot recover more than their proportionate interest in the lost or damaged property
23. by the cost involved to correct faulty material, workmanship, or design;
  24. by settling, expansion, contraction, moving, bulging, buckling, or cracking except resulting damage to building glass;
  25. by smoke from agricultural smudging or industrial operations;
  26. by buildup of smoke. Smoke damage must be sudden and accidental;
  27. by any earth movement including, but not limited to, earthquake, landslide, snowslide, or iceslide. If any of these results in fire or explosion, "we" will pay only for the resulting loss or damage;
  28. by collapse of:
    - (a) outside property such as awnings, fences, or trellises unless resulting from structural collapse of foundations, walls, floors or roof of a building;
    - (b) patios, driveways, walks or retaining walls, outdoor radio and/or television antennae, towers, satellite receivers and their attachments;
  29. by "water" unless the loss or damage directly resulted from:
    - (a) the sudden and accidental escape of "water" from within a "water main";
    - (b) the sudden and accidental escape of "water" or steam from within a heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" which is located inside "your" "dwelling";
    - (c) The sudden and accidental escape of "water" from outdoor plumbing systems or "domestic water container", which is located outside "your" "dwelling", and on "your" "premises";
    - (d) "water" which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
    - (e) "water" from the accumulation of ice or snow on the roof or eavestrough, which enters the "dwelling" through the roof as a result of "ice damming";
- But "we" do not cover loss or damage:
- i) caused by continuous or repeated "seepage" or "leakage" of "water";
  - ii) caused by "flood"; this exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
  - iii) caused by backing up or escape of "water" from a sewer or drain, sump or septic tank;
  - iv) caused by "ground water" or rising of the water table;
  - v) caused by "surface waters", unless the "water" escapes from a "water main" or "domestic water container" located outside "your" "dwelling";
  - vi) to "water mains", heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" from which the "water" escaped;
  - vii) to outdoor plumbing systems, "domestic water containers" and attached equipment located outside "your" "dwelling", and on "your" "premises" caused by freezing, "water", or rupture;
  - viii) occurring while the "dwelling" is "under construction" or "vacant", even if permission for construction or vacancy has been given by "us";
  - ix) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or "domestic water container" unless it happens within a "dwelling" heated during the usual heating season and "you" have not been away from "your" "premises" for more than four consecutive days. However, if "you" had arranged for a competent person to enter "your" "dwelling" daily to ensure that heating was being

maintained or if “you” had shut off the “water” supply and had drained all the pipes and appliances “you” would still be insured;

- x) caused by freezing in an unheated portion of the “dwelling”;
- 30. by change of temperature unless the loss or damage:
  - (a) is to personal property kept in “your” “dwelling”; and
  - (b) is the result of physical damage to “your” “dwelling” or equipment caused by a peril not otherwise excluded;
- 31. due to vandalism or malicious acts caused by “you” or any members of “your” household, or “your” employees, or by any tenant, employee or member of the tenant’s household;
- 32. by vandalism or malicious acts or theft or glass breakage occurring while “your” “dwelling” is “under construction” or “vacant” even if permission for construction or vacancy has been given by “us”;
- 33. by theft or attempted theft by any tenant, members of a tenant’s household or employees of the tenant;
- 34. by impact of waterborne objects, including ice, whether driven by wind or not;
- 35. in whole or in part by “terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “terrorism” regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but “you” are still insured for ensuing loss or damage which results directly from fire or explosion.

### **Data Exclusion**

This policy does not insure:

- (a) “Data”;
- (b) loss or damage resulting from, contributed to or caused directly or indirectly by “Data Problem”.

However, if loss or damage caused by “Data Problem” results in the occurrence of further loss or damage to property insured that is directly caused by “Specified Perils” as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

### **COVERAGE C-PERSONAL PROPERTY-PLUS FORM**

The description of Coverage C Personal Property under Residential Property Plus Form is as follows:

1. **ON PREMISES:** “We” insure the contents of “your” “dwelling” and other personal property “you” own, wear or use while on “your” “premises” which is usual to the ownership or maintenance of a “dwelling”.  
If “you” wish, “we” will include uninsured personal property of others, while it is on “your” “premises” but “we” do not insure property of tenants, roomers or boarders who are not related to “you”.
2. **OFF PREMISES:** “We” insure “your” personal property while it is temporarily away from “your” “premises”, anywhere in the world.  
This includes personal property newly acquired by “you” and in “your” possession when there has not been an opportunity to take such property to “your” “premises”.
  - Personal property normally kept at any other location “you” own, rent or occupy is not insured.
  - Personal property stored in a warehouse is only insured for 30 days unless the loss or damage is caused by theft. To extend coverage for this property in storage for a further period “we” must be notified in writing and endorse “your” policy as required.
  - If “you” wish, “we” will include uninsured personal property belonging to others while it is in “your” possession or belonging to a “residence employee” travelling for “you” to a maximum of \$3,000.
  - Personal property of “students” residing away from home is insured up to a limit of \$10,000 for each “student”.
  - Personal property of a parent or family member who is dependent on “you” for support and maintenance, while residing in a nursing home or other health-care facility, is insured up to a limit of \$2,500.
  - Personal property belonging to others which is in “your” possession while “you” are acting as a “volunteer” is limited to \$1,000.
  - Personal property that “you” are moving to a new principal residence in the province of Ontario is insured while in transit and while at “your” new principal residence for up to 30 consecutive days beginning the day “you” start “your” move. The amount of insurance will be divided in the proportion that the value of the property at each “premise” and in transit bears to the value of all “your”: personal property, at the time of loss.

## Property Not Included as Personal Property

“We” do not insure loss or damage to motorized vehicles, trailers, aircraft or unmanned air vehicles, drones or their equipment, except:

- motorized wheelchairs;
- scooters having more than two wheels and specifically designed for the carriage of a person with a physical disability and are not subject to motor vehicle registration;
- “personal transporters”;
- watercraft;
- motorized lawn mowers, lawn and garden tractors up to 22kW (30 HP), other gardening equipment or snow blowers (subject to Special Limits Applicable to Some Personal Property);
- golf carts that are not subject to motor vehicle registration;
- electric bicycles maximum speed 32 km/h and are not subject to motor vehicle registration;
- electric powered children’s toys, maximum 10 km/h and are not subject to vehicle registration.

Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle, aircraft, unmanned air vehicle or drone.

## Special Limits Applicable to Some Personal Property

The following Special Limits of Insurance apply to Personal Property insured under Residential Property - Plus Form.

“We” insure:

1. Jewelry, watches, gems, fur garments and garments trimmed with fur, up to \$6,000 in all;
2. Numismatic property (such as coin collections and bank note collections) up to \$500 in all;
3. Collectables, meaning specifically, sports cards, sports memorabilia, and comic book collections, up to \$2,500 in all;
4. Stamps and philatelic property (such as stamp collections) up to \$2,000 in all;
5. Silverware, meaning silverware, silver-plated ware, goldware, gold-plated ware and pewterware up to \$10,000 in all.

The above limits do not apply to any loss or damage caused by the “Specified Perils” listed in this section.

“We” insure:

6. Books, tools and instruments pertaining to a “business”, profession or occupation for an amount up to \$10,000 in all. Other “business” property, including samples and goods held for sale, is not insured;
7. Securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right to claim a benefit for an amount up to \$5,000 in all;
8. Money, bullion, or “cash cards” up to \$500 in all;
9. Lawn and garden tractors and golf carts including attachments and accessories up to \$15,000 in all;
10. Watercraft, their furnishings, equipment, accessories and motors up to \$3,000 in all. These are insured only for “specified perils” and theft or attempted theft. Loss or damage from windstorm or hail is insured if they were inside a fully enclosed building. Canoes and rowboats are also insured while in the open;
11. Computer software, including “digital assets” up to \$5,000 in all, including the cost of gathering or assembling lost information or “data”;
12. Antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
13. Parts for motorized vehicles that are not installed yet up to \$3,000 in all;
14. Bicycles and related equipment up to \$2,000 for any one bicycle or unattached piece of equipment;
15. Utility trailers up to \$1,000 in all;
16. “Personal transporters” up to a maximum of \$3,500 for any one “personal transporter” or unattached piece of equipment;
17. Electric bicycles up to a maximum of \$3,000 for any one electric bicycle.

## ADDITIONAL COVERAGES OF RESIDENTIAL PROPERTY - PLUS FORM

(Replaces Additional Coverages of Section 1)

1. **Lawns, Outdoor Trees, Shrubs and Plants:** “You” may apply up to 5% of the amount of insurance on “your” “dwelling” to lawns, trees, shrubs and plants on “your” “premises”. “We” will not pay more than \$2,500 for any

one lawn, tree, shrub or plant, including debris removal expenses.

"We" insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism or malicious acts.

"We" do not insure items grown for commercial purposes.

2. **Pollution Damage - Insured Premises:** If a sudden and unintentional event occurs during the policy term resulting in pollution or contamination of property of the insured "premises", which is required to be reported to any provincial authority, "we" will pay up to \$5,000, in any one policy year, subject to the policy deductible, for costs to remove and restore property of the insured "premises".
3. **Credit or Debit Cards and Forgery and Counterfeit Money:**  
"We" will pay for:
- "your" legal obligation to pay because of the theft or unauthorized use of credit or debit cards, automated teller cards, library or video cards issued to "you" or registered in "your" name provided "you" have complied with all of the conditions under which the card was issued;
  - loss to "you" caused by forgery or alteration of cheques, drafts or other negotiable instruments;
  - loss by "your" acceptance in good faith of counterfeit Canadian or United States paper currency.

"We" do not cover:

- losses caused by a resident of "your" household;
- losses caused by a person to whom the card has been entrusted;
- losses arising out of "your" "business" pursuits.

The most "we" will pay under this coverage during the term of this policy is \$5,000.  
No deductible applies to this Additional Coverage.

4. **Inflation Protection:**  
If there is a loss insured under Section 1 during the term of this policy, "we" will automatically increase the amounts of insurance shown on the "Declaration Page" under Section 1 by amounts which are solely attributable to the inflation increase:
- since the inception date of this policy; or
  - the latest renewal date, or
  - from the date of the most recent change to the amounts of insurance shown on the "Declaration Page",

whichever is the latest.

On the renewal date of "your" policy, if required, "we" will automatically increase the amounts of insurance shown on the "Declaration Page" under Section 1, by amounts which are solely attributable to the inflation increases since the inception date of this policy or the latest renewal date.

5. **Safety Deposit Box:** "We" will pay up to \$10,000 for loss or damage caused by any of the Insured Perils to "your" Personal Property while contained in a Bank (or Trust Company) safety deposit box.
6. **Lock Replacement:** "We" will pay up to \$500 for the replacement of locks or lock rekeying on the principal residence "dwelling" if the keys are stolen. No deductible applies to this Additional Coverage.
7. **Refrigerator and Freezer Foods:** "We" insure foodstuffs while contained in any refrigerator or food freezer unit(s) located within (or on) "your" "premises" for loss up to \$3,000 per occurrence when caused by a power failure or mechanical breakdown of such unit(s). "You" may apply a part of this limit to any reasonable expenses incurred, excluding repair or replacement parts, to reduce or avert the loss.  
"We" do not insure loss or damage:
- due to deliberate manual disconnection of the electrical power supply on the "premises";
  - due to inherent vice and/or natural spoilage;
  - due to "your" failure to take all reasonable steps to prevent further loss or damage to the insured property.
- No deductible applies to this Additional Coverage.

8. **Fire Department Charges:** "We" will reimburse "you" for up to \$5,000 per occurrence if "you" are legally

obligated to pay "your" municipal fire department resulting from charges incurred for attending "your" "premises" to save or protect insured property from loss or damage, or further loss or damage, due to an insured peril. No deductible applies to this Additional Coverage.

9. **Arson or Theft Conviction Reward:** "We" will pay up to \$1,000 for information which leads directly to the conviction of any person or persons who rob from any person insured under this policy, or steals, vandalizes, burglarizes or commits arson to any covered property insured by this policy. The \$1,000 maximum payment under this section applies regardless of the number of persons providing information. No deductible applies to this Additional Coverage.
10. **Emergency Services Forced Entry:** "We" will pay up to \$5,000 in all for loss or damage caused to the "dwelling" or detached private structure(s) when the fire, police or ambulance service has to force entry to the building(s) because of an emergency or perceived emergency involving "you" or "your" family. No deductible applies to this Additional Coverage.
11. **By-Law Coverage:** In the event of direct damage caused by an insured peril, "we" will pay an additional amount up to \$10,000 for the increased cost of demolition, construction, or repair to comply with any law regulating the zoning, demolition, repair or construction of buildings and their related services. Coverage is extended to pay for:
1. loss resulting from the demolition of any undamaged portion of the "dwelling"; or
  2. the cost of demolishing, and clearing the site of, any undamaged portion of the "dwelling"; or
  3. any increase in the cost of repairing, replacing, constructing or reconstructing the "dwelling" on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:
    - a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
    - b) is in force at the time of such loss or damage.

"We" will not pay:

1. more than the minimum amount required to comply with an enforceable by-law, regulation, ordinance or law;
  2. the additional costs caused by the enforcement of any by-law, regulation, ordinance or law which prohibits "you" from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy.
12. **"Identity Fraud":** "We" will pay up to \$10,000, or the limit shown on the "Declaration Page", for the following reasonable costs and expenses incurred by "you" as a result of "Identity Fraud" that occurs, or is discovered during the policy period. The limit applies regardless of the number of insured persons involved or affected:
1. reasonable costs associated with registered mail to businesses, law enforcement agencies, financial institutions, credit agencies and similar credit grantors;
  2. fees for the re-application of loans which had been declined as a result of incorrect or erroneous information;
  3. the reasonable costs or expenses (including mileage, associated parking costs, taxi cab fees or public transit fees) incurred for notarizing affidavits for financial institutions, credit agencies, credit grantors or similar lenders;
  4. the reasonable costs or expenses (including mileage, associated parking costs, taxi cab fees or public transit fees) incurred for notarizing affidavits for law enforcement agencies;
  5. long distance telephone expenses to discuss an actual "Identity Fraud Occurrence" to businesses, law enforcement agencies, financial institutions, credit agencies and similar credit grantors;
  6. earnings lost resulting from necessary time away from "your" employment for the purposes of completing affidavits and meeting with credit agencies, similar credit grantors, law enforcement departments, financial institutions, merchants and legal counsel, up to \$250 per day, or the maximum daily limit shown on the "Declaration Page" for each "Identity Fraud Occurrence";
  7. reasonable costs, fees or expenses associated with the replacing of Canadian or Provincial Government issued documents as a result of an "Identity Fraud Occurrence";
  8. reasonable legal fees incurred directly as a result of an "Identity Fraud Occurrence" with prior notice to "us" for:
    - a) the removal of any criminal or civil judgments wrongly entered against "you";
    - b) to challenge the information in "your" consumer credit report;
    - c) the defence of lawsuits brought against "you" by businesses or their collection agencies.
  9. reasonable costs associated with obtaining up to two credit reports after an "Identity Fraud Occurrence" has

been reported to “us”, for a period of up to 12 months from the date of the reporting of the occurrence, but not limited by the expiry date of the policy.

“You” must promptly notify an applicable law enforcement agency of the “Identity Fraud Occurrence”.

“We” do not insure:

1. “your” fraudulent, dishonest, or criminal acts;
2. “your” own use of “your” identity;
3. “your” commercial or “business” pursuits;
4. “your” intentional misuse of “your” identity;
5. fraudulent, dishonest, criminal or intentional misuse of “your” identity by a resident of “your” household;

Nor do “we” insure the following:

6. any losses covered under the **Credit or Debit Cards and Forgery and Counterfeit Money** coverage described under Additional Coverages of Section 1 and Additional Coverages of Residential Property - Plus Form;
  7. any losses covered by credit card insurance, bank insurance or other coverage available to “you”. Other insurance will be considered primary and this additional coverage will only apply once other insurance available to “you” has been exhausted.
13. **Grave Markers and Mausoleums:** “We” agree to apply up to \$5,000 (or amount as shown on “Declaration Page”) in all for sudden and accidental loss of or damage caused by a “specified peril” to the grave markers or mausoleums located at any public or church cemetery in the Province of Ontario that mark “your” grave or the grave of “your” deceased parent or grandparent.

#### **BASIS OF CLAIM PAYMENT – SECTION 1 - STANDARD, BROAD, PLUS FORMS**

When coverage applies, “we” will pay for insured loss or damage up to “your” financial interest in the property but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence.

Any loss or damage shall not reduce the amounts of insurance provided by this policy.

If “you” qualify for a tax credit, the loss payment will be reduced by that amount.

**Deductible:** In any one occurrence, “we” are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the “Declaration Page”.

If one occurrence could lead to the application of more than one deductible, only the largest deductible will apply. If “your” claim involves personal property on which the Special Limits Applicable to Some Personal Property apply, the limitations apply to losses exceeding the deductible amount.

**Dwelling Building and Detached Private Structures:** If “you” repair or replace the damaged or destroyed building on the same location with materials of similar quality within a reasonable amount of time after the damage, “you” may choose as the basis of loss settlement either **(A)** or **(B)** below; otherwise, settlement will be as in **(B)**.

- A.** The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case “we” will pay in the proportion that the applicable amount of insurance bears to 80% of the “replacement cost” of the damaged building at the date of damage, but not exceeding the actual cost incurred.
- B.** The “Actual Cash Value” of the damage at the date of the occurrence.

**Personal Property (On Premises or Off Premises):** “We” agree to pay any loss insured for Personal Property on the basis of “replacement cost” provided that:

- (a) the property, at the time of loss, was useable for its original purpose and is not obsolete;
- (b) “you” have repaired or replaced the property promptly;
- (c) “electronic media” is reproduced from duplicates or from originals of the previous generation of the media (“we” will not pay the cost of gathering or assembling information or “data” for reproduction);
- (d) records, including books of account, drawings or card index systems are transcribed or copied from duplicates;

Otherwise the basis of claim payment will be the Actual Cash Value of the damage on the date of the occurrence.

**“Actual Cash Value”** will consider the cost to repair or replace the lost or damaged property, whichever is less, with new materials of similar kind, quality, and usefulness, but with proper deduction for depreciation.

In determining the proper deduction for depreciation, “we” will consider:

- The condition of the property immediately before the loss or damage;
- The use of the property and its obsolescence;
- Its resale value; and
- Its normal life expectancy.

**“Replacement Cost”** means the cost, at the time of loss, of repairs or replacement (whichever is lower), with new property of similar kind and quality and usefulness, without deduction for depreciation.

Loss of items such as fine arts, antiques, paintings and articles which, by their inherent nature, cannot be replaced with a comparable article will not be settled on a “Replacement Cost” basis.

If the loss or damage is not replaced or repaired within a reasonable time, “we” will pay the “Actual Cash Value” of the loss or damage at the date of the occurrence.

**Insurance Under More Than One Policy:** If “you” have insurance on specifically described property, “our” 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, “our” policy will pay its ratable proportion of an insured loss

## SECTION 2- FARM PROPERTY COVERAGES

### DEFINITIONS (Applicable to Section 2)

**“Buildings”** means only those described for which a limit of insurance is specified on the “Declaration Page” including additions in contact therewith, all permanent fittings and fixtures, glass, permanent appliances for lighting, heating or ventilating the “building”, fuel used for heating the “building”, and interior penning attached to the “building” or structure but excluding computer equipment and electronic “data” equipment, milk coolers, milking equipment, stable cleaners, electronic scales or silo unloaders unless specifically insured. Silos, whether or not attached to any “building” or structure, are not covered unless insured specifically.

**“Exterior Wiring Systems”** means all owned poles (and any attached lighting units), wires, transformers switches that are supplying hydro to the insured “premises”.

**“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.

**“Livestock”** includes such classes of “livestock” as horses, cattle, sheep, goats, swine and poultry with each class insured separately.

**“Machinery and Equipment”** includes farm tools, implements, machinery and fuel usual to the operation of a farm, only while in use for agricultural purposes, and materials and supplies on “premises” insured under Section 2 of this policy intended for use in construction, alteration or repair of a building insured under Section 2 of this policy. Vehicles subject to registration under any government authority are not included.

**“Produce”** includes Commercial Feeds, Fertilizers, Herbicides and Pesticides, Milk and Unfertilized Eggs, and anything that is an agricultural product of the soil, excluding Seed, Commercial Fertilizers, Herbicides and Pesticides held for resale unless specifically insured, tobacco, lumber and unharvested crops. “Produce” also includes unharvested grain against loss or damage by fire only provided the insurance carried on this item is not less than \$30.00 per acre of the land farmed by “you”.

**“Pollutants”** means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**“Premises”** in this Section means “buildings” as named on the “Declaration Page” including the land immediately surrounding and belonging to it.

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

**“Tenants Improvements”** means “building” improvements, alterations and betterments made at “your” expense to a barn or implement shed occupied by “you” and which are not otherwise insured, provided that “you” are not the owner of such barn or implement shed. If “you” purchased the use interest in “tenant’s improvements” made by a previous tenant, this coverage applies as though such “tenant’s improvements” had been made at “your” expense.

**“Contents of Every Description”** means “Tenants Improvements”, “Livestock”, “Machinery and Equipment” and “Produce” as defined above.

**“Property of Every Description”** means “Buildings”, “Exterior Wiring Systems”, “Livestock”, “Machinery and Equipment”, “Produce” and, “Tenants Improvements” as defined above.

**ALL THE STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY  
APPLY TO ALL COVERAGES OF SECTION 2**

**COVERAGE E - FIRE AND STANDARD NAMED PERILS FORM**

If the "Declaration Page" shows that Coverage E - Fire and Standard Named Perils Form applies, "you" are insured against direct loss or damage caused by the following perils as described and limited:

1. FIRE.
2. EXPLOSION: (Limited to "Buildings") This peril does not include loss or damage caused by explosion of steam pressure vessels when their normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure.
3. SMOKE: (Limited to "Buildings") This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the "premises".
4. FALLING OBJECT: This peril means an object which strikes the exterior of a "building" but not objects which strike the "building" because of snowslide, iceslide landslide or any other earth movement.
5. IMPACT BY AIRCRAFT OR LAND VEHICLE: (Limited to "Buildings" and Contents therein).
6. LIGHTNING AND ELECTROCUTION.
7. RIOT.
8. VANDALISM OR MALICIOUS ACTS: (Limited to "Buildings") This peril does not include loss or damage:
  - (a) occurring while the "building" insured is "vacant" or "under construction", even if permission for vacancy or construction has been given by "us"; or
  - (b) caused by "you", members of "your" household or "your" employees;
  - (c) to glass which forms part of a "building";
  - (d) caused by theft or attempted theft.
9. WINDSTORM OR HAIL: This peril does not include loss or damage to insured property or to the interior of an insured "building" caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the "building".

This peril does not include damage:

  - (a) "produce" stored in the open;
  - (b) due to weight or pressure of ice or snow, waves, floods, land subsidence, whether driven by wind or not;
  - (c) to poultry unless confined in a "building".

**SEE ALSO GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2**

**COVERAGE F - FIRE AND LIMITED NAMED PERILS FORM**

If the "Declaration Page" shows that Coverage F - Fire and Limited Named Perils Form applies, "you" are insured against direct loss or damage caused by the following perils as described and limited:

1. FIRE.
2. FALLING OBJECT: This peril means a falling object which strikes the exterior of a "building" but not objects which strike the "building" because of snowslide, iceslide, landslide or other earth movement.
3. IMPACT BY AIRCRAFT OR LAND VEHICLE: (Limited to "Buildings" and Contents therein). This peril does not include any impact by a vehicle owned or operated by "you", "your" employees or members of "your" household.
4. LIGHTNING AND ELECTROCUTION.
5. RIOT.
6. WINDSTORM OR HAIL: This peril does not include loss or damage to insured property or to the interior of an insured "building" caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the "building".

This peril does not include damage:

  - (a) to "produce" stored in the open;
  - (b) due to weight or pressure of ice or snow, waves, floods, land subsidence, whether driven by wind or not;
  - (c) to poultry unless confined in a "building".

**SEE ALSO GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2**

## **COVERAGE G - PRODUCE NAMED PERILS FORM**

If the "Declaration Page" shows that Coverage G - Produce Named Perils Form applies, "you" are insured against direct loss or damage to insured "produce" caused by the following perils as described and limited:

1. FIRE or LIGHTNING.
2. EXPLOSION: This peril does not include loss or damage caused by explosion of steam pressure vessels when their normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure.
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 or wood stoves.
4. WINDSTORM OR HAIL.
5. RIOT.
6. EARTHQUAKE, COLLAPSE OF BUILDINGS, BRIDGES or CULVERTS.
7. FLOOD: This peril means waves, tide or tidal "water", and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, harbours, streams and similar bodies of "water", whether driven by wind or not.
8. COLLISION OR DERAILMENT OR OVERTURN of a vehicle on which insured property is being transported.
9. IMPACT BY AIRCRAFT OR LAND VEHICLE.
10. STRANDING, SINKING, BURNING OR COLLISION of vessels including general average and salvage charges incurred, while waterborne on land vehicles on board any regular ferry while operated on inland or coastal waterways only.
11. THEFT.
12. VANDALISM OR MALICIOUS ACTS.

## **ADDITIONAL AGREEMENT OF THIS COVERAGE**

### **Refrigerated Produce**

This coverage includes loss or damage to insured "produce", while contained in refrigeration units within "building(s)" insured under this policy, due to change of temperature as a result of physical damage to these "building(s)" or equipment in said "building(s)", caused by a peril insured against, or due to mechanical breakdown of the refrigeration unit or power interruption.

## **SEE ALSO GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2**

## **COVERAGE I -MACHINERY AND EQUIPMENT - BROAD EXTERNAL PERILS FORM**

If the "Declaration Page" shows that Coverage I - Machinery and Equipment - Broad External Perils Form applies, "we" insure "your" "Machinery and Equipment" against external risks of direct physical loss or damage, subject to the terms and conditions below.

### **SPECIAL LIMIT OF THIS COVERAGE**

- (a) Unless specifically scheduled, coverage will be limited to not more than \$1,000 on any individual item or "building" materials.
- (b) coverage for loss or damage to tires and tubes will be limited to not more than \$2,500 on any individual item of machinery or equipment. This limit shall not apply to loss or damage caused by fire, windstorm, theft, or vandalism and malicious acts or when the loss happens at the same time as other loss or damage insured by this coverage.
- (c) coverage for loss or damage to fuel used to operate insured "machinery and equipment" will be limited to not more than \$1,000 in any one storage unit.

## **ADDITIONAL AGREEMENTS OF THIS COVERAGE**

### **1. Newly Acquired Machinery & Equipment**

This coverage is extended to apply to additional items which are similar in nature to those scheduled and described on the "Declaration Page", which are "your" property and have been acquired during the term of this policy. "You" agree to report such additions within 14 days from the date acquired, and to pay premiums for such additions from the date acquired at pro rata of the coverage rate.

It is specifically understood and agreed, however, that this coverage will cease to cover such items if they are not reported to "us" within the said 14-day period. Under the conditions of this agreement "we" will not pay more than 25% of the amount of insurance under this coverage on "machinery and equipment".

Special Limit (a) above does not apply to this Additional Agreement.

## 2. **Damage to Non-Owned Equipment**

At “your” option, up to 10% of the limit of insurance on “machinery and equipment” may be applied for loss or damage to non-owned “machinery and equipment” while in “your” care, custody or control caused by the perils insured against in this coverage. This extension also applies to non-owned “machinery and equipment” in “your” control through any rental or lease agreement.

Special Limit (a) above does not apply to this Additional Agreement.

## **SEE ALSO GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2**

### **COVERAGE J - LIVESTOCK-STANDARD NAMED PERILS FORM**

If the “Declaration Page” shows that Coverage J – “Livestock” - Standard Named Perils applies, “we” insure against direct death or destruction of insured “livestock” caused by the following perils as described and limited:

1. FIRE OR LIGHTNING.
2. EXPLOSION: This peril does not include loss or damage caused by explosion of steam pressure vessels when their normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure.
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 or wood stoves.
4. WINDSTORM OR HAIL.
5. RIOT, RIOT ATTENDING A STRIKE.
6. EARTHQUAKE, COLLAPSE OF BUILDINGS, BRIDGES OR CULVERTS.
7. FLOOD: This peril means waves, tide or tidal “water”, and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, harbours, streams and similar bodies of “water”, whether driven by wind or not.
8. COLLISION OR DERAILMENT OR OVERTURN of a vehicle on which insured property is being transported.
9. IMPACT BY AIRCRAFT OR LAND VEHICLE.
10. STRANDING, SINKING, OR BURNING OR COLLISION of vessels including general average and salvage charges incurred, while waterborne on land vehicles on board any regular ferry while operated on inland or coastal waterways only.
11. THEFT.
12. ACCIDENTAL SHOOTING.
13. DROWNING.
14. ELECTROCUTION.
15. ATTACK BY WILD ANIMALS OR NON-OWNED DOGS.
16. BLIZZARD, SNOWSTORM, SLEETSTORM OR RAINSTORM
17. VANDALISM OR MALICIOUS ACTS.
18. POWER INTERRUPTION.
19. ELECTRICAL OR MECHANICAL BREAKDOWN of the heating or ventilating systems of the “building” in which the insured “livestock” are confined.
20. HUDDLING, PILING, SMOTHERING, FREEZING, OR STAMPEDING: This peril does not apply unless it is the immediate and direct result of one of the perils 1 to 18 above causing actual physical damage to the “buildings” in which such insured “livestock” are confined.
21. ENTRAPMENT: This peril means the accidental and involuntary physical restraint of “livestock” resulting in the death or destruction of the entrapped “livestock”. There is no coverage under this peril:
  - (a) to “livestock” in the process of being bred, either by natural or artificial means;
  - (b) for death due to animal birth or while the animal is birthing;
  - (c) for “livestock” in transit or while being loaded or unloaded;
  - (d) for choking on objects or food, bloat or medicine taken;
  - (e) to any “livestock” which contracted a disease or is sick prior to entrapment;
  - (f) for “livestock” being handled or forcibly restrained for care or treatment;
  - (g) for death caused by huddling, piling, smothering, freezing or stampeding;
  - (h) for death resulting from physical injury due to a beast having been split;
  - (i) for suffocation of “livestock” in their own fluids, when caused by the “livestock’s” natural inability to regain an upright position.
22. FUMES.

## **SPECIAL LIMITS AND ADDITIONAL AGREEMENTS OF THIS COVERAGE**

### **LIMITS**

- (a) Payment is limited under (15) Attack; to payment in excess of government compensation.
- (b) "Livestock" is subject to a limit of \$4,000 per animal unless specifically insured.

### **SPECIAL LOSS OR DAMAGE NOT INSURED**

"We" will not pay under this coverage for loss resulting from or arising out of:

- 1. death or destruction due to or made necessary by acute mastitis and/or milk fever;
- 2. death or destruction due to any disease whether or not such loss be in any way caused by, contributed to or aggravated by any of the perils insured against by this coverage;
- 3. any "livestock" that have become non-functional for the purpose which the "livestock" is kept;
- 4. horses while on the grounds of any public racetrack or while engaged in any competitive events;
- 5. any diseased "livestock" that dies or is destroyed as a result of any of the coverages provided for in this coverage;
- 6. intentional destruction of any "livestock" without "our" prior approval.

### **ADDITIONAL AGREEMENT OF THIS COVERAGE**

#### **NEWLY ACQUIRED LIVESTOCK**

If "you" acquire any additional "livestock" similar to those scheduled, "we" will automatically insure these under this coverage if "you" notify "us" within 14 days. "We" will pay a maximum of 25% of the total amount of insurance on "livestock" shown on the "Declaration Page" subject to a limit of \$4,000 per head or the purchase price whichever is the lesser.

#### **NON-OWNED LIVESTOCK**

If "you" wish, "we" will include uninsured "livestock" of others, to a maximum of \$4,000 while it is on "your" farm "premises" but "we" do not insure "livestock" which "you" are boarding for a fee.

#### **LIVESTOCK MEDICINES**

Up to 5% of the total limit of insurance on "Livestock" shown on the "Declaration Page" may be applied to medication for "livestock" while stored on "your" "premises" if it is damaged or destroyed by any of the perils named in this coverage.

#### **PROFESSIONAL FEES**

"We" agree to pay for reasonable fees due to veterinarians or other professionals whom "you" employ at "our" request to confirm the cause of death, or other documents or relevant information on "your" "business", which "we" will require following a loss to determine the amount payable under the present policy.

### **SEE ALSO GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2**

#### **COVERAGE MM - LOSS OF FARM INCOME - NO CO-INSURANCE FORM (Designated Building)**

If the "Declaration Page" shows that Coverage MM - Loss of Farm Income - No- Co-Insurance Form (Designated "Building") applies "we" agree to pay for loss of Farm Income during the necessary interruption of "business" caused directly by the perils insured against which damage or destroy the described "building" as shown on the "Declaration Page" for this coverage, less operating expenses which do not necessarily continue.

"We" will only pay for:

- (a) such loss during that period of time, as is required to rebuild, repair or replace the damaged or destroyed property. This period of time will be the reasonable amount of time required to rebuild, repair or replace the damaged or destroyed property, starting with the date of the damage or destruction, but not limited by the expiry date of this policy; and
- (b) expenses which are necessary to reduce any loss under this coverage (except for expenses charged to extinguish a fire), not exceeding however, the amount by which the loss under this coverage is reduced.

### **ADDITIONAL AGREEMENTS OF THIS COVERAGE**

#### **1. Extra Expenses**

"We" will pay "you" for the necessary Extra Expenses which "you" incur in order to continue as nearly as possible the normal "business" operations following damage to or destruction which occurs during the term of

this policy, to “building(s)” or additions attached to them as described on the “Declaration Page” by the perils insured against.

“We” will pay for the Extra Expenses so incurred, for not exceeding such length of time, referred to as the “period of restoration”, starting with the date of loss and not limited by the expiry date of this policy, as would be required to repair, rebuild, or replace such part of said “building(s)” or additions to or contents of said “buildings” as may be destroyed or damaged within a reasonable time after the date of loss.

The Extra Expenses covered in this clause are in excess of those which are necessary to reduce any loss under this coverage.

The amount payable under this clause will not exceed \$ 2,000 (or other amount shown on the “Declaration Page” for Extra Expenses.)

## 2. Professional Fees

“We” will pay the reasonable fees to professionals whom “you” may hire to produce and certify particulars or details of “your” “business” required by “you” to arrive at the loss payable. The amount payable under this clause will not exceed \$2,000 (or other amount shown on the “Declaration Page” for professional fees.)

## 3. Interruption by Civil Authority

If a civil authority prohibits access to the described “premises” as a result of damage by an insured peril to a neighbouring “premises”, this coverage is extended for a period not exceeding two weeks.

## SPECIAL DEFINITIONS OF THIS COVERAGE

“Farm Income” means “Revenue” (adjusted for opening and closing stocks and work in progress) less “Variable Operating Expenses”.

“Revenue” means the money paid or payable to “you” for goods sold and delivered and for services rendered in the course of the “business” at the “premises”, after allowing for returns and discounts.

“Variable Operating Expense” means those expenses which are directly linked to activity and so maintain the same ratio to sales whatever the level of trading.

## SPECIAL CONDITIONS OF THIS COVERAGE

1. In determining loss under this coverage, the following factors will be considered:
  - (a) the “farm income” before the date of damage or destruction, and the probable “farm income” after such damage or destruction, had no loss occurred;
  - (b) the continuation of operating expenses, including payroll expense which is necessary to resume operations during the restoration period with the same quality of service which existed immediately before the loss;
  - (c) the reduction of loss which could be made possible by resuming complete or partial operation of the described property, or by making use of other property.
2. As soon as possible after any loss, “you” must resume complete or partial “business” operations of the property as shown on the “Declaration Page” and reduce or dispense with as much as possible such extra expenses as are being incurred.
3. “We” reserve the right to inspect “your” books and records which relate to this coverage for verification of any claim under this coverage.

## SPECIAL LIMIT OF THIS COVERAGE

“We” will not pay more than 25% of the amount shown on the “Declaration Page” for this coverage in any 30 consecutive calendar days.

## LOSS OR DAMAGE NOT INSURED

“We” do not insure:

- (a) any increase of loss due to interference at the described “premises” by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption or continuation of “business”;
- (b) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (c) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect “your” earnings after the period following any loss payable under this policy;
- (d) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic “data” processing;
- (e) any other consequential loss or remote loss.

## SEE ALSO GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2

### ADDITIONAL COVERAGES OF SECTION 2

#### 1. **Removal of Debris**

This Coverage pays for the cost of removing debris of the property insured under this policy as a result of any insured peril. When the damage to the property plus the cost of cleaning and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged insured property will be available to cover debris removal expenses.

This coverage, however, does not insure against direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential, or threatened spill, discharge, emission, dispersal, "seepage", "leakage", migration, release, or escape of "pollutants".

Further, this coverage does not insure against direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, "seepage", "leakage", migration, release, or escape of "pollutants".

#### 2. **Exterior Wiring Systems**

Up to \$5,000 of the insurance provided on all "buildings" may be applied to "Exterior Wiring Systems" for damage caused by the perils insured against in the coverage applicable to insured "buildings".

#### 3. **Pollution Damage - Insured Premises:** If a sudden and unintentional event occurs during the policy term resulting in pollution or contamination of property of the insured "premises", which is required to be reported to any provincial authority, "we" will pay up to \$5,000, in any one policy year, subject to the policy deductible, for costs to remove and restore property of the insured "premises".

#### 4. **Farm Fences:** Up to \$5,000 of the insurance provided on all "buildings" may be applied to Farm Fences for damage caused by the perils insured against in the coverage applicable to insured "buildings".

### SPECIAL CONDITIONS OF SECTION 2

1. In case of "livestock" alleged to have been killed by lightning, fumes, power interruption, or accidental physical entrapment, the carcass must not be moved without "our" approval. Satisfactory evidence that death occurred from one of these perils must be produced.
2. If "you" must remove insured property from "your" "premises" to protect it from loss or damage, it is insured by this policy for 7 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 property at the time of loss.
3. Unless permission is given by the policy or shown on the "Declaration Page", "you" are not covered for loss or damage to the "Building(s)" or Contents occurring:
  - (a) during or as a result of addition to or alteration of the "building(s)", other than normal repairs;
  - (b) when the "building(s)" insured or containing the property insured is, to "your" knowledge, "vacant" for more than thirty consecutive days.
4. If within six months after the expiry or anniversary date of each period of insurance under this policy, "you" file with "us" a Premium Adjustment Form showing, for the said period, the actual cash value of the "Livestock" and/or "Produce" insured on the last day of each month at each location, subject to verification by "your" accountant, the actual premium for such period will then be calculated at the rate applying to each location for the average amount of the total values declared. If the premium paid by "you" for such coverage exceeds the actual premium calculated above, "we" will refund to "you" any excess paid, subject to a maximum refund of 50% of the premium paid. If any monthly declared values exceed the limit of insurance, the amount of the excess will not be included in the premium adjustment calculations.

### GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2

"We" do not insure loss or damage:

1. occurring after an insured "building" has, to "your" knowledge, been "vacant" for more than 30 consecutive days;
2. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
3. caused by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
4. caused by contamination by radioactive material;

5. caused by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or "pollutants", except as provided under Additional Coverages;
6. caused by wear, tear, scratching, marring, gradual deterioration, birds, moths, vermin (such as skunks and racoons), rodents (such as squirrels or rats) or insects, latent defect, rust, corrosion, extremes of temperature, wet or dry rot, "fungi" or "spore(s)", or contamination;
7. caused by mechanical or electrical breakdown or failure, or repairing or maintenance operations unless specific coverage is included in "your" policy;
8. because of increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of "buildings" and their related services;
9. resulting from intentional or criminal acts or failure to act by "you", "your" employees or anyone to whom the damaged or lost property is entrusted, or any other person at the direction of any person insured by this policy;
10. to "buildings" or structures used in whole or in part or designed for "business" purposes other than farming unless declared on the "Declaration Page";
11. to any property illegally acquired or kept;
12. to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
13. because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretences;
14. to electrical devices or appliances caused by electrical current unless specific coverage is included in "your" policy;
15. to lawns, outdoor trees, shrubs or plants;
16. to books of account and evidences of debt or title;
17. to property while undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
18. to automobiles, trucks, motorcycles or similar equipment designed or licensed for highway use or any vehicle subject to motor vehicle registration, aircraft, unmanned air vehicles, portable saw mills, or "machinery and equipment" used in logging and forestry operations or the equipment and attachments of all of them, unless specifically listed;
19. caused by or resulting from breaking or falling through ice; ("Livestock" excepted)
20. caused by freezing or extremes of temperature unless specific coverage is included in "your" policy;
21. caused by mysterious disappearance;
22. to "buildings" and/or structures, and their contents, 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 the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
23. caused in whole or in part by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

### **Data Exclusion**

This policy does not insure:

- (a) "Data";
- (b) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Specified Perils" as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

### **BASIS OF CLAIM PAYMENT OF SECTION 2**

Unless stated otherwise, "we" will pay the Actual Cash Value of insured loss or damage 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.

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.

If "you" qualify for a tax credit, the loss payment will be reduced by that amount.

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

**Deductible:** In any one occurrence, "we" are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the "Declaration Page". Coverage provided under each of the

“Additional Agreements of Coverage” subsections of Section 2 is also subject to the policy deductible applicable to that coverage. If one occurrence could lead to the application of more than one deductible only the largest deductible will apply.

This condition does not apply to Farm Earnings Insurance.

**Rebuilding Clause:** If the “Declaration Page” shows that the Rebuilding Clause applies to the “building(s)” specified on the “Declaration Page”, this clause applies to those specified “buildings”.

In the event an insured peril damages or destroys any of the “buildings” to which this rebuilding clause applies, “you” must complete and submit a Proof of Loss form to “us”. Upon receipt of the Proof of Loss form, “we” will make a first payment of only fifty percent of the amount of loss payable on the damaged or destroyed “building(s)”. The amount of loss payable will be the lesser of a) the actual amount of the damage or b) the limit of insurance applicable to the damaged or destroyed “building(s)”.

The balance of the amount of loss payable is subject to the following:

- (a) “You” notify “us” of “your” intention to repair, rebuild or replace the damaged “building(s)” within 300 feet (90 metres) of its original site on lands “you” own at the time of the loss with a “building” or “buildings” of like use and “you” provide “us” with satisfactory proof within 12 months of the date of loss, that “you” spent an amount not less than the total amount of all insurance payable in doing so, “we” will pay the balance of loss payable under this policy within 30 days.
- (b) If “you” notify “us” of “your” intention to rebuild or replace any “building(s)” which have been damaged or destroyed with a “building” or “buildings” of like use on lands “you” own at the time of the loss within the Province of Ontario but at a distance of more than 300 feet from the site of the damaged or destroyed “building(s)” sought to be replaced, and provide “us” with satisfactory proof within 12 months of the date of loss that “you” spent an amount not less than the total amount of all insurance payable in doing so, “we” will pay “you” the balance of funds within thirty days up to 75% of the loss payable under this policy.
- (c) If due to any regulation or law applying to construction or repair “you” are prohibited from repairing or rebuilding the damaged “building(s)” on the same site, and notify “us” of “your” intention to rebuild or replace the destroyed “building(s)” with a “building(s)” of like use on land “you” own on other than the same site within the Province of Ontario and “you” provide “us” with satisfactory proof within 12 months of the date of loss, that “you” spent an amount not less than the total amount of all insurance payable in doing so, “we” will pay “you” the balance of funds up to the amount of loss payable under this policy, within 30 days.
- (d) If “you” do not comply with the conditions of Clauses (a) or (b) or (c), the first payment will be the only payment for the loss.

If two or more items are subject to this clause, it will apply separately to each item.

**Co-Insurance:** If the “Declaration Page” shows that a coinsurance percentage applies to any item this clause will apply only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000. If no coinsurance percentage appears on the “Declaration Page” it is understood that the coinsurance percentage applicable to “Machinery and Equipment”, “Livestock” and “Produce” shall be 80%.

The Insured is required to maintain a limit of insurance on each item to which this clause applies equal to at least the amount that is calculated when the Coinsurance percentage designated on the “Declaration Page” (or 80% for “Machinery and Equipment”, “Livestock” and “Produce”) is multiplied against the actual cash value of the insured property at the time of the loss. Failure to do so will result in the Insured only being entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

**Insurance Under More Than One Policy:** If “you” have other insurance on specifically described property, “our” 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, “our” policy will pay its rateable proportion of an insured loss.

## SECTION 3- LIMITED COVERAGES

### ALL STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY APPLY TO ALL COVERAGES OF SECTION 3

#### COVERAGES

The amounts of insurance are shown on the "Declaration Page". These amounts include the cost of cleaning and removal of debris of the property insured by this policy as a result of an Insured Peril.

If "you" must remove insured property from the "premises" to protect it from loss or damage, it is insured by this policy for seven 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 property at the time of loss.

#### COVERAGE L - DWELLING BUILDING

"We" insure:

1. The "dwelling" and attached structures.
2. Permanently installed outdoor equipment on the "premises".
3. 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".

#### COVERAGE M - DETACHED PRIVATE STRUCTURES

"We" insure structures or buildings separated from the "dwelling" by a clear space on "your" "premises" but not insured by any other insurance. If they are connected to the "dwelling" by a fence, utility line or similar connection only, they are considered to be detached structures. If "you" have more than one detached 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. Owned docks and boathouses on the shoreline of "your" "premises" are also included in this section of coverage.

#### Property Not Included as Detached Private Structures

This coverage does not apply to any building or structure that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or "business" purposes, whether it is in use, unoccupied, or "vacant".

#### COVERAGE N - PERSONAL PROPERTY

"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" while on "your" "premises".

#### Property Not Included As Personal Property

"We" do not insure loss or damage to motorized vehicles, trailers, aircraft, unmanned air vehicles, drones or their equipment, except for:

- motorized wheelchairs;
- scooters having more than two wheels and specifically designed for the carriage of a person with a physical disability;
- watercraft;
- motorized lawn mowers, lawn and garden tractors, other gardening equipment or snow blowers;
- "personal transporters";
- golf carts that are not subject to motor vehicle registration;
- electric bicycles maximum speed 32km/h and are not subject to motor vehicle registration;
- electric powered children's toys, maximum 10km/h and are not subject to vehicle registration.

Equipment includes audio, visual recording or transmitting equipment powered by the electrical system of a motor vehicle, aircraft, unmanned air vehicle systems or drones.

“You” may apply up to 10% of the amount of insurance on “your” personal property to insure “your” personal property, excluding watercraft, while temporarily removed from the “premises” anywhere in Canada or in the continental United States of America. Personal property temporarily removed to any other location “you” own is not insured nor is “your” property insured while stored in a warehouse.

### **Special Limits Applicable to some Personal Property:**

“We” insure:

1. Jewelry, watches, gems, fur garments and garments trimmed with fur up to \$2,000 in all and no more than \$500 on any one item;
2. Numismatic property (such as coin collections and bank note collections) up to \$200 in all;
3. Collectables, meaning specifically, sports cards, sports memorabilia, and comic book collections, up to \$500 in all;
4. Stamps and philatelic property (such as stamp collections) up to \$500 in all;
5. Silverware, meaning silverware, silver-plated ware, goldware, gold-plated ware and pewterware up to \$2,000 in all and no more than \$500 any one item;
6. Books, tools and instruments pertaining to a “business”, profession or occupation for an amount up to \$1,000 in all, but only while on “your” “premises”. Other “business” property, including samples and goods held for sale, is not insured;
7. Securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right to claim a benefit for an amount up to \$1,000 in all;
8. Money, bullion, or “cash cards” up to \$200 in all;
9. Lawn and garden tractors including attachments and accessories up to \$2,500 in all;
10. Watercraft, their furnishings, equipment, accessories and motors up to \$1,000 in all. Loss or damage from windstorm or hail is insured only if they were inside a fully enclosed building. Canoes and rowboats are also insured while in the open;
11. Computer software, including “digital assets” up to \$1,000 in all. “We” do not insure the cost of gathering or assembling information or “data”;
12. Antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
13. Bicycles and related equipment up to \$1,000 in all;
14. Alcoholic beverages up to \$200 in all;
15. “Personal transporters” up to a maximum of \$3,500 for any one “personal transporter” or unattached piece of equipment.
16. Utility trailers up to a maximum of \$1,000 in all;
17. Spare auto parts up to \$1,000 in all;
18. Electric bicycles up to a maximum of \$500 in all;
19. Golf carts up to a maximum of \$2,500 in all;
20. Electric powered children’s toys up to a maximum of \$500 in all.

### **INSURED PERILS - RESIDENTIAL PROPERTY - LIMITED FORM**

If the “Declaration Page” shows that Residential Property - Limited Form applies, “you” are insured against direct loss or damage caused by the following perils as described and subject to the exclusions, limitations and conditions of this form:

1. FIRE or LIGHTNING.
2. EXPLOSION: This peril does not include “water” hammer or rupture of any vessel or conduit due to “water” or steam pressure.
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 or wood stoves.
4. FALLING OBJECT: This peril means a falling object which strikes the exterior of the “dwelling” or building but not objects which strike because of snowslide, iceslide, landslide or any other earth movement.
5. IMPACT BY AIRCRAFT OR LAND VEHICLE: This peril does not include any impact by a vehicle owned or operated by “you”, “your” employees or members of “your” household. Animals are not insured under this peril.
6. RIOT.
7. WATER ESCAPE: This peril means:
  - (a) the sudden and accidental escape of “water” from within a “water main”;
  - (b) the sudden and accidental escape of “water” or steam from within a heating, sprinkler, air conditioning or plumbing system, or a “domestic water container” which is located inside “your” “dwelling”;
  - (c) The sudden and accidental escape of water from outdoor plumbing systems, or “domestic water container”, which is located outside “your” “dwelling”, and on “your” “premises”;

- (d) "water" which enters through an opening which has been created suddenly and accidentally by an insured Peril.

But "we" do not cover loss or damage:

- i) caused by continuous or repeated "seepage" or "leakage" of "water";
- ii) caused by "flood", this exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
- iii) caused by backing up or escape of "water" from a sewer or drain, sump or septic tank;
- iv) caused by "ground water" or rising of the water table;
- v) caused by "surface waters", unless the "water" escapes from a "water main" or "domestic water container" located outside "your" "dwelling";
- vi) to "water mains", heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" from which the "water" escaped;
- vii) to outdoor plumbing systems, "domestic water containers" and attached equipment located outside "your" "dwelling", and on "your" "premises caused by freezing, "water", or rupture;
- viii) occurring while the "dwelling" is "under construction" or "vacant", even if permission for construction or vacancy has been given by "us";
- ix) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or "domestic water container" unless it happens within a "dwelling" heated during the usual heating season and "you" have not been away from "your" "premises" for more than four consecutive days. However, if "you" had arranged for a competent person to enter "your" "dwelling" daily to ensure that heating was being maintained or if "you" had shut off the "water" supply and had drained all the pipes and appliances "you" would still be insured;
- x) caused by freezing in an unheated portion of the "dwelling".

"We" will replace or repair any parts of the building that must be removed or torn apart before any before "water" damage covered by this form can be repaired, except damage related to an outdoor swimming pool or equipment attached, or public "water mains".

8. WINDSTORM or HAIL: This peril does not include loss or damage to "your" personal property not contained within a building. It also does not include loss or damage to "your" personal property 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. This peril does not include damage:
- (a) to awnings;
  - (b) to outdoor radio and/or TV antennae, towers, satellite receivers and their attachments;
  - (c) due to weight or pressure of ice or snow, waves, "flood", land subsidence whether driven by wind or not.

## **LOSS OR DAMAGE NOT INSURED – RESIDENTIAL PROPERTY – LIMITED FORM**

### **Property Excluded:**

"We" do not insure loss or damage to

1. "your" insured "dwelling" when it has, to "your" knowledge, been "vacant" for more than 30 consecutive days;
2. any property illegally acquired or kept;
3. "dwellings" or detached private structures while being moved or transported;
4. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
5. property resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
6. electrical devices or appliances caused by electrical currents other than lightning;
7. lawns, and outdoor trees, shrubs or plants;
8. property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
9. household pets;
10. retaining walls not constituting part of any insured building;
11. buildings, units or structures designed for agricultural purposes or used in whole or in part for farming or any other commercial or "business" purposes unless declared on the "Declaration Page";
12. buildings and/or structures, and their contents, 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 the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
13. livestock.

### **Perils Excluded:**

“We” do not insure loss or damage resulting from, contributed to or caused directly or indirectly:

14. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
15. by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
16. by contamination by radioactive material;
17. by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or “pollutants”;
18. by wear, tear, scratching, marring, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, “fungi” or spore(s), or contamination;
19. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects, bats or household pets;
20. because of increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
21. by an intentional or criminal act or failure to act by:
  - (a) “you” or any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy; or
  - (c) “your” employees or anyone to whom the damaged or lost property was entrusted.
    1. This exclusion applies only to the claim of a person:
      - i) whose act or omission caused the insured loss or damage;
      - ii) who abetted or colluded in the act or omission;
      - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
      - iv) who is in a class prescribed by regulation.
    2. An insured person to whom this exclusion does not apply:
      - i) must co-operate with “us” in respect of the investigation of the loss or damage, including without limitation
        - by submitting to an examination under oath, if requested by “us”;
        - by producing for examination at a reasonable time and place designated by “us”, documents specified by “us” that relate to the loss or damage; and
        - by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by “us”.
      - ii) cannot recover more than their proportionate interest in the lost or damaged property
22. by mysterious disappearance;
23. by the cost involved to correct faulty material, workmanship, or design;
24. by impact of waterborne objects, including ice, whether driven by wind or not;
25. in whole or in part by “terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “terrorism” regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but “you” are still insured for ensuing loss or damage which results directly from fire or explosion.

### **Data Exclusion**

This policy does not insure:

- (a) “Data”;
  - (b) loss or damage resulting from, contributed to or caused directly or indirectly by “Data Problem”.
- However, if loss or damage caused by “Data Problem” results in the occurrence of further loss or damage to property insured that is directly caused by “Named Perils” as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

### **BASIS OF CLAIM PAYMENT OF SECTION 3**

“We” will pay the “Actual Cash Value” of insured loss or damage 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.

“**Actual Cash Value**” will consider the cost to repair or replace the lost or damaged property, whichever is less, with new materials of similar kind, quality, and usefulness, but with proper deduction for depreciation.

In determining the proper deduction for depreciation, “we” will consider:

- The condition of the property immediately before the loss or damage;

- The use of the property and its obsolescence;
- Its resale value; and
- Its normal life expectancy.

If “you” qualify for a tax credit, the loss payment will be reduced by that amount.

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

**Deductible:** In any one occurrence, “we” are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the “Declaration Page”.

If “your” claim involves personal property on which the Special Limits of Insurance apply, the limitations apply to losses exceeding the deductible amount.

**Fire Department Charges:** “We” will reimburse “you” for up to \$5,000 per occurrence if “you” are legally obligated to pay “your” municipal fire department resulting from charges incurred for attending “your” “premises” to save or protect insured property from loss or damage, or further loss or damage, due to an insured peril.

**Insurance Under More Than One Policy:** If “you” have other insurance on specifically described property, “our” 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, “our” policy will pay its ratable proportion of an insured loss.

## SECTION 4- MISCELLANEOUS COVERAGES

### ALL THE STATUTORY & ADDITIONAL CONDITIONS OF THIS POLICY APPLY TO ALL MISCELLANEOUS COVERAGES

#### COVERAGE HH - VANDALISM AND MALICIOUS DAMAGE COVERAGE

If the "Declaration Page" shows that Vandalism and Malicious Damage Coverage applies to the items specified, the coverage is extended to include loss or damage caused directly by Vandalism or Malicious Mischief subject to the following terms and conditions.

##### LOSS OR DAMAGE NOT INSURED

"We" do not insure loss or damage:

1. to glass constituting part of a building;
2. to property insured contained in a building directly or indirectly caused by theft or attempted theft;
3. occurring while the building insured or containing property insured is "under construction" whether or not any permission is granted elsewhere in this policy to complete construction;
4. caused by "you", any members of "your" household, or "your" employees, or by any tenant, employee or member of the tenant's household.

#### COVERAGE O - BURGLARY AND ROBBERY COVERAGE

If the "Declaration Page" shows that Burglary and Robbery Coverage applies at the location specified, the following perils and limitations apply:

1. **BURGLARY:** This peril means the taking of personal property from the "premises" following illegal and forcible entry or exit, leaving visible marks at the point of forced entry or exit.

"We" will pay up to \$500 of the amount of insurance on "your" personal property for damage to the building caused by burglary.

This peril does not include loss or damage:

- (a) to household pets;
  - (b) occurring while the building is "under construction" or "vacant" even if permission for construction or vacancy has been given by "us";
  - (c) caused by any tenant, employee or member of the tenant's household if the part of the "dwelling" containing the property insured normally occupied by "you" is rented to others.
2. **ROBBERY:** This peril means the taking of personal property following the use of violence or threat of violence to any person.

This peril does not include loss or damage:

- (a) to household pets;
- (b) occurring while the building is "under construction" or "vacant" even if permission for construction or vacancy has been given by "us";
- (c) caused by any tenant, employee or member of the tenant's household if the part of the "dwelling" containing the property insured normally occupied by "you" is rented to others.

#### COVERAGE P - INFLATION PROTECTION

##### Inflation Protection:

If there is a loss insured under Section 1 during the term of this policy, "we" will automatically increase the amounts of insurance shown on the "Declaration Page" under Section 1 by amounts which are solely attributable to the inflation increase:

- since the inception date of this policy; or
- the latest renewal date, or
- from the date of the most recent change to the amounts of insurance shown on the "Declaration Page",

whichever is the latest.

On the renewal date of "your" policy, if required, "we" will automatically increase the amounts of insurance shown on the "Declaration Page" under Section 1, by amounts which are solely attributable to the inflation increases since the inception date of this policy or the latest renewal date.

## **COVERAGE Q - PERSONAL ARTICLES COVERAGE**

If the "Declaration Page" shows that Personal Articles Coverage applies "we" insure "your" Personal Articles shown on the "Declaration Page" for this coverage against risks of direct physical loss or damage, subject to the terms and conditions below.

"We" will pay up to the amount shown for each item. Where a "V" appears beside an item, that article is valued for the amount shown.

## **LOSS OR DAMAGE NOT INSURED**

### **Property Excluded**

"We" do not insure loss or damage to:

1. any property illegally acquired or kept;
2. any property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
3. any musical instrument played for a fee unless "we" have given "our" written permission;
4. buildings and/or structures, and their contents, 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 the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;

### **Perils Excluded**

"We" do not insure against loss or damage resulting from, contributed to or caused directly or indirectly by:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
3. contamination by radioactive material;
4. contamination or pollution or the release, discharge or dispersal of contaminants or "pollutants";
5. wear, tear, gradual deterioration, latent defect, mechanical breakdown, "fungi" or spore(s);
6. birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats) or insects, bats;
7. an intentional or criminal act or failure to act by:
  - (a) "you" or any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy; or
  - (c) "your" employees or anyone to whom the damaged or lost property was entrusted.
  1. This exclusion applies only to the claim of a person:
    - i) whose act or omission caused the insured loss or damage;
    - ii) who abetted or colluded in the act or omission;
    - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
    - iv) who is in a class prescribed by regulation.
  2. An insured person to whom this exclusion does not apply:
    - i) must co-operate with "us" in respect of the investigation of the loss or damage, including without limitation
      - by submitting to an examination under oath, if requested by "us";
      - by producing for examination at a reasonable time and place designated by "us", documents specified by "us" that relate to the loss or damage; and
      - by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by "us".
    - ii) cannot recover more than their proportionate interest in the lost or damaged property
8. "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

## **SPECIAL CONDITIONS**

**Stamp Collections, Coin Collections, or Bank Note Collections:** "We" will pay for loss or damage to "your" collection in the proportion that the amount of insurance on "your" collection bears to its cash market value at the time of loss. "We" will not pay more than \$250 on any single article of "your" collection. A single article means any one stamp, coin or other individual article or pair, strip, block, series, sheet, cover, frame, card or the like. This condition does not apply to articles listed on the "Declaration Page".

**Newly Acquired Articles:** If "you" acquire any additional articles of the type for which an Amount of Insurance is shown, "we" will automatically insure these under this coverage provided "you" notify "us" within 30 days. "We" will not pay more than \$5,000 under this extension.

Any loss or damage will not reduce the amount of insurance provided by this coverage. If, following payment of a claim, "you" acquire any articles to replace those which were lost or damaged, "you" must tell "us" within 30 days of acquisition.

## **COVERAGE R - PERSONAL PROPERTY - REPLACEMENT COST COVERAGE**

If the "Declaration Page" shows that Personal Property – Replacement Cost Coverage applies at the location specified, "we" agree to pay any loss for Personal Property insured by this policy at such location, on the basis of replacement cost subject to the policy limits, provided that:

- (a) the property at the time of loss was useable for its original purpose and is not obsolete;
- (b) "you" have repaired or replaced the property promptly.

Otherwise, the basis of claim payment in the policy will apply as if this coverage had not been in effect.

"Replacement Cost" means the cost, at the time of loss, of repairs or replacement (whichever is lower), with new property of similar kind and quality, without deduction for depreciation. This coverage does not apply to fine arts, antiques, paintings, computers, electronic "data" processing equipment, and articles which, by their inherent nature, cannot be replaced with a comparable article.

## **COVERAGE S- WATER BACKUP COVERAGE**

If the "Declaration Page" shows that the Water Backup Endorsement applies, it is agreed that coverage is extended to include direct loss or damage to insured property caused by the peril provided by this Endorsement, subject to the limit shown on the "Declaration Page" for this coverage.

### **Perils Insured:**

"You" are insured against direct physical loss or damage to insured property caused by the sudden and accidental backing up or escape of "water" or sewage within "your" "dwelling" or detached private structures on "your" "premises" from a sewer, septic system, sump pit or drain.

### **Exclusions:**

"We" do not insure loss or damage resulting from, contributed to or caused directly or indirectly:

- a) by "flood";
- b) by coastal flooding including but not limited to waves, tides, tidal waves, tsunami, storm surge, or seiche;
- c) by continuous or repeated "seepage" or "leakage" of "water" or sewage;
- d) from any earth movement including, but not limited to, earthquake, landslide, snow slide, or iceslide;
- e) by "surface waters" that enter "your" "dwelling" or detached private structure on "your" "premises";
- f) occurring while the "dwelling" or detached private structure is "under construction" or "vacant", even if permission for construction or vacancy has been given by "us".

### **Deductible:**

"We" will only pay the amount by which the insured loss or damage exceeds the deductible shown on the "Declaration Page".

## COVERAGE T - TELEVISION AND EQUIPMENT COVERAGE

If the "Declaration Page" shows that Television and Equipment Coverage applies "we" insure "your" television or radio sets and antennae, towers, satellite receivers and their attachments listed on the "Declaration Page" against risks of direct physical loss or damage subject to the terms and conditions below.

### LOSS OR DAMAGE NOT INSURED

#### Property Excluded

"We" do not insure loss or damage to:

1. property illegally acquired or kept;
2. property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
3. buildings and/or structures, and their contents, 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 the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;

#### Perils Excluded

"We" do not insure against loss or damage resulting from, contributed to or caused directly or indirectly by:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
3. contamination by radioactive material;
4. contamination or pollution or the release, discharge or dispersal of contaminants or "pollutants";
5. wear, tear, scratching, marring, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature and wet or dry rot, "fungi" or spore(s);
6. by an intentional or criminal act or failure to act by:
  - (a) "you" or any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy; or
  - (c) "your" employees or anyone to whom the damaged or lost property was entrusted.
    1. This exclusion applies only to the claim of a person:
      - i) whose act or omission caused the insured loss or damage;
      - ii) who abetted or colluded in the act or omission;
      - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
      - iv) who is in a class prescribed by regulation.
    2. An insured person to whom this exclusion does not apply:
      - i) must co-operate with "us" in respect of the investigation of the loss or damage, including without limitation
        - by submitting to an examination under oath, if requested by "us";
        - by producing for examination at a reasonable time and place designated by "us", documents specified by "us" that relate to the loss or damage; and
        - by permitting extracts and copies of such documents to be made, all at a reasonable time and place designated by "us".
      - ii) cannot recover more than their proportionate interest in the lost or damaged property
7. any process or work being performed on the scheduled articles where the damage results from such process or work;
8. by any earth movement including, but not limited to, earthquake, landslide, snowslide, or iceslide. If any of these results in fire or explosion, "we" will pay only for the resulting loss or damage;
9. "flood", "surface water", spray, waves, tides, tidal waves, all whether driven by wind or not, unless the loss or damage resulted from the escape of water from a public "water main", swimming pool or equipment attached;
10. rupture or bursting, backing up or escape of "water" from a sewer or drain, sump, septic tank, eavestrough or downspout, unless the loss or damage resulted from the escape of "water" from a public "water main", swimming pool or equipment attached;
11. "seepage" or "leakage" of "water" below the surface of the ground including through sidewalks, driveways, foundations, walls, basement or other floors or through doors, windows or any other openings, unless the loss or damage resulted from the escape of "water" from a public "water main", swimming pool or equipment attached;
12. "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or

terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

## **COVERAGE U - WATERCRAFT, OUTBOARD MOTOR AND MISCELLANEOUS EQUIPMENT COVERAGE**

If the "Declaration Page" shows that Watercraft, Outboard Motor and Miscellaneous Equipment Coverage applies "we" insure "your" Watercraft, Outboard Motor(s) and Miscellaneous Equipment listed on the "Declaration Page" for this coverage, against risks of direct physical loss or damage, subject to the terms and conditions below.

"You" are insured within the territorial limits of Canada and the continental United States of America.

**Deductible:** In any one occurrence, "we" are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the "Declaration Page".

**Coinsurance:** "We" will only be liable for no greater proportion of any loss than the amount of insurance bears to 100% of the "actual cash value" of the insured property.

### **LOSS OR DAMAGE NOT INSURED**

#### **Property Excluded**

"We" do not insure loss or damage to any watercraft, motors or equipment:

1. illegally acquired, kept, stored or transported, or any property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
2. which is used for carrying people or property for compensation or which is chartered, leased or used for any commercial purpose;
3. which is used in any illegal trade or transportation or while being operated in any official race or speed test;
4. used outside the territorial limits described.

#### **Perils Excluded**

"We" do not insure against loss or damage resulting from, contributed to or caused directly or indirectly by:

5. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
6. nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
7. contamination by radioactive material;
8. contamination or pollution or the release, discharge or dispersal of contaminants or "pollutants";
9. wear, tear, gradual deterioration (including damage by marine life), mechanical defects or breakdown, scratching, denting, chipping, electrolysis, rust, corrosion, dampness or dryness of atmosphere, "fungi" or spore(s) or weathering;
10. birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects or bats;
11. any process of refinishing, renovating, repairing, servicing or maintenance;
12. ice, freezing or extremes of temperature;
13. by an intentional or criminal act or failure to act by:
  - (a) "you" or any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy; or
  - (c) "your" employees or anyone to whom the damaged or lost property was entrusted.
    1. This exclusion applies only to the claim of a person:
      - i) whose act or omission caused the insured loss or damage;
      - ii) who abetted or colluded in the act or omission;
      - iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the insured loss or damage; or
      - iv) who is in a class prescribed by regulation.
    2. An insured person to whom this exclusion does not apply:
      - i) must co-operate with "us" in respect of the investigation of the loss or damage, including without limitation
        - by submitting to an examination under oath, if requested by "us";
        - by producing for examination at a reasonable time and place designated by "us", documents specified by "us" that relate to the loss or damage; and
        - by permitting extracts and copies of such documents to be made, all at a reasonable time

and place designated by "us".

- ii) cannot recover more than their proportionate interest in the lost or damaged property
- 14. infidelity of others who borrow or use the property insured;
- 15. "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

### **SPECIAL CONDITIONS**

**Newly Acquired Equipment:** If "you" acquire any additional watercraft, outboard motors or miscellaneous equipment while this coverage is in effect, "we" will automatically insure it provided "you" tell "us" within 14 days of acquisition. Under this condition "we" will not pay more than 25% of the total limit of insurance provided by this coverage. It is specifically understood and agreed, however, that this coverage will cease to cover such items if they are not reported to "us" within the said 14-day period.

Any loss or damage will not reduce the amounts of insurance provided by this coverage. If, following payment of a claim, "you" acquire any articles to replace those which were lost or damaged, "you" must tell "us" within 14 days of acquisition.

### **GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 4**

#### **Data Exclusion**

This policy does not insure:

- (a) "Data";
- (b) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Named Perils" as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

### **BASIS OF CLAIM PAYMENT OF SECTION 4**

Unless stated otherwise, "we" will pay the "Actual Cash Value" of insured loss or damage 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.

**"Actual Cash Value"** will consider the cost to repair or replace the lost or damaged property, whichever is less, with new materials of similar kind, quality, and usefulness, but with proper deduction for depreciation.

In determining the proper deduction for depreciation, "we" will consider:

- The condition of the property immediately before the loss or damage;
- The use of the property and its obsolescence;
- Its resale value; and
- Its normal life expectancy.

If "you" qualify for a tax credit, the loss payment will be reduced by that amount.

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

**Deductible:** In any one occurrence, "we" are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the "Declaration Page".

**Insurance Under More Than One Policy:** If "you" have other insurance on specifically described property, "our" 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, "our" policy will pay its ratable proportion of an insured loss.

## SECTION 5- LIABILITY COVERAGES

### COVERAGE H (Farm Liability)

#### PART I - INSURING AGREEMENTS

The Insurer agrees with the Named "Insured":

##### A.1 PUBLIC LIABILITY

To pay on behalf of the "Insured" within the Insurer's limit of liability for Coverage H as stated on the "Declaration Page" all compensatory sums which the "Insured" shall become legally obligated to pay because of:

- (a) the liability imposed by law upon the "Insured", or
- (b) the liability of others assumed by the Named "Insured" under any written agreement relating to the "Premises" insured, for damages, including damages for care and loss of services, because of unintentional "Bodily Injury" or "Property Damage", caused by accident or occurrence.

##### A.2 TENANTS' LEGAL LIABILITY

To pay on behalf of the "Insured" within the Insurer's limit of liability for Coverage H as stated on the "Declaration Page" all compensatory sums which the "Insured" shall become legally obligated to pay as damages because of the liability imposed by law upon the "Insured" for "Property Damage" to residence "Premises" or contents therein used by or rented to or in the care, custody or control of the "Insured", caused by:

- (a) fire;
- (b) explosion;
- (c) smoke due to sudden, unusual and faulty operation of any household heating or cooking unit; or
- (d) "water" escape from a heating, plumbing, sprinkler or air conditioning system or household appliance.

##### A.3 VOLUNTARY MEDICAL PAYMENTS

To pay all reasonable and necessary medical, surgical, dental, hospital, professional nursing, ambulance and funeral costs incurred within one year from the date of accident, to or for each person not hereinafter excluded who sustains "Bodily Injury" caused by an accident or occurrence, and resulting from the maintenance or use of the "Premises", or the personal acts of an "Insured". The sum of \$5,000 is the maximum the Insurer will pay for in respect of one accident or occurrence.

##### A.4 VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY

To pay, to a maximum of \$2,000 for loss arising out of direct physical damage to or destruction of property not hereinafter excluded, caused by an "Insured", and resulting from the maintenance or use of the "Premises", or the personal acts of an "Insured".

##### A.5 VOLUNTARY COMPENSATION FOR RESIDENCE EMPLOYEES

To pay the benefits described below if the "residence employee" of the "Insured" is injured or dies accidentally while working for the "Insured", even though the "Insured" is not legally liable.

A "residence employee", or anyone acting on his or her behalf, who accepts these benefits must sign a release giving up any right to sue the "Insured". The Insurer has the right to recover from anyone, other than the "Insured", who is responsible for the "residence employee's" injury or death. If the "residence employee" of the "Insured" does not accept these benefits or sues the "Insured", the Insurer may withdraw the offer, but this will not affect the liability insurance of the "Insured".

The Insurer will not pay benefits for any hernia injury.

#### Weekly Indemnity

Weekly indemnity means two thirds of the "Insured's" "residence employee's" gross weekly wage at the date of the accident but the Insurer will not pay more than \$150 per week or the amount indicated on the "Declaration Page", whichever is greater.

#### Schedule of Benefits – Voluntary Compensation for Residence Employees

1. Loss of Life:

If the "Insured's" "residence employee" dies from injuries received in the accident within the following 26 weeks, the Insurer will pay:

- a) to those wholly dependent upon him or her, a total of 100 times the weekly indemnity in addition to any benefit for temporary total disability paid up to the date of death. If there is more than one dependent, the amount will be divided equally among them; and
- b) actual funeral expenses up to \$500.

2. Temporary Total Disability:

If the "Insured's" "residence employee" temporarily becomes totally disabled from injuries received in the accident within the following 14 days and cannot work at any job, the Insurer will pay weekly indemnity up to 26 weeks while such disability continues. The Insurer will not pay for the first seven days unless the disability lasts for six weeks or more.

3. Permanent Total Disability:

If the "Insured's" "residence employee" becomes permanently and totally disabled from injuries received in the accident within the following 26 weeks and cannot work at any job, the Insurer will pay weekly indemnity for 104 weeks in addition to benefits provided under Temporary Total Disability.

4. Injury Benefits:

If, as a result of the accident, the "Insured's" "residence employee" suffers the loss of, or permanent loss of use of any of the following listed items within the 26 weeks of the accident, the Insurer will pay weekly indemnity for the number of weeks shown. These benefits will be paid in addition to Temporary Total Disability Benefits but no others.

The Insurer will not pay more than 104 weeks in total, even in the accident results in loss of more than one item.

For loss of:

- a) one or more of the following:
  - (i) hand
  - (ii) arm
  - (iii) foot
  - (iv) leg.....104 weeks
- b) one finger or toe.....26 weeks  
or  
more than one finger or toe.....52 weeks
- c) one eye.....52 weeks  
or  
both eyes.....104 weeks
- d) hearing of one ear.....26 weeks  
or  
hearing of both ears .....104 weeks

5. Medical Expenses:

If, as a result of the accident, the "Insured's" "residence employee" incurs medical expense including surgical, dental, hospital, nursing and ambulance expenses within the following 26 weeks, the Insurer will pay up to a maximum of \$1,000 in addition to all other benefits.

The Insurer will pay for 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.

The Insurer will not insure the "Insured" for costs recoverable from other insurance plans.

**Notice of Accident or Occurrence**

When an accident occurs, the "Insured" must promptly give the Insurer Notice (in writing if requested). The notice must include:

- a) the identity of the "residence employee" and the date, time, place and circumstances of the accident;
- b) names and addresses of witnesses.

If requested by the Insurer the "Insured" must arrange for the injured "residence employee" to:

- c) submit to physical examination at the Insurers expense by doctors the Insurers select as often as the Insurers may reasonably require;
- d) authorize the Insurers to obtain medical and other records.

### **Autopsy**

In case of death the Insurers can require an autopsy before the Insurer will make payment.

## **PART II-DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS**

As respects the insurance afforded by Insuring Agreements A.1 and A.2, the Insurer shall:

1. Defend in the name and on behalf of the "Insured" and at the cost of the Insurer any civil "action" brought against the "Insured" on account of any loss insured, even if such suit is groundless, false or fraudulent, but the Insurer shall have the right to select legal counsel, and to make such investigation, negotiation and settlement of any claim as it may deem expedient. The Insurer will only pay for the legal counsel they select.
2. In addition to the applicable limits of liability:
  - (a) pay all expenses incurred by the Insurer, all costs taxed or assessed against the "Insured" in any civil "action" defended by the Insurer, and any interest accruing after entry of judgment (or in those jurisdictions where interest may accrue from the date a cause of "action" arises or notice in writing of a claim is given, any interest by law accruing and awarded from such date to the date of judgment upon that part of the judgment) which is within the limit of the Insurer's liability.
  - (b) pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this Coverage H and on appeal bonds required in any such defended suit, but without obligation to apply for or furnish such bonds.
  - (c) pay expenses incurred by the "Insured", in the event of accident causing "bodily injury", for such immediate medical and surgical relief to others as shall be imperative at the time of the accident.
  - (d) reimburse the "Insured" for all reasonable expenses, including actual loss of income up to \$100 per day, incurred by the "Insured" at the Insurer's request in assisting the Insurer in the investigation or defence of any claim or suit.

## **PART III- DEFINITIONS AS USED IN COVERAGE H**

1. "**Action**" means a civil proceeding in which "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies are alleged. "Action" includes:
  - (a) An arbitration proceeding in which such "compensatory damages" are claimed and to which the "Insured" must submit or does submit with "our" consent; or
  - (b) Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the "Insured" submits with "our" consent.
2. "**Bodily Injury**" means "bodily injury", sickness or disease, including death at any time resulting therefrom, sustained by any person.
3. "**Business**" means any full time or part time pursuit undertaken for financial gain, including a trade, profession or occupation. Employment as a clerk, salesman, collector, messenger or teacher shall be deemed "business" only where:
  - an "Insured" is the sole owner or a partner in such "business"; or
  - activities in the course of such employment cause "Bodily Injury" to a fellow employee; or
  - "bodily injury" is sustained by a pupil arising out of corporal punishment administered by or at the direction of an "Insured" as a teacher."Business" shall not include:
  - (a) activities during the course of an "Insured's" trade, profession or occupation which are ordinarily incidental to non-"business" pursuits; or
  - (b) the temporary or part-time "business" pursuits of an "Insured" under the age of 21 years.
4. "**Business Property**" means:
  - (a) All "Premises" on which a "Business" other than that specifically declared on the "Declaration Page" is conducted; and
  - (b) All "Premises" if the whole or part thereof is rented to others or held for such rental by an "Insured", except as specifically declared on the "Declaration Page"."Business Premises" shall not include:
  - (a) the occasional rental or holding for rental of the Residence "Premises";

- (b) the rental in whole or in part to others of a one, two or three-family dwelling usually occupied in part by the "Insured" as a residence, unless such rental is for the accommodation of more than two roomers or boarders per family occupying the dwelling;
  - (c) residential buildings containing not more than 6 dwelling units if specifically declared on the "Declaration Page";
  - (d) the rental or holding for rental of a part of the Residence "Premises" as an office, school, or studio;
  - (e) the rental or holding for rental of not more than three car spaces or stalls in garages or stables on the "Premises" insured.
5. **"Compensatory Damages"** means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages.
  6. **"Completed Operations Hazard"** means any "Bodily Injury" or "Property Damage" arising out of operations, but only if the "Bodily Injury" or "Property Damage" occurs after such operations had been completed or abandoned, and occurs away from "Premises" owned, rented or controlled by the "Insured". Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed. The Completed Operations Hazard shall not include "Bodily Injury" or "Property Damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.
  7. **"Custom Farming"** means the ownership, maintenance or operation by or on behalf of an "Insured" of any farm tractors, farm trailers or farm implements attached to farm tractors, self-propelled or motor driven or animal-drawn farm implements, draft animals or vehicles commonly used therewith-all while being used under contract to another for a charge.
  8. **"Data"** means representations of information or concepts, in any form.
  9. **"Declaration Page"** means the Section of the Policy containing basic information such as the name and address of the Named "Insured", the description and location of the insured "premises", the Policy term, the amount of coverage, and premium amounts.
  10. **"Farm Employee"** means an employee whose duties in the employment of the "Insured" are principally those connected with farm activities outside of the "Insured's" Residence "Premises".
  11. **"Hostile Fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
  12. The unqualified word **"Insured"** means:
    - (a) the "Insured" named on the "Declaration Page" (the Named "Insured");
    - (b) while living in the Named "Insured's" household, his or her spouse, the relatives of either, and any other person under the age of 21 in the care of an "Insured";
    - (c) any "student" insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university;
    - (d) if the Named "Insured" is designated on the "Declaration Page" as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof, but only with respect to his/her liability as such;
    - (e) if the Named "Insured" is designated on the "Declaration Page" as other than an individual, partnership or joint venture, the corporation or organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his/her duties as such;
    - (f) a "Farm Employee" while engaged in the employment of the "Insured";
    - (g) a "Residence Employee" while engaged in the employment of the "Insured";
    - (h) any person while providing voluntary assistance in the farming operations of the "Insured";
    - (i) under Coverages A.1 and A.3 with respect to animals or watercraft to which this insurance applies, owned by an "Insured", any person or organization legally responsible therefore;
    - (j) in the event of the death of the Named "Insured":
      - i) The legal representative of the Named "Insured" but only with respect to the "premises" of the original Named "Insured" and those of his/her "spouse"; and
      - ii) while a resident of such "premises", any person who was an "Insured" prior to such death.
  13. **"Motor Vehicle"** means a land motor vehicle, trailer or semi-trailer (including any machinery or apparatus attached thereto) but does not include, except while being towed by or carried on a motor vehicle, any of the following:
    - (a) utility, boat, camp or home trailer;
    - (b) recreational vehicle;
    - (c) crawler or farm type tractor;
    - (d) "self-propelled implement of husbandry"; or
    - (e) if not required to be registered under any government authority, any equipment which is designed for use principally off public roads.

14. **“Pollutants”** means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
15. **“Personal Transporter”** means a self-balancing, electric-powered transportation device able to turn in place and designed for one person, with a top speed of 20km/h.
16. **“Premises”** means:
  - (a) all “premises” where the Named “Insured” or his/her “spouse” maintains a farm, and other Residence “Premises” specified on the “Declaration Page”;
  - (b) individual or family cemetery plots or burial vaults;
  - (c) Residence “Premises” in which the “Insured” is temporarily residing, if not owned by an “Insured”; as long as the “Insured” is not the lessee or tenant of the “premises” under any agreement which is longer than 90 consecutive days;
  - (d) vacant land in Canada, other than farm land, owned by or rented to an “Insured”. Land shall not be vacant after the commencement of any construction operations thereon, unless such operations are being performed solely by independent contractors in connection with the construction of a 1, 2 or 3-family “dwelling” for an “Insured”.
  - (e) any site the “Insured” owns or rents for the recreational use or seasonal storage of any trailer;
  - (f) “premises” in Canada to be occupied by the “Insured” as the “Insured’s” principal residence from the date the “Insured” acquires ownership or takes possession but not beyond the earliest of:
    - i) 30 consecutive days;
    - ii) the date the policy expires or is terminated;
    - iii) the date upon which specific liability insurance is arranged for such “premises”.
  - (g) “premises” in Canada, leased or rented for a “student” who is dependent on the Named “Insured” or his/her “spouse” for support and maintenance, and is temporarily residing while enrolled in and attending a school, college or university.
17. **“Products Hazard”** means “Bodily Injury” or “Property Damage” arising out of the Named “Insured’s” Products, or out of the existence of any condition therein or any warranty with respect thereto, but only if the “Bodily Injury” or “Property Damage” occurs away from “Premises” owned, rented or controlled by the “Insured” and after physical possession of such products has been relinquished to others.  
As used in this definition, the term Named “Insured’s” products means goods or products sold, handled or distributed by the Named “Insured” or by others trading under his name, but shall not include any property rented or loaned for the use of others but not sold.
18. **“Property Damage”** means physical injury to or destruction of tangible property, including the loss of use thereof at any time resulting therefrom.
19. **“Recreational Vehicle”** means a land motor vehicle designed for recreational use off public roads, if not required to be registered under any government authority. Under this section, motorized golf carts are also considered to be “recreational vehicle”.
20. **“Residence Employee”** means an employee, other than a “Farm Employee”, whose duties in the employment of the “Insured” are exclusively in connection with the ownership, maintenance, use or operation of the Residence “Premises”, and who is:
  - (a) an inservant, whose duties are principally of a domestic nature and are performed principally inside such residence, or
  - (b) an outservant, whose duties are principally of a domestic nature and are performed principally outside such residence, or
  - (c) a private chauffeur, whose duties are solely in connection with the care, maintenance, use or operation of a motor vehicle.
21. **“Residence Premises”** means:
  - (a) a one, two or three-family dwelling where the Named “Insured” or his or her “spouse” maintains a residence, or
  - (b) that portion of any other building occupied by the Named “Insured” or his or her “spouse” as a residence.
22. **“Self-propelled Implement of Husbandry”** means a self-propelled vehicle (other than a crawler or farm type tractor) manufactured, designed, redesigned, converted or reconstructed for a specific use in farming, while used for such purpose or when travelling from farm to farm or to such places as may be necessary for the maintenance or repair of the vehicle.
23. **“Spouse”** means either of two persons who are:
  - married to each other or who have together entered into a marriage that is voidable or void; or
  - 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 one year;
 or

- considered “spouses” under the Family Law Act, or its’ equivalent, in the jurisdiction in which the policy was issued.
24. **“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.
25. **“Water”** means the chemical element defined as H<sub>2</sub>O in any of its three natural states, liquid, solid and gaseous.

#### **PART IV- EXCLUSIONS**

##### **Coverages A.1, A.2, A.3, A. 4 and A.5 do not apply to:**

1. Any “Business” use of the “Premises” unless stated on the “Declaration Page”, or to any “Business” of an “Insured”, or to any “Business” Property;
2. The rendering of or the failure to render professional services;
3. “Bodily Injury” or “Property Damage” arising out of any act or omission in connection with “Premises” (other than the “Premises” insured), owned, rented or controlled by an “Insured”, but this exclusion does not apply to “Bodily Injury”, sustained by a “Residence Employee” arising out of and in the course of his or her employment by an “Insured”;
4. The transmission of communicable disease by any person insured by this policy, or arising out of the failure of any person insured by this policy to take steps to prevent the transmission or spread of any communicable disease;
5. Any environmental liability of an “Insured” for:
  - (a) “Bodily Injury” or “Property Damage” arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”:
    - i. at or from any “premises”, site or location which is or was at any time owned or occupied by, or rented or loaned to, any “Insured”. However, this subparagraph does not apply to:
      - a. "Bodily injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat “water” for personal use, by the building’s occupants or their guests; or
      - b. "Bodily injury" or "property damage" for which an “Insured” may be held liable, if an “Insured” is a contractor and the owner or lessee of such premises, site or location has been added to this policy as an additional “Insured” with respect to an “insured’s” ongoing operations performed for that additional insured at that “premises”, site or location and such “premises”, site or location is not and never was owned or occupied by, or rented or loaned to, any “Insured”, other than that additional “Insured”; or
      - c. “Bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire”;
    - ii. at or from any “premises”, site or location which is or was at any time used by or for any “Insured” or others for the handling, storage, disposal, processing or treatment of waste;
    - iii. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
      - a. any “Insured”; or
      - b. any person or organization for whom the “Insured” may be legally responsible; or
    - iv. at or from any “premises”, site or location on which any “Insured” or any contractors or subcontractors working directly or indirectly on any “Insured’s” behalf are performing operations if the “pollutants” are brought on or to the “premises”, site or location in connection with such operations by such “Insured”, contractor or subcontractor. However, this subparagraph does not apply to:
      - a. "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the “premises”, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such “Insured”, contractor or subcontractor;
      - b. "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with

- operations being performed by the "Insured" or on behalf of the "Insured" by a contractor or subcontractor; or
- c. "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- v. At or from any "premises", site or location on which any "Insured" or any contractors or subcontractors working directly or indirectly on any "Insured's" behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(b) Any loss, cost or expense arising out of any:

- i. Request, demand, order or statutory or regulatory requirement that any "Insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- ii. Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Section (b) does not apply to liability for "compensatory damages" because of "property damage" that the "Insured" would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

- 6. "Bodily Injury" or "Property Damage" arising out of the ownership, maintenance, operation, use, loading or unloading of:
  - (a) any air cushion vehicle, aircraft or unmanned air vehicle or drone; or
  - (b) any "Motor Vehicle" owned or operated by, rented or loaned to any "Insured", but this does not apply to "Bodily Injury" or "Property Damage" occurring on the "Premises" insured if the "Motor Vehicle" is not required to be registered under any government authority because it is used exclusively on the "Premises" insured or kept in dead storage on the "Premises" insured; or
  - (c) any "Recreational Vehicle" owned by any "Insured", if the "Bodily Injury" or "Property Damage" occurs away from the "Premises" insured.

Exclusion (c) does not apply to "Bodily Injury" or "Property Damage" arising out of the ownership, use or operation of a golf cart on the insured "premises" or on a golf course or if coverage for the golf cart is shown on the "Declaration Page".

Exclusion (c) does not apply to "Bodily Injury" or "Personal Damage" arising out of the ownership, use or operation of a "personal transporter".

Exclusions (b) and (c) do not apply to "Bodily Injury", sustained by a "Residence Employee" arising out of and in the course of his or her employment by an "Insured".

- 7. Any liability arising out of the ownership, existence, use or operation of any portion of the "Premises" for the purpose of an aerodrome, airport or aircraft landing facility, and all operations necessary, or incidental thereto.
- 8. "Bodily Injury" or "Property Damage" arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft owned by an "Insured", if the watercraft:
  - (a) has inboard or inboard-outboard motor power of more than 38kW (50 HP); or
  - (b) has outboard motor power, singly or in combination, of more than 19kW (25 HP) in all; or
  - (c) exceeds eight metres (26 ft.) in overall length.

This exclusion does not apply to:

- (a) "Bodily Injury" or "Property Damage" occurring on the "Premises" insured; or
- (b) "Bodily Injury" to any "Residence Employee" arising out of and in the course of his or her employment by an "Insured"; or
- (c) watercraft specified on the "Declaration Page"; or
- (d) watercraft acquired by an "Insured" during the policy period, which is declared to the Insurer within 30 days of such acquisition, and endorsed hereon.

- 9. Any liability arising out of the ownership, use or operation of any watercraft during participation in any race or speed contest other than a sailboat;
- 10. "Bodily Injury" to any employee, other than a "Residence Employee", if the "Bodily Injury" arises out of and in the course of his or her employment by an "Insured".
- 11. Any obligation for which the "Insured" or his Insurer may be held liable under any Workers' Compensation Law.
- 12. "Bodily Injury" or "Property Damage" arising out of the ownership, maintenance, operation, use, loading or unloading of any self-propelled land vehicle while being used in any prearranged or organized racing, speed,

- demolition, tractor pull or similar contest or in any stunting activity or in practice or preparation for any such contest or activity.
13. "Bodily Injury" or "Property Damage" caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.
  14. "Bodily Injury" or "Property Damage" with respect to which an "Insured" under this coverage is also insured under a contract of nuclear energy liability insurance (whether the "Insured" is named or not in such contract and whether or not it is legally enforceable by the "Insured") issued by the Nuclear Insurance Association of Canada or any other group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability.
  15. Liability arising out of the ownership, maintenance, use or operation by or on behalf of an "Insured" of any "premises" other than as specified on the "Declaration Page", but this exclusion shall not apply to:
    - (a) the grazing of livestock on "premises" away from farm "premises" owned or leased by an "Insured"; or
    - (b) farm "premises" or Residence "Premises" purchased or leased by an "Insured" during the period this policy is in force, which is declared to the Insurer within 14 days of such acquisition, and endorsed thereon.
  16. Custom farming operations, unless specified on the "Declaration Page", and an additional premium charge made therefore.
  17. The application of anhydrous ammonia away from the "Premises" insured.
  18. The ownership, use or operation by or on behalf of an "Insured" of:
    - (a) riding stables; or
    - (b) race horses off the "Premises" insured, but this does not apply to grazing away from the "Premises" insured.
  19. "Property damage" to the Named "Insured's" products arising out of such products or any part of such products.
  20. The erasure, destruction, corruption, misappropriation or misinterpretation of "data".
  21. Erroneously creating, amending, entering, deleting or using "data".
  22. The distribution or display of "data" by means of an Internet Website, the Internet, an intranet, extranet or similar device, or system designed or intended for electronic communication of "data";
  23. "Bodily Injury" or "Property Damage" arising out of any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses, damage, cost or expenses directly or indirectly caused by resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other cause that contributes concurrently or in any sequence to the loss, damages, cost or expense;
  24. (a) "Bodily Injury", "Property Damage", personal injury or Medical Payments or any other cost, loss or expense incurred by others arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of "Fungi" or "Spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "Fungi" or "Spores"; or  
(b) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with (a) above; or  
(c) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (a) or (b) above;
  25. "Bodily Injury" arising out of any actual or alleged abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological, mental and/or emotional abuse, molestation or harassment, including corporal punishment, directly or indirectly by:
    - (a) any person or Named "Insured" who is insured by this policy;
    - (b) any person or Named "Insured" who is insured by this policy having knowledge of such an activity taking place;
    - (c) any person or Named "Insured" who is insured by this policy failing to prevent such activity from taking place;
    - (d) or at the direction of any person or any Named "Insured" who is insured by this policy.
  26. "Bodily Injury" or "Property Damage" arising directly or indirectly, in whole or in part, 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 regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury" or "property damage".

**Coverage A.1, A.2 and A.3 do not apply to:**

27. "Bodily injury" or "property damage" caused by any intentional or criminal act or intentional or criminal failure to act by any person insured by this policy or any other person at the direction of any person insured by this policy.

28. "Bodily Injury" to:

- (a) any "Insured"; or
- (b) any person regularly residing on the "Premises" (other than a "Residence Employee"); or
- (c) any person while engaged in alteration, demolition or new construction operations of the "Insured".

This exclusion does not apply to any person while providing voluntary assistance in the farming operations of the "Insured" and who does work for which no remuneration is made, given or contemplated.

29. "Bodily Injury" to any person if benefits therefore are payable under any Worker's Compensation Law.

**Coverage A.1 does not apply to:**

30. Damage to:

- (a) property an "Insured" owns, uses, occupies, leases, sells, gives away or abandons; or
- (b) property in the care, custody or control of an "Insured" or property as to which the "Insured" is for any purpose exercising physical control; or
- (c) any personal property or any fixtures as a result of any work performed thereon by the "Insured" or anyone on his behalf.

**Coverage A.2 does not apply to:**

31. Liability assumed by an "Insured" under a contract, except liability which would attach in the absence of such contract.

**Coverage A.3 does not apply to:**

32. Those portions of such expenses payable or recoverable under any medical, surgical, dental or hospitalization plan or law, or under any other insurance policy or certificate issued to or for the benefit of any person for whom indemnity is provided.

33. "Products Hazard".

**Coverage A.4 does not apply to:**

34. Any "Business" of an "Insured", or any occurrence in connection with "Premises" owned, rented or controlled by an "Insured", other than as stated on the "Declaration Page". For the purpose of this exclusion, "Business" includes the temporary or part-time "business" pursuits of an "Insured".

35. Property owned by or rented to an "Insured", any resident of the household of the Named "Insured" on the "Declaration Page" or any tenant of an "Insured".

36. Loss or damage arising out of the use or operation of farm "machinery and equipment", "recreational vehicles" or watercraft.

37. Damage or destruction caused intentionally by or at the direction of an "Insured" who has attained the age of 13 years or more.

38. Loss caused by loss of use, disappearance or theft of property.

**PART V- CONDITIONS**

**1. POLICY PERIOD**

Coverage H applies only to accidents and occurrences which take place during the period this policy is in force.

**2. LIMITS OF LIABILITY**

The inclusion under Coverage H of more than one "Insured" shall not operate to increase the limits of the Insurer's liability.

(a) Under Coverages A.1 and A.2

The limit of "Bodily Injury" liability and "Property Damage" liability inclusive stated in the Liability Declarations as applicable to "each accident or occurrence" is the limit of the Insurer's liability for all damages arising out of "Bodily Injury" liability and "Property Damage" liability combined, in respect of any one accident or occurrence or series of accidents or occurrences arising out of one event, regardless of the number of claims arising therefrom. All "Property Damage" arising out of a continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one accident or occurrence. The limits of "Bodily Injury" liability and "Property Damage" liability stated in the Liability Declarations as "aggregate each policy year" are the total limits of the Insurer's liability for all damages arising out of the "Products Hazard" and "Completed Operations Hazard" in any one policy year. All such damages arising out of one prepared or acquired lot of goods or products shall be considered as arising out of one accident or occurrence.

(b) Under Coverage A.3

\$5,000 is the limit of the Insurer's liability in respect of any one accident or occurrence for all expenses incurred by or on behalf of each person who sustains "Bodily Injury", including death resulting therefrom.

(c) Under Coverage A.4

The limit of the Insurer's liability for loss of property arising out of any one accident or occurrence, shall not exceed the least of:

- i) the actual cash value of the property at the time of loss;
- ii) what it would then cost to repair or replace the property with other of like kind and quality; or
- iii) the limit of \$2,000.

Under Coverage A.4 the Insurer 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 the Named "Insured" or the owner thereof. Any property so paid for or replaced shall, at the option of the Insurer, become the property of the Insurer.

**3. NOTICE OF ACCIDENT OR OCCURRENCE**

When an accident or occurrence takes place, written notice shall be given by or on behalf of the "Insured" to the Insurer or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the "Insured" and all reasonably obtained information respecting the time, place and circumstances of the accident or occurrence, the names and addresses of the injured persons and of available witnesses.

**4. NOTICE OF CLAIM OR SUIT-COVERAGE A.1, A.2**

If claim is made or suit is brought against an "Insured", the "Insured" shall immediately forward to the Insurer every demand, notice, summons or other process received by him or his representatives.

**5. ASSISTANCE AND COOPERATION OF THE INSURED-COVERAGE A.1, A.2**

The "Insured" shall cooperate with the Insurer and, upon the Insurer's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and the conduct of suits.

The "Insured" shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of the accident or occurrence.

**6. MEDICAL REPORTS: PROOF AND PAYMENT OF CLAIM-COVERAGE A.3**

As soon as practicable, the "Insured" shall arrange for the injured person or someone on his behalf to give to the Insurer written proof of claim, under oath if required, and at the request of the Insurer execute authorization to enable the Insurer to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Insurer when and as often as the Insurer may reasonably require. The insurer may pay the injured person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability.

**7. PROOF AND PAYMENT OF LOSS-COVERAGE A.4**

As soon as practicable, but not later than 60 days after the loss, the "Insured" shall file proof of loss with the Insurer, under oath if required, setting forth the interest of all persons in the property affected, the actual cash value thereof at time of loss, and the amount, place, time and cause of such loss. Upon the Insurer's request, the "Insured" and any interested person shall exhibit the damaged property to the insurer and produce for the Insurer's examination all pertinent records and sales invoices, all at such reasonable times and places as the insurer shall designate, and shall cooperate with the insurer in all matters pertaining to loss or claims with respect thereto.

**8. ACTION AGAINST INSURER-COVERAGE A.1, A.2**

No "action" shall lie against the insurer unless, as a condition precedent thereto, the "Insured" shall have fully complied with all the terms of this coverage, nor until the amount of the "Insured's" obligation to pay shall have been finally determined either by Judgment against the "Insured" after actual trial or by written agreement of the "Insured", the claimant and the Insurer.

**9. ACTION AGAINST INSURER-COVERAGE A.3, A.4, A.5**

No "action" shall lie against the insurer unless, as a condition precedent thereto, there shall have been full compliance with all terms of this coverage, nor until 60 days after the required proofs of claims have been filed with the Insurer.

**10. OTHER INSURANCE**

If, at the time of an accident or occurrence covered by this coverage there is any other insurance which would attach if this insurance had not been effected, the "Insured" under this coverage shall be liable only for the excess, if any, of any loss over the applicable limit of the other insurance covering such loss.

**11. PREMIUMS**

If the premium is based wholly or partly upon an estimate of receipts, such premium shall be subject to adjustment at the termination of the policy period if written for one year or less, or at the end of each annual period if written for more than one year, when the "Insured" shall furnish to the insurer for the purpose of such adjustment a written statement of the exact amount of all receipts accruing during the period of such adjustment. If the earned premium computed thereon exceeds the advance premium paid for such estimates, the "Insured" shall immediately pay the additional premium due to the Insurer; if less, the insurer shall return to the "Insured" the unearned portion of such premium subject to the retention of the minimum premium

expressed in the coverage. When used as a premium basis, the word "receipts" shall mean the gross amount of money charged by the "Insured" for such operations during the policy period as are rated on a receipts basis.

**SEE ALSO STATUTORY CONDITIONS 1,3,4,5 and 15 OF THIS POLICY.**

**COVERAGE H3 - FARMER'S LIMITED POLLUTION LIABILITY INSURANCE**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "**you**" and "**your**" refer to the Named "Insured" shown on the "Declaration Page". The words "**we**", "**us**" and "**our**" refer to the insurer providing this insurance.

The word "Insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION V - DEFINITIONS.

**SECTION I- COVERAGES**

**1. INSURING AGREEMENTS**

**A) Bodily Injury and Property Damage**

- (a) "We" will pay those sums that the "Insured" becomes legally obligated to pay as compensatory damages because of "bodily injury" or "property damage" to which this insurance applies, provided that:
1. such "bodily injury" or "property damage" is caused by a "pollution incident" which commences during the policy period; and
  2. the claim for such compensatory damages is first made against the "Insured" during the policy period or within one year after its termination and reported to us in accordance with Section VI Condition 5.

A claim by a person or organization seeking compensatory damages will be deemed to have been made when notice of such claim is received and recorded by any "Insured" or by "us", whichever comes first. All claims for compensatory damages because of "bodily injury" or "property damage" sustained by any one person or organization as a result of any one "pollution incident" shall be deemed to have been made at the time the first of those claims is made.

- (b) "We" have the right and duty to defend claims made or "actions" brought in Canada against the "Insured" seeking such compensatory damages and to pay for the "defence expense". This right and duty is limited as described in Clause 2 of Section I-DEFENCE OF CLAIMS OR ACTIONS.
- (c) Compensatory damages include pre-judgment interest awarded against the "Insured" on that part of the judgment "we" pay.

**B) Clean-up Costs**

"We" will pay the "Insured" for reasonable and necessary "clean-up costs" incurred by the "Insured" as a result of the performance by the "Insured" of an obligation imposed by law on the "Insured" provided that:

1. such "clean-up costs" are incurred because of "environmental damage" to which this insurance applies; and
2. the "environmental damage" is caused by a "pollution incident" which commences during the policy period and is reported to "us" during the policy period or within thirty days after its termination.

"We" shall have the right, but not the duty, to participate at "our" expense in any proceeding seeking to impose legal obligations because of such "environmental damage".

Each payment "we" make for compensatory damages, "defence expense" or "clean-up costs" reduces the Amount of Insurance available, as provided under SECTION III-LIMITS OF INSURANCE AND DEDUCTIBLE.

"We" have no obligation under this insurance to make payments or to perform acts or services except as provided for above.

**2. DEFENCE OF CLAIMS OR ACTIONS**

- (a) "We" have the right and duty to defend claims made or "actions" brought in Canada against the "Insured" seeking compensatory damages payable under this policy for "bodily injury" or "property damage". "We" may make:
1. such investigation of any claim or "actions"; and
  2. such settlements within the applicable amount of insurance available as "we" think appropriate.

- (b) "Our" right and duty to defend such claims or "actions" ends when "we" have used up the amount of insurance available, as provided under SECTION III LIMITS OF INSURANCE AND DEDUCTIBLE. This applies both to claims and "actions" pending at that time and those filed thereafter.
- (c) When "we" control the defence for such claims or "actions", "we" will pay for the "defence expense". If by mutual agreement or court order the "Insured" assumes control of the defence before the applicable amount of insurance available is used up, "we" will reimburse the "Insured" for reasonable "defence expense". In either case, however, the amounts "we" pay will reduce the amount of insurance available, as provided under SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE.

### 3. EXCLUSIONS

This insurance does not apply to:

- (a) "Bodily injury", "property damage" or "clean-up costs" which are expected or intended from the standpoint of any "Insured";
- (b) "Bodily injury", "property damage" or "clean-up costs" arising out of a "pollution incident" which "pollution incident" is expected or intended from the standpoint of any "Insured";
- (c) Liability assumed by any "Insured" under any contract or agreement, but this exclusion does not apply to liability that such "Insured" would have in the absence of such contract or agreement;
- (d) Any obligation of any "Insured" pursuant to any employment standards law, workers' compensation law, unemployment insurance law, disability benefits law, occupational health and safety law or any similar law;
- (e) 1) "Bodily injury" to an employee of any "Insured" arising out of or in the course of employment by any "Insured"; or  
2) any claim for damages by the spouse, child, parent, brother, sister or other dependent of an employee of any "Insured" as a result of "bodily injury" to an employee arising out of or in the course of employment by any "Insured".

This exclusion applies:

- (a) whether any "Insured" may be liable as an employer or in any other capacity; or
- (b) to any claim for contribution or indemnity by any person, Commission, Board, corporation or organization required to pay compensatory damages to an employee of any "Insured" because of "bodily injury" to that employee;
- (f) "Property damage" to or "clean-up costs" at, in or on
  - 1. any property owned, rented or occupied by any "Insured";
  - 2. any property loaned to or used by any "Insured";
  - 3. any property in the care, custody or control of any "Insured";
  - 4. any property sold, given away or abandoned by any "Insured";
- (g) "Property damage" to or "clean-up costs" at, in or on any "waste facility";
- (h) "Bodily injury", "property damage" or "clean-up costs" caused by a "pollution incident" originating at, in or on any "waste facility" or caused by a "pollution incident" arising from or incidental to the delivery, handling, storage, disposal, processing or treatment of waste at, in or on any "waste facility";
- (i) "Bodily injury", "property damage" or "clean-up costs" that are within the "products-completed operations hazard";
- (j) "Bodily injury", "property damage" or "clean-up costs" caused by a "pollution incident" originating
  - 1. below the surface of the ground or "water"; or
  - 2. from "pollutants" which have, at any time, been buried under the surface of the ground or "water", and then subsequently exposed by erosion, excavation or other means;
- (k) "Bodily injury" in the form of genetic damage or birth defects;
- (l) "Bodily injury", "property damage", or "clean-up costs" arising out of the ownership, use or operation by or on behalf of any "Insured" of any "self-propelled land motor vehicle", trailers or semi-trailers while attached to such vehicle or unattached, including accessories and equipment while attached to or mounted on such vehicle, trailers or semi-trailers;
- (m) 1) "Bodily injury", "property damage" or "clean-up costs" arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any "Insured" of:
  - (a) any railway rolling stock;
  - (b) any watercraft;
  - (c) any air cushion vehicle;
  - (d) any aircraft;
  - (e) any unmanned air vehicle; or
 2) "Bodily injury", "property damage" or "clean-up costs" arising out of the ownership, existence, use or operation by or on behalf of any "Insured" of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

- (n) 1) "Bodily injury", "property damage" or "clean-up costs" arising out of a "pollution incident" which results from or is attributable to a failure to comply with any applicable statute, regulation, ordinance, directive or order relating to the protection of the environment and promulgated by any governmental body, provided that failure to comply is a wilful or deliberate act or omission of any "Insured";
- 2) "Clean-up costs" caused by a "pollution incident" if any "Insured" is convicted of an offence under any applicable statute or regulation, relating to the protection of the environment and promulgated by any governmental body, as a result of any "Insured's" failure to comply with a legal duty to report the "pollution incident" to a governmental body or to take remedial steps after the "pollution incident";
- (o) "Bodily injury" or "property damage" or "clean-up costs" outside Canada;
- (p) 1) Liability imposed by or arising under the Nuclear Liability Act;
- 2) "Bodily injury", "property damage" or "clean-up costs" with respect to which an "Insured" under this policy is also insured under a contract of nuclear energy liability insurance (whether the "Insured" is unnamed in such contract and whether or not it is legally enforceable by the "Insured") issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an "Insured" under any such policy but for its termination upon exhaustion of its limit of liability;
- 3) "Bodily injury", "property damage" or "clean-up costs" resulting directly or indirectly from the nuclear energy hazard arising from:
  - (a) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an "Insured";
  - (b) the furnishing by an "Insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
  - (c) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an "Insured".

As used in this policy:

- i) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material
- ii) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
- iii) The term "nuclear facility" means
  - (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - (b) any equipment or device designed or used for
    - i) separating the isotopes of plutonium, thorium, and uranium or any one or more of them;
    - ii) processing or utilizing spent fuel; or
    - iii) handling, processing or packaging waste;
  - (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the "Insured" at the "premises" where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;
 

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
- iv) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- (q) "Bodily injury", "property damage" or "clean-up costs" caused by a "pollution incident" resulting from war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power, riot or civil commotion, sabotage or any other act of deliberate destruction of property or terrorism.
- (r) the erasure, destruction, corruption, misappropriation or misinterpretation of data;

- (s) erroneously creating, amending, entering, deleting or using data;
- (t) "Bodily injury" or "property damage" or "clean-up costs" caused by a "pollution incident" arising out of any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses, damage, cost or expenses directly or indirectly caused by resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other cause that contributes concurrently or in any sequence to the loss, damages, cost or expense;
- (u) "Bodily injury" or "property damage" or "clean-up costs" arising directly or indirectly, in whole or in part, 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 regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "clean-up costs".

#### 4. CLARIFICATION OF INTENTION

For greater certainty in interpreting the Insuring Agreements, the parties to this policy confirm that the Insuring Agreements are not intended to apply to:

- (a) "bodily injury", "property damage" or "clean-up costs" which result from or are caused by anything other than a "pollution incident";
- (b) punitive, aggravated or exemplary damages;
- (c) fines or penalties imposed by law.

### SECTION II - WHO IS AN INSURED

1. If "you" are designated on the "Declaration Page" as:
  - (a) An individual, "you" and "your" spouse are "Insureds", but only with respect to the conduct of a business of which the "Insured" is the sole owner.
  - (b) A partnership or joint venture, "you" are an "Insured". "Your" members, "your" partners, and their spouses are also "Insureds", but only with respect to the conduct of "your" business.
  - (c) An organization other than a partnership or joint venture, "you" are an "Insured". "Your" executive officers and directors are "Insureds", but only with respect to their duties as "your" officers or directors. "Your" shareholders are also "Insureds", but only with respect to their liability as shareholders.
2. Each of the following is also an "Insured":
  - (a) "Your" employees, other than "your" executive officers, but only for acts within the scope of their employment by "you". However, none of these employees is an "Insured" for:
    1. "Bodily injury" to "you" or to a co-employee while in the course of his or her employment; or
    2. "Bodily injury" to any person who at the time of injury is entitled to benefits under any workers' compensation law; or
    3. "Property damage" to property owned or occupied by or rented or loaned to that employee, any of "your" other employees, or any of "your" partners or members (if "you" are a partnership or joint venture).
  - (b) Any person (other than "your" employee), or any organization while acting as "your" real estate manager.
  - (c) Any person or organization having proper temporary custody of "your" property if "you" die, but only:
    1. With respect to liability arising out of the maintenance or use of that property; and
    2. Until "your" legal representative has been appointed.
  - (d) "Your" legal representative if "you" die, but only with respect to duties as such. That representative will have all "your" rights and duties under this policy.

No person or organization is an "Insured" with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named "Insured" on the "Declaration Page".

### SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE

#### 1. AGGREGATE LIMIT

- (a) Regardless of the number of "Insureds" under this policy, or the number of persons or organizations who make claims or bring "actions", or the number of claims made or "actions" brought, or the amount of "clean-up costs" incurred, in no event shall "our" total limit of liability for:
  - i) all "clean-up costs" incurred; AND
  - ii) all "defence expense" for claims and "actions" seeking compensatory damages because of "bodily injury" and "property damage", or both; AND
  - iii) all compensatory damages because of all "bodily injury" and all "property damage", exceed the limit of liability stated on the "Declaration Page" as Aggregate Limit.
- (b) Any and all payments made by "us" for such compensatory damages, "clean-up costs" or "defence expense" shall reduce, by the amount of the payment, the limit of liability stated on the "Declaration Page"

as Aggregate Limit. In this policy, the Aggregate Limit as reduced by any such payment or payments is referred to as the amount of insurance available.

- (c) When the Aggregate Limit stated on the "Declaration Page" is reduced to the extent that there is no amount of insurance available, "we" shall have no further obligations or duties under this policy. Without limiting the generality of the foregoing, "we" shall have no further obligation to make any payments for damages, "clean-up costs" or "defence expense" and shall have no further duty to defend or to continue to defend any claims or "actions".
- (d) "You" agree to reimburse "us" for any amounts paid by "us" for compensatory damages, "clean-up costs" or "defence expense" in excess of the amount of insurance available forthwith upon demand.

## 2. INCIDENT LIMIT

- (a) Subject to part 1 of Section III above, and regardless of the number of "Insureds" under this policy, or the number of persons or organizations who make claims or bring "actions", or the number of claims made or "actions" brought, or the amount of "clean-up costs" incurred, in no event shall "our" total limit of liability for
  - i) all "clean-up costs" incurred, AND
  - ii) all "defence expense" for claims and "actions" seeking compensatory damages because of "bodily injury" or "property damage" or both, AND
  - iii) all compensatory damages because of "bodily injury" and "property damage", from any one "pollution incident" exceed the limit of liability for each "pollution incident" stated on the "Declaration Page", less any Deductible Amount stated on the "Declaration Page".
- (b) "We" may, or if required by law shall, pay part or all of any Deductible Amount stated on the "Declaration Page" in order to effect settlement of any claim or "action". "You" shall reimburse "us" for any Deductible Amount so paid by "us" forthwith upon demand.
- (c) "You" agree to reimburse "us" for any amounts paid by "us" for compensatory damages, "clean-up costs" or "defence expense" in excess of the amount of insurance available forthwith upon demand.

The limits of this policy apply separately to each consecutive annual period, starting with the beginning of the policy period shown on the "Declaration Page", unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## SECTION IV - POLICY TERRITORY AND SCOPE

This insurance applies only to "bodily injury", "property damage", "clean-up costs" or "defence expense" caused by or incurred by reason of a "pollution incident" occurring in the Province of Ontario but not to any such "bodily injury", "property damage" or "clean-up costs" for which an "action" on the merits is brought outside Canada, nor to any "defence expense" incurred in, or as a result of, such an "action" on the merits being brought outside Canada.

## SECTION V- DEFINITIONS

- 1. "**Action**" means a civil proceeding in a Canadian Court in which compensatory damages to which this insurance applies are claimed. "Action" includes an arbitration proceeding in Canada in which such "compensatory damages" are claimed, provided that the "Insured" is either required to submit or submits with "our" consent to such arbitration proceeding.
- 2. "**Bodily injury**" means "bodily injury", sickness or disease sustained by a person, including death resulting from any of these at any time.
- 3. "**Clean-up costs**" means expenses for the removal or neutralization of "pollutants".
- 4. "**Declaration Page**" means the Section of "your" Insurance Policy containing basic information such as "your" name and address, the description and location of the insured property, the policy term, the amount of coverage, and premium amounts.
- 5. "**Defence expense**" means payments allocated to a specific claim or "action" for its investigation, settlement, or defence, including:
  - (a) legal fees, expert fees, disbursements and all other litigation expenses;
  - (b) reasonable expenses incurred by the "Insured" at "our" request to assist "us" in the investigation or defence of the claim or "action" including actual loss of earnings up to \$100 a day because of time off from work;
  - (c) all costs taxed against the "Insured" in the "action"."Defence expense" does not include salaries and expenses of "our" employees or the "Insured's" employees, other than:
  - 1. that portion of "our" employed lawyers' fees, salaries and expenses allocated to a specific claim or "action"; and
  - 2. the expenses described in 4(b) above.

