



***Wawanesa***  
*Insurance*

Your  
**Farm**  
Insurance Policy



## Wawanesa Insurance A Great Canadian Success Story

Wawanesa Insurance was founded in 1896 in the village of Wawanesa, Manitoba. With regional offices across Canada and operations in the United States, Wawanesa Insurance is one of the largest property and casualty insurers in Canada. In fact, the most respected insurance rating agency, A.M. Best, has consistently awarded Wawanesa Insurