

*West Elgin Mutual  
Insurance Company*



*Farm Package Policy  
PP-0600-0109*

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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.

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

In return for payment of the premium, we provide insurance to indemnify you from loss by sudden and unexpected occurrences as described and limited in the Insured Perils section of this policy and subject to the terms and conditions set out in the policy. Failure to comply with any term or condition may result in the denial of a claim under this policy.

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

**"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. "Spouse" includes either of two persons who are not married to each other and have lived together continuously for a period of not less than three years or, in a relationship of some permanence where there is a child born of whom they are the natural or adoptive parents, and have cohabited within the preceding year. Only the person named on the Declaration Page may take legal action against us.

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

**"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 damage to electronic data processing equipment or other related component system, process or device.

**"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.

**"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, domestic appliance or waterbed 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.

**"Vacant"** means the occupant(s) has/have moved out with no intent to return, regardless of the presence of furnishings. A newly constructed dwelling is vacant after it is completed and before the occupant(s) move(s) in. Furthermore, the dwelling is also vacant when the occupant(s) move(s) out and before any new occupant(s) move(s) in.

## SECTION 1

### RESIDENTIAL PROPERTY COVERAGES

#### DEFINITIONS (Applicable to Section 1)

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

**“Domestic appliance”** 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.

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

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

**“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.

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

**“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.

**“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 fixed fuel tank, apparatus or pipes used to heat the unit.

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

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

**“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 and must intend to return to the principal residence upon completion of the school year in order for coverage on this policy to extend to him/her.

**“Surface waters”** means water on the surface of the ground where water does not usually accumulate in ordinary watercourses, lakes or ponds. This includes any waterborne objects.

**“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.

#### 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 from a plumbing, heating, air conditioning or sprinkler system or domestic appliance can be repaired we will pay the cost of such repairs.

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.

### **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, to a maximum of \$ 1,500 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, which ever 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 is not insured.
  - Personal property stored in a warehouse is only insured for the peril of theft.
  - If you wish, we will include personal property belonging to others while it is in your possession or belonging to a residence employee travelling for you 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 and aircraft or their equipment (except for motorized wheelchairs, scooters having more than 2 wheels and specifically designed for the carriage of a person with a physical disability, watercraft, motorized lawn mowers, lawn and garden tractors up to 22 kW (30 HP), other gardening equipment or snow blowers subject to Special Limits Applicable to Some Personal Property). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft.

### **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) up to \$300 in all;
3. Manuscripts, sports memorabilia collections, stamps and philatelic property (such as stamp collections) up to \$1,000 in all;
4. 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:

5. Books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$2,000 in all, but only while on your premises. Other business property, including samples and goods held for sale, is not insured;
6. Securities up to \$2,000 in all;
7. Money or bullion up to \$300 in all;
8. Lawn and garden tractors and golf carts including attachments and accessories up to \$15,000 in all;
9. 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;
10. Computer software up to \$1,000 in all. We do not insure the cost of gathering or assembling information or data;
11. Antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
12. Parts for motorized vehicles that are not installed yet up to \$3,000 in all;
13. Bicycles and related equipment up to \$1,000 for any one bicycle or unattached piece of equipment.
14. Utility trailers up to \$1,000 in all.

## 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 two weeks.
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 two weeks from the date of the order of evacuation, or \$2,000, whichever is the lesser.

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

- (a) flood meaning waves, tides, tidal waves and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
- (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, nuclear explosion or contamination by radioactive material.

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 \$250 for any one 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 and 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, Automated Teller Cards, Library or Video Cards, 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 loss caused by a resident of your household.  
We do not cover loss caused by a person to whom the card has been entrusted.  
The most we will pay under this coverage during the term of this policy is \$5,000.  
No deductible applies to this coverage.
4. **Freezer Contents:** We insure foodstuffs while contained in any Food Freezer unit(s) located within the Principal Residence 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 within the principal residence;
  - (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;
  - (d) resulting from any process of refinishing, renovating or repairing the freezer unit(s).
5. **Fire Department Charges:** We will reimburse you for up to \$1,000, or the amount shown on the Declaration Page, for fire department charges incurred for attending premises insured under this policy to save or protect insured property from loss or damage, or further loss or damage insured against by this policy. This coverage is not subject to a deductible.

## 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 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, employee 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, 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, domestic appliance or waterbed which is located inside your dwelling;
  - (c) 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 backing up or escape of water from a sewer or drain, sump or septic tank, eavestrough or downspout;
  - iii) caused by ground water or rising of the water table;
  - iv) caused by surface waters, unless the water escapes from a water main or swimming pool;
  - v) to water mains or outdoor plumbing systems and equipment attached (including but not limited to swimming pools, hot tubs or spas) caused by freezing, water or rupture;
  - vi) to the system or appliance from which the water escaped;
  - vii) occurring while the dwelling is under construction or vacant, even if permission for construction or vacancy has been given by us;
  - viii) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or domestic appliance unless it happens within a dwelling heated during the usual heating season and you have not been away from your premises for more than 4 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.
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. Any watercraft, its furnishings and equipment you own are insured up to \$1,000 if they were inside a fully enclosed building at the time of loss. Canoes and rowboats are also insured while in the open.
- 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, floods, 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) 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**

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. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
4. property because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
5. electrical devices or appliances caused by electrical currents other than lightning;
6. books of account and evidences of debt or title;
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;
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.

We do not insure 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, nuclear explosion or 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 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;
16. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
17. 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;
18. from intentional or criminal acts or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
19. by mysterious disappearance.

### **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:

- A) We insure your dwelling and detached private structures against direct physical loss or damage, subject to the terms and conditions below.

### **EXCLUSIONS**

#### **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. buildings or structures used in whole or in part or designed for farming, commercial or business purposes unless declared on the Declaration Page;
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 because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
6. lawns, outdoor trees, shrubs or plants except as provided under Additional Coverages of this policy
7. books of account and evidences of debt or title;
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;
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.

#### **Perils Excluded**

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

1. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
3. 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.
4. 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;
5. 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;
6. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
7. 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;
8. or resulting from any intentional or criminal act or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
9. or due to the cost involved to correct faulty material or workmanship;
10. by settling, expansion, contraction, moving, bulging, buckling, or cracking except resulting damage to building glass;
11. by smoke from agricultural smudging or industrial operations;
12. by buildup of smoke. Smoke damage must be sudden and accidental;
13. 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;
14. 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;
15. by water unless the loss or damage directly resulted from:
  - (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, domestic appliance or waterbed which is located inside your dwelling;

- (c) water which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
- (d) 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 backing up or escape of water from a sewer or drain, sump or septic tank, eavestrough or downspout;
  - iii) caused by ground water or rising of the water table;
  - iv) caused by surface waters, unless the water escapes from a water main or swimming pool;
  - v) to water mains or outdoor plumbing systems and equipment attached (including but not limited to swimming pools, hot tubs or spas) caused by freezing, water or rupture;
  - vi) to the system or appliance from which the water escaped;
  - vii) occurring while the dwelling is under construction or vacant, even if permission for construction or vacancy has been given by us;
  - viii) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or domestic appliance unless it happens within a dwelling heated during the usual heating season and you have not been away from your premises for more than 4 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;
16. or 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;
  17. 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;
  18. by theft or attempted theft by any tenant, members of a tenant's household or employees of the tenant.

#### **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) 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, employee 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, 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, domestic appliance or waterbed which is located inside your dwelling;
  - (c) water which enters through an opening which has been created suddenly and accidentally by an insured peril;
  - (d) water from the accumulation of ice and 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 backing up or escape of water from a sewer or drain, sump or septic tank, eavestrough or downspout;
- iii) caused by ground water or rising of the water table;
- iv) caused by surface waters, unless the water escapes from a water main or swimming pool;

- v) to water mains or outdoor plumbing systems and equipment attached (including but not limited to swimming pools, hot tubs or spas) caused by freezing, water or rupture;
  - vi) to the system or appliance from which the water escaped;
  - vii) occurring while the dwelling is under construction or vacant, even if permission for construction or vacancy has been given by us;
  - viii) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or domestic appliance unless it happens within a dwelling heated during the usual heating season and you have not been away from your premises for more than 4 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.
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.  
Any watercraft, its furnishings and equipment you own are insured up to \$1,000 if they were inside a fully enclosed building at the time of loss. Canoes and rowboats are also insured while in the open.  
This peril does not include damage:
- (a) due to weight or pressure of ice or snow, waves, floods, 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, 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) 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**

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 because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
- 5. 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;
- 6. household pets;
- 7. retaining walls not constituting part of any insured building;
- 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.

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

10. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
11. by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
12. 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 or as provided under Additional Coverage of Section 1;
13. because of the cost involved to correct faulty material or workmanship;
14. 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;
15. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
16. 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;
17. from intentional or criminal acts or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
18. by mysterious disappearance.

#### **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 1 –BROAD FORM SUBJECT ALSO TO “LOSS OR DAMAGE NOT INSURED – RESIDENTIAL POLICY – STANDARD FORM”**

#### **OPTION 2 - 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 terms and conditions below.

#### **EXCLUSIONS**

##### **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. 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 because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
6. lawns, outdoor trees, shrubs or plants except as provided under Additional Coverages of this policy
7. books of account and evidences of debt or title;
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;
12. retaining walls not constituting part of any insured building;
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.

##### **Perils Excluded**

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

1. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. by any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
3. 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;
4. 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;
5. 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;
6. by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
7. 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;
8. or resulting from any intentional or criminal act or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
9. or due to the cost involved to correct faulty material or workmanship;
10. by settling, expansion, contraction, moving, bulging, buckling, or cracking except resulting damage to building glass;
11. by smoke from agricultural smudging or industrial operations;
12. by buildup of smoke. Smoke damage must be sudden and accidental;
13. 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;
14. 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;
15. by water unless the loss or damage directly resulted from:
  - (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, domestic appliance or waterbed which is located inside your dwelling;
  - (c) water which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
  - (d) water from the accumulation of ice or snow on the roof or eavestrough, which enters the building 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 backing up or escape of water from a sewer or drain, sump or septic tank, eavestrough or downspout;
  - iii) caused by ground water or rising of the water table;
  - iv) caused by surface waters, unless the water escapes from a water main or swimming pool;
  - v) to water mains or outdoor plumbing systems and equipment attached (including but not limited to swimming pools, hot tubs spas) caused by freezing, water or rupture;
  - vi) to the system or appliance from which the water escaped;
  - vii) occurring while the dwelling is under construction or vacant, even if permission for construction or vacancy has been given by us;
  - viii) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or domestic appliance unless it happens within a dwelling heated during the usual heating season and you have not been away from your premises for more than 4 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;
16. 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;
17. or 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;
18. 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;
19. by theft or attempted theft by any tenant, members of a tenant's household or employees of the tenant.

## **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.

## **PERSONAL PROPERTY**

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, to a maximum of \$ 3,000, 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 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 personal property belonging to others while it is in your possession or belonging to a residence employee traveling 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 and aircraft or their equipment (except for motorized wheelchairs, scooters having more than 2 wheels and specifically designed for the carriage of a person with a physical disability, watercraft, motorized lawn mowers, lawn and garden tractors up to 22 kW (30 HP), other gardening equipment or snow blowers subject to Special Limits Applicable To Some Personal Property). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft.

## **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) up to \$500 in all;
3. Manuscripts, sports memorabilia collections, stamps and philatelic property (such as stamp collections) up to \$2,000 in all;
4. 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:

5. 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;
6. Securities up to \$3,000 in all;
7. Money or bullion up to \$500 in all;
8. Lawn and garden tractors and golf carts including attachments and accessories up to \$15,000 in all;
9. Watercraft, their furnishings, equipment, accessories and motors up to \$2,000 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;
10. Computer software up to \$3,000 in all. We do not insure the cost of gathering or assembling information or data;
11. Antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
12. Parts for motorized vehicles that are not installed yet up to \$3,000 in all;
13. Bicycles and related equipment up to \$1,000 for any one bicycle or unattached piece of equipment.
14. Utility trailers up to \$1,000 in all.

#### **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 \$500 for any one 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 and 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, Library or Video Cards, Automated Teller Cards, 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, library or video cards or automated teller 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 loss caused by a resident of your household.  
We do not cover loss caused by a person to whom the card has been entrusted.  
The most we will pay under this coverage during the term of this policy is \$5,000.  
No deductible applies to this coverage.
4. **Inflation Protection:** During the term of this policy, we will automatically change the limits of insurance in Section 1 on: Dwelling Building, Detached Private Structures, Personal Property and Additional Living Expenses by the proportion by which the latest Replacement Cost values of dwellings in your area have changed since the effective date of the current term of the policy. A home evaluation system approved by us will be used to determine the proper adjustment. Effective on renewal date, we will automatically change the limits of insurance shown on the Declaration Page in the same way. If, at your request, we change the limit of insurance on any coverage shown on the Declaration Page, we will apply this Inflation Protection on the changed limits of insurance from the date the change is made.
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.
7. **Freezer Contents:** We insure foodstuffs while contained in any Food Freezer unit(s) located within the principal residence 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 within the principal residence;
- (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;
- (d) resulting from any process of refinishing, renovating or repairing the freezer unit(s).

8. **Fire Department Charges:** We will reimburse you for up to \$1000, or the amount shown on the Declaration Page, for fire department charges incurred for attending premises insured under this policy to save or protect insured property from loss or damage, or further loss or damage insured against by this policy. This coverage is not subject to a deductible.

## **BASIS OF CLAIM PAYMENT**

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 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.

"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 rateable 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 in the course of 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 LIGHTING.**
- 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.

### **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.

#### **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 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 \$1,000 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.

**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, nuclear explosion or contamination by radioactive material;
4. caused by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants, except as provided under Additional Coverages;
5. 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;
6. caused by mechanical or electrical breakdown or failure, or repairing or maintenance operations unless specific coverage is included in your policy;
7. 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;
8. 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;
9. to buildings or structures used in whole or in part or designed for business purposes other than farming unless declared on the Declaration Page;
10. to any property illegally acquired or kept;
11. to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
12. 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;
13. to electrical devices or appliances caused by electrical current unless specific coverage is included in your policy;
14. to lawns, outdoor trees, shrubs or plants;
15. to books of account and evidences of debt or title;
16. 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;
17. to automobiles, trucks, motorcycles or similar equipment designed or licensed for highway use or any vehicle subject to motor vehicle registration, aircraft, 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;
18. caused by or resulting from breaking or falling through ice; (Livestock excepted)
19. caused by freezing or extremes of temperature unless specific coverage is included in your policy;
20. caused by mysterious disappearance;
21. 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.

#### **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 the "Additional Agreements of the Insurer" is also subject to the policy deductible applicable to the insured premises. 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 three hundred 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 twelve months of the date of loss, that you spent or contracted to spend 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 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 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 or contracted to spend 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 or contracted to spend 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.

**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

### RESIDENTIAL PROPERTY LIMITED COVERAGES

#### DEFINITIONS (Applicable to Section 3)

“**Dwelling**” in this section means the building shown on the Declaration Page occupied as a private residence.

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

“**Premises**” in this section means the dwelling and the land contained within the lot lines and 100 feet/31.35 metres of the dwelling.

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

#### ALL THE 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 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.

#### 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.

#### 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 purpose, 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. We do not insure loss or damage to motorized vehicles, trailers and aircraft or their equipment (except for motorized wheelchairs, scooters having more than 2 wheels and specifically designed for the carriage of a person with a physical disability, watercraft, motorized lawn mowers, lawn and garden tractors up to 22 kW (30 HP), other gardening equipment or snow blowers). Equipment includes audio, visual recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. 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) up to \$200 in all;
3. Manuscripts, sports memorabilia collections, stamps and philatelic property (such as stamp collections) up to \$500 in all;
4. 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;
5. 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;
6. Securities up to \$1,000 in all;
7. Money or bullion up to \$200 in all;
8. Lawn and garden tractors including attachments and accessories up to \$2,500 in all;
9. Watercraft, their furnishings, equipment, accessories and motors up to \$1,000 in all. 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;
10. Computer software up to \$1,000 in all. We do not insure the cost of gathering or assembling information or data;
11. Antiques only for their depreciated value; (antique value is not covered unless specifically insured);
12. Bicycles and related equipment up to \$1,000 in all;
13. Alcoholic beverages up to \$200 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 limited:

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 the building 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, 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, domestic appliance or waterbed which is located inside your dwelling;
  - (c) 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 backing up or escape of water from a sewer or drain, sump or septic tank, eavestrough or downspout;
- iii) caused by ground water or rising of the water table;
- iv) caused by surface waters, unless the water escapes from a water main or swimming pool;
- v) to water mains or outdoor plumbing systems and equipment attached (including but not limited to swimming pools, hot tubs or spas) caused by freezing water or rupture;
- vi) to the system or appliance from which the water escaped;
- vii) occurring while the dwelling is under construction or vacant, even if permission for construction or vacancy has been given by us;
- viii) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or domestic appliance unless it happens within a dwelling heated during the usual heating season and you have not been away from your premises for more than 4 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

We will replace or repair any parts of the building that must be removed or torn apart before any insured damage 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 within a building or to the interior of a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building. Any watercraft, its furnishings and equipment you own are insured up to \$1,000 if they were inside a fully enclosed building at the time of loss. Canoes and rowboats are also insured while in the open. 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, floods, land subsidence whether driven by wind or not.

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

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. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- 4. property because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
- 5. electrical devices or appliances caused by electrical currents other than lightning;
- 6. lawns, and outdoor trees, shrubs or plants;
- 7. books of account and evidences of debt or title;
- 8. 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;
- 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.

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, nuclear explosion or contamination by radioactive material;
- 15. by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants;
- 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 or household pets;
- 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. from intentional or criminal acts or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
- 20. by mysterious disappearance.

### **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. 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.

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

**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 4

### MISCELLANEOUS COVERAGES SECTION

#### DEFINITIONS

The Definitions in the Property Insurance Section 1 also apply to the Miscellaneous Coverages Section.

#### 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 in the course of 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**

If the Declaration Page shows that Inflation Protection applies to a specific dwelling, during the term of this policy, we will automatically change the limits of insurance on: Dwelling Building, Detached Private Structures, Personal Property and Additional Living Expense by the proportion by which the latest Replacement Cost Values of dwellings in your area have changed since the effective date of the current term of your policy. A home evaluation system approved by us will be used to determine the proper adjustment.

Effective on renewal date, we will automatically change the limits of insurance shown on the Declaration Page in the same way.

If, at your request, we change the limit of insurance on any coverage shown on the Declaration Page, we will apply this Inflation Protection on the changed limits of insurance from the date the change is made.

## **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. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
3. contamination or pollution or the release, discharge or dispersal of contaminants or pollutants;
4. wear, tear, gradual deterioration, latent defect, mechanical breakdown, fungi or spore(s);
5. birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats) or insects;
6. your intentional or criminal acts.

## **SPECIAL CONDITIONS**

**Stamp and Coin 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- SEWER, SEPTIC TANK, DRAIN OR SUMP BACKUP COVERAGE**

If the Declaration Page shows that Sewer, Septic Tank, Drain or Sump Backup Coverage applies it is agreed that the policy is extended to cover direct loss or damage to the dwelling and personal property in the dwelling caused by:

SEWER, SEPTIC TANK, DRAIN OR SUMP BACK UP, meaning sudden and accidental leakage or escape of water from a sewer, septic tank, drain or sump pit within the insured dwelling subject to the terms and conditions below.

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

We do not insure loss or damage:

- (a) resulting from escape of water from a sump pit not equipped with a sump pump; or
- (b) occurring while the dwelling insured is vacant or in the course of construction, irrespective of any permission for vacancy or construction elsewhere in the policy.

## **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. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
3. contamination or pollution or the release, discharge or dispersal of contaminants or pollutants;
4. 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);
5. your intentional or criminal acts;
6. any process or work being performed on the scheduled articles where the damage results from such process or work;
7. 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;
8. 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;

9. 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;
10. 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.

## **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. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
7. contamination or pollution or the release, discharge or dispersal of contaminants or pollutants
8. 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;
9. birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats) or insects;
10. any process of refinishing, renovating, repairing, servicing or maintenance;
11. ice, freezing or extremes of temperature;
12. your intentional or criminal acts;
13. infidelity of others who borrow or use the property insured.

### **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.

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.

**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.

## 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 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, to a maximum of \$2,000 and 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.

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

To pay, to a maximum of \$500 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.

#### 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 make such investigation, negotiation and settlement of any claim as it may deem expedient.
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, other than loss of earnings, 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. **"Bodily Injury"** means bodily injury, sickness or disease, including death at any time resulting therefrom, sustained by any person.
2. **"Business"** means any continuous or regular 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:
  - (a) an insured is the sole owner or a partner in such business; or
  - (b) activities in the course of such employment cause Bodily Injury to a fellow employee; or

- (c) 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.
3. **“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 Property” 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 1, 2 or 3-family dwelling usually occupied in part by the insured as a residence, unless such rental is for the accommodation of more than 2 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 3 car spaces or stalls in garages or stables on the Premises insured.
4. **“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.
5. **“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.
6. **“Data”** means representations of information or concepts, in any form.
7. **“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.
8. 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. 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;
  - d. 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;
  - e. a Farm Employee while engaged in the employment of the Insured;
  - f. a Residence Employee while engaged in the employment of the Insured;
  - g. any person while providing voluntary assistance in the farming operations of the Insured;
  - h. 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;
  - i. 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.
9. **“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.
10. **“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 you are not the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days;
  - (d) vacant land, 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 you own or rent for the recreational use or seasonal storage of any trailer;
  - (f) premises in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of :
    - 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.
11. **“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.
12. **“Property Damage”** means physical injury to or destruction of tangible property, including the loss of use thereof at any time resulting therefrom.
13. **“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”.
14. **“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.
15. **“Residence Premises”** means:
  - (a) a 1, 2 or 3-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.
16. **“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.
17. **“Spouse”** means either of two persons who,
  - (a) are married to each other, or
  - (b) have together entered into a marriage that is voidable or void, in good faith on the part of the person making a claim under this policy, or
  - (c) are not married to each other and have cohabited,
    - i) continuously for a period of not less than three years, or
    - ii) in a relationship of some permanence where there is a child born of whom they are the natural or adoptive parents, and have cohabited within the preceding year.

**PART IV-EXCLUSIONS**

**Coverages A.1, A.2, A.3 and A.4 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 by an insured of any communicable disease;
- 5. Any environmental liability of an insured for:
  - (a) Bodily Injury and Property Damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
    - i) at or from Premises owned, rented or occupied by an insured;
    - ii) at or from any site or location used by or for an insured or others for the handling, storage, disposal, processing or treatment of waste;

- iii) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an insured or any person or organization for whom the insured may be legally responsible; or
- iv) at or from any site or location on which an insured or any contractors or subcontractors working directly or indirectly on behalf of an insured are performing operations:
  - 1. if the pollutants are brought on or to the site or location in connection with such operations; or
  - 2. if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
- (b) any loss, cost or expense arising out of any governmental direction or request that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants;
- (c) fines, penalties, punitive or exemplary, damages arising directly or indirectly out of the discharge, dispersal, release or escape of any pollutants.

Sub-paragraphs (i) and (iv) of paragraph (a) of this exclusion do not apply to Bodily Injury, or Property Damage caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- 6. Bodily Injury, or Property Damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
  - (a) any air cushion vehicle or any aircraft; 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.

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 38 kW (50 HP); or
  - (b) has outboard motor power, singly or in combination, of more than 19 kW (25 HP) in all; or
  - (c) exceeds 8 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 pre-arranged 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 therefor.
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;

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

25. Bodily injuries or property damage caused by any intentional or criminal act or intentional or criminal failure to act by or at the direction of an insured.
26. 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.
27. Bodily Injury to any person if benefits therefore are payable under any Worker's Compensation Law.

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

28. Damage to:
  - (a) property owned, used or occupied by or leased to an insured; 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:**

29. 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:**

30. 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.
31. Products Hazard.

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

32. 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.
33. Property owned by or rented to an insured, any resident of the household of the insured named on the Declaration Page or any tenant of an insured.
34. Loss or damage arising out of the use or operation of farm machinery and equipment, Recreational Vehicles or watercraft.
35. Damage or destruction caused intentionally by or at the direction of an insured who has attained the age of 13 years or more.
36. 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

\$2,000.00 is the limit of the Insurer's liability for all expenses incurred by or on behalf of each person who sustains Bodily Injury, including death resulting therefrom, in any one accident or occurrence.

(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 \$500.00.

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**

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; 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.

#### 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 you are 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. **“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.
5. **“Environmental damage”** means the injurious presence of “pollutants” in or upon land, the atmosphere, or any watercourse or body of water.
6. 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 insured’s 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.
7. The **“Insured’s work”** means
  - (a) Work or operations performed by any insured or on behalf of any insured; and
  - (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.
8. **“Pollutants”** means any solid, liquid or gaseous contaminant other than heat, sound, vibration or radiation.
9. **“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”.
10. (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 your 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.
11. **“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”.
12. **“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.
13. **“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 thereof, or is suspected to be so due, you must notify the police or other authority immediately.
2. **NO BENEFIT TO BAILEE.** This insurance does not apply directly or indirectly to the benefit of any carrier or other bailee.
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 or contracted to spend 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 or contracted to spend 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 or contracted to spend 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.** This policy is subject to the terms and conditions set forth in it together with such other terms and conditions as may be endorsed or added to it. No terms or condition of this policy will be deemed to be waived in whole or in part by us unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by us.

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 thirty (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.