6. **“Environmental damage”** means the injurious presence of “pollutants” in or upon land, the atmosphere, or any watercourse or body of “water”.
7. The **“Insured’s product”** means:
- (a) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (1) any “Insured”;
    - (2) others trading under any “Insureds” name; or
    - (3) a person or organization whose business or assets any “Insured” has acquired; and
  - (b) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- The “Insured’s” “product” includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in (a) and (b) above.
- The “Insured’s” “product” does not include vending machines or other property rented to or located for the use of others but not sold.
8. The **“Insured’s work”** means
- (a) Work or operations performed by any “Insured” or on behalf of any “Insured”;
  - (b) Materials, parts or equipment furnished in connection with such work or operations.
- The “Insured’s” “work” includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in (a) or (b) above.
9. **“Pollutants”** means any solid, liquid or gaseous contaminant other than heat, sound, vibration or radiation.
10. **“Pollution Incident”** means an unexpected and unintentional discharge, dispersal, release or escape of any “pollutants”, that is sudden and accidental. Such discharge, dispersal, release or escape is the result of the normal farming operations of the “Insured” resulting in “environmental damage”. The entirety of any such occurrences which arises out of a continuous or repeated exposure to substantially the same conditions shall be deemed to be one “pollution incident”.
11. (a) **“Products-completed operations hazard”** includes all “bodily injury”, “property damage” and “clean-up costs” occurring away from premises any “Insured” owns or rents and arising out of the “insured’s” product or the “insured’s” work except:
- (a) Products that are still in the “Insured’s” physical possession; or
  - (b) Work that has not yet been completed or abandoned.
- (b) The **“Insured’s” work** will be deemed completed at the earliest of the following times:
1. When all of the work called for in the “Insured’s” contract has been completed.
  2. When all of the work to be done at the site has been completed if the “Insured’s” contract calls for work at more than one site.
  3. When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement but which is otherwise complete, will be treated as completed.
- (c) This hazard does not include “bodily injury”, “property damage” or “clean-up costs” arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.
12. **“Property damage”** means:
- (a) Physical injury to, destruction of, or contamination of tangible property, including all loss of use thereof at any time resulting therefrom, or
  - (b) Loss of use of tangible property which has not been physically injured, destroyed, or contaminated but which has been evacuated, withdrawn from use, or rendered inaccessible because of a “pollution incident”.
13. **“Self-propelled land motor vehicle”** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto) but does not include, except while being towed by or carried on a motor vehicle, any of the following: crawler or farm type tractor, farm implement, or if not subject to motor vehicle registration, any farm equipment which is designed for use principally off public roads.
14. **“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.
15. **“Waste facility”** means any site operated by any person or organization for the storage, disposal, processing or treatment of waste material, other than a site operated by any “Insured” and disclosed in the Application for this policy.

## SECTION VI- CONDITIONS

### 1. Authorization

By acceptance of this policy, the first Named “Insured” on the “Declaration Page” agrees to act on behalf of all

other "Insureds", if any, Named or described on the "Declaration Page" or included under Section II of this policy, with respect to all duties and obligations imposed on any "Insured" under this policy, including, without limitation, the completion of the Application for this policy, the giving and receiving of notice of a "pollution incident", claim or "action", the giving or receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this policy, and all other "Insureds" agree that the first Named "Insured" on the "Declaration Page" is authorized to so act on their behalf.

**2. Bankruptcy**

Bankruptcy or insolvency of the "Insured" or of the "Insured's" estate will not relieve "us" of "our" obligations under this policy.

**3. Cancellation**

- (a) The first Named "Insured" shown on the "Declaration Page" may cancel this policy by mailing or delivering to "us" advance written notice of cancellation.
- (b) "We" may cancel this policy by mailing or delivering to the first Named "Insured" written notice of cancellation at least:
  - 1) 15 days before the effective date of cancellation if "we" cancel for non-payment of premium; or
  - 2) 30 days before the effective date of cancellation if "we" cancel for any other reason.
- (c) "We" will mail or deliver "our" notice to the first Named "Insured's" last mailing address known to "us".
- (d) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- (e) If this policy is cancelled, "we" will send the first Named "Insured" any premium refund due. If "we" cancel, the refund will be pro rata. If the first Named "Insured" cancels, the refund may be less than pro rata. The cancellation will be effective even if "we" have not made or offered a refund.
- (f) If notice is mailed, proof of mailing will be sufficient proof of notice.

In Quebec, "our" notice of cancellation takes effect either 15 or 30 days after receipt of the last known address of the first Named "Insured", depending upon the reason for cancellation.

**4. Changes**

This policy contains all the agreements between "you" and "us" concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by "us" and made a part of this policy.

**5. Duties in the Event of "Pollution Incident", Claim or "Action"**

- (a) "You" must see to it that "we" are notified immediately of a "pollution incident".

Notice should include:

  - 1) how, when, where the "pollution incident" took place;
  - 2) the names and addresses of any injured persons and of witnesses;
  - 3) the nature and location of any "property damage" arising out of the "pollution incident".

Notice of a "pollution incident" is not notice of a claim.
- (b) If a claim is made or "action" is brought against any "Insured", "you" must see to it that "we" receive immediate written notice of the claim or "action".
- (c) "You" and any other involved "Insured" must:
  - 1) Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
  - 2) Authorize "us" to obtain records and other information;
  - 3) Cooperate with "us" in the investigation, settlement or defence of the claim or "action"; and
  - 4) Assist "us", upon "our" request, in the enforcement of any right against any person or organization which may be liable to the "Insured" because of injury or damage to which this insurance may also apply.
- (d) No "Insured" will, except at its own cost, voluntarily make a payment, assume any obligation, or incur any expense, without "our" consent other than expenses for immediate "clean-up costs" which are required by any applicable statute or regulation related to the protection of the environment and promulgated by any governmental body.

**6. Examination of Books and Records**

"We" may examine and audit any "Insured's" books and records as they relate to this policy.

**7. Inspections and Surveys**

"We" have the right but are not obligated to:

- (a) make inspections and surveys at any time;
- (b) give "you" reports on the conditions "we" find; and
- (c) recommend any changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. "We" do not make safety inspections. "We" do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And "we" do not warrant that conditions:

- (a) are safe or healthful; or
- (b) comply with statutes, regulations, ordinances, directives, orders, codes or standards.

This condition applies not only to “us”, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

The insurer waives no right and undertakes no responsibility by reason of any such inspection, survey, report or recommendation or the omission thereof.

**8. Legal Action Against Us**

No person or organization has a right under this policy:

- (a) To join “us” as a party or otherwise bring “us” into an “action” asking for compensatory damages from an “Insured”; or
- (b) To sue “us” on this policy unless all of its terms have been fully complied with.

A person or organization may sue “us” to recover on an agreed settlement or on a final judgment against an “Insured” obtained after an actual trial, but “we” will not be liable for compensatory damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by “us”, the “Insured” and the claimant or the claimant’s legal representative. Every “action” or proceeding against “us” shall be commenced within one year next after the date of such judgment or agreed settlement and not afterwards.

**9. Material Change in the Risk**

If any change shall occur materially varying any of the statements made in the Application or during any inspection or survey, or if the “Insured” shall receive information indicating a material increase in the risks to which this policy relates, the “Insured” shall, within thirty (30) days of such change of information becoming known, give “us” notice of such change in writing.

**10. Other Insurance**

If at the time of the “pollution incident” covered by this policy there is any other insurance applicable “we”, under this policy, will be liable only for the excess, if any, of any loss over the applicable limit of the other insurance covering such loss.

**11. Premium Audit**

- (a) “We” will compute all premiums for this policy in accordance with “our” rules and rates.
- (b) Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period “we” will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named “Insured”. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, “we” will return the excess to the first Named “Insured” subject to the retention of the minimum premium shown on the “Declaration Page”.
- (c) The first Named “Insured” must keep records of the information “we” need for premium computation, and send “us” copies at such times as “we” may request.

**12. Priority of Payment**

Where the total of all compensatory damages because of “bodily injury” or “property damage” and all “clean-up costs” and all “defence expense” exceed the limits of liability for any one “pollution incident” or exceed the amount of insurance available, the available proceeds of this insurance shall be applied in the following descending order of priority:

- (a) “clean-up costs”;
- (b) “defence expense”;
- (c) “property damage”;
- (d) “bodily injury”.

**13. Representations**

By accepting this policy, “you” agree that

- (a) the statements in the Application and Declarations are accurate and complete;
- (b) those statements are based upon representations “you” made to “us”; and
- (c) “we” have issued this policy in reliance upon “your” statements and representations.

**14. Separation of Insureds, Cross Liability**

Except with respect to the Limits of Insurance, and any rights or duties assigned to the first Named “Insured”, this insurance applies:

- (a) As if each Named “Insured” were the only Named “Insured”; and
- (b) Separately to each “Insured” against whom claim is made or “action” is brought.

**15. Transfer of Rights of Recovery Against Others to Us**

If the “Insured” has rights to recover all or part of any payment “we” have made under this policy, those rights are transferred to “us”. The “Insured” must do nothing after loss to impair them. At “our” request, the “Insured” will bring “action” or transfer those rights to “us” and help “us” enforce them.

**16. Transfer of “your” Rights and Duties Under this Policy**

“Your” rights and duties under this policy may not be transferred without “our” written consent except in the case of death of an individual Named “Insured”.

If “you” die, “your” rights and duties will be transferred to “your” legal representative but only while acting within

the scope of duties as “your” legal representative. Until “your” legal representative is appointed, anyone having proper temporary custody of “your” property will have “your” rights and duties but only with respect to that property.

## CONDITIONS

### CONDITIONS REQUIRED BY LAW

With respect to Section 5 - Liability Coverage, other than Coverage H3 - Farmer's Limited Pollution Liability Insurance, Statutory Conditions 1, 3, 4, 5 and 15 only apply. Otherwise, all of the Conditions set forth under the titles Statutory Conditions and Additional Conditions apply with respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Forms or Endorsements attached.

### STATUTORY CONDITIONS

1. **MISREPRESENTATION.** If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
2. **PROPERTY OF OTHERS.** Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.
3. **CHANGE OF INTEREST.** The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.
4. **MATERIAL CHANGE.** Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
5. **TERMINATION.**
  - 1) This contract may be terminated,
    - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
    - (b) by the Insured at any time on request.
  - 2) Where this contract is terminated by the Insurer,
    - (a) the Insurer shall refund the excess of premium actually paid by the Insured proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and
    - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
  - 3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
  - 4) The refund may be made by money, postal or express company money order or cheque payable at par.
  - 5) The fifteen days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the: post office to which it is addressed.
6. **REQUIREMENTS AFTER LOSS.**
  - 1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
    - (a) forthwith give notice thereof in writing to the Insurer;
    - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
      - i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
      - ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,

- iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
  - iv) showing the amount of other insurances and the names of other Insurers,
  - v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
  - vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
  - vii) showing the place where the property insured was at the time of loss.
- (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
  - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- 2) The evidence furnished under clauses (1) (c) and (d) of sub-paragraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.
7. **FRAUD.** Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars vitiates the claim of the person making the declaration.
8. **WHO MAY GIVE NOTICE AND PROOF.** Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.
9. **SALVAGE.**
- 1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
  - 2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub condition (1) of this condition according to the respective interests of the parties.
10. **ENTRY, CONTROL, ABANDONMENT.** After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the insurer there can be no abandonment to it of insured property.
11. **APPRAISAL.** In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.
12. **WHEN LOSS PAYABLE.** The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.
13. **REPLACEMENT.**
- 1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss.
  - 2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.
14. **ACTION.** Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

15. **NOTICE.** Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

## ADDITIONAL CONDITIONS

1. **NOTICE TO AUTHORITIES.** Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereat, or is suspected to be so due, "you" must notify the police or other authority immediately.
2. **NO BENEFIT TO BAILEE.** "We" will not recognize any assignment or provide any coverage for the benefit of any bailee, which includes any person or organization holding, storing, or transporting property for a fee regardless of any other provision of the policy.
3. **PAIR AND SET.** In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, "we" will pay only a reasonable and fair proportion of the total value of the set, and such loss or damage will not be understood to mean total loss of the set.
4. **PARTS.** 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, "we" will not pay for more than the insured value of the part lost or damaged, including the cost of installation.
5. **YOUR DUTY AFTER LOSS.** It is "your" duty in the event that any property insured by this policy is lost to take all reasonable steps to recover such property. "We" will contribute pro rata towards any reasonable and proper expenses in connection with such efforts according to the respective interests of the parties.
6. **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US** "Your" rights to recover any part of "your" loss, for which "we" have made or agreed to make payment under this policy, are transferred to "us". "You" must not impair those rights and must help "us" enforce them. When the net amount recovered after deducting the costs of recovery is not enough to provide a complete indemnity for the loss or damage suffered, that amount will be divided between "you" and "us" in the proportion in which the loss or damage has been borne by "you" and "us".
7. **REBUILDING CLAUSE.** If the "Declaration Page" shows that the Rebuilding Clause applies, to the building(s) specified on the "Declaration Page", this clause applies to those specified buildings.  
In the event an insured peril damages or destroys any of the buildings to which this rebuilding clause applies, "you" must complete and submit a Proof of Loss form to "us". Upon receipt of the Proof of Loss form, "we" will make a first payment of only fifty percent only of the amount of loss payable on the damaged or destroyed building(s). The amount of loss payable will be the lesser of a) the actual amount of the damage or b) the limit of insurance applicable to the damaged or destroyed building(s). The balance of the amount of loss payable is subject to the following:
  - (a) If "you" notify "us" of "your" intention to repair, rebuild or replace the damaged building(s) within three hundred feet (90 metres) of its original site on lands "you" own at the time of the loss with a building(s) of like use and "you" provide "us" with satisfactory proof within twelve months of the date of loss, that "you" spent an amount not less than the total amount of all insurance payable in doing so, "we" will pay the balance of loss payable under this policy within thirty days.
  - (b) If "you" notify "us" of "your" intention to rebuild or replace any building(s) which have been damaged or destroyed with a building(s) of like use on lands "you" own at the time of the loss within the Province of Ontario but at a distance of more than three hundred feet from the site of the damaged or destroyed building(s) sought to be replaced, and provide "us" with satisfactory proof within twelve months of the date of loss that "you" spent an amount not less than the total amount of all insurance payable, in doing so, "we" will pay "you" the balance of funds within thirty days up to seventy-five percent of the loss payable under this policy.
  - (c) If due to any regulation or law applying to construction or repair "you" are prohibited from repairing or rebuilding the damaged building(s) on the same site, and notify "us" of "your" intention to rebuild or replace the destroyed building(s) with a building(s) of like use on land "you" own on other than the same site within the Province of Ontario and "you" provide "us" with satisfactory proof within twelve months of the date of loss, that "you" spent an amount not less than the total amount of all insurance payable in doing so, "we" will pay "you" the balance of funds up to the amount of loss payable under this policy, within thirty days.
  - (d) If "you" do not comply with the conditions of Clauses (a) or (b) or (c), the first payment will be the only payment for the loss.

If two or more items are subject to this clause, it will apply separately to each item.

8. **AUTOMOTIVE FUELS.** Any fuels used for automotive purposes must be stored in accordance with government regulations.
9. **LIBERALIZATION CLAUSE.** During the term of this policy, if “we” adopt and publish for use any forms, endorsements or rules which would extend or broaden the insurance provided by this policy, without additional premium charge, either by endorsement or substitution, then such extended or broadened insurance will apply to loss occurring after the effective date of such adoption and publication as though such endorsement or substitution had been made.
10. **NON WAIVER.** “We” shall not be deemed to have waived any term or condition of this policy in whole or in part, unless “our” waiver is clearly stated and in writing, and is signed by a person authorized to do so. In addition, neither “we” nor “you” may be lawfully considered to have waived any term or condition of this policy by any act relating to the appraisal of the amount of a claim, the delivery or completion of proof, or the investigation of or adjustment of any claim under this policy.
11. **EXAMINATION OF INSURED**  
In the event of a claim under this policy, “you” must submit to examination under oath, at “our” request, and “produce” for examination at such reasonable place and time as designated by “us” or “our” representative, all documents in “your” possession or control that relate to the matters in question, and “you” must permit extracts and copies of such documents to be made.
12. **STANDARD MORTGAGE CLAUSE**  
Mortgage Conditions: It is hereby provided and agreed that subject to the terms of this mortgage condition (and these shall supersede any policy conditions in conflict therewith but only as to the interest of the mortgagee), loss under this policy is made payable to the Mortgagee specified on the “Declaration Page”.
- (a) **Breach of Conditions by Mortgagor Owner or Occupant** - This insurance and every documented renewal thereof - as to the Interest of the Mortgagee only therein - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy or the occupation of the property for purposes more hazardous than specified in the description of the risk; Provided always that the Mortgagee shall notify forthwith the insurer(if known) of any vacancy or non-occupancy extending beyond 30 consecutive days, or of any transfer of interest or increased hazard that shall come to his knowledge; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
  - (b) **Right of Subrogation** - Whenever the insurer pays the Mortgagee any loss award under this policy and claims that - as the Mortgagor or Owner - no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the insurer may as its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
  - (c) **Other Insurance** - If there be other valid and collectable insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
  - (d) **Who May Give Proof of Loss** - In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
  - (e) **Termination** - The term of this mortgage condition coincides with the term of the policy: Provided always that the insurer reserves the right to cancel the policy as provided by Statutory condition but agrees that the insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory condition.
  - (f) **Foreclosure** - Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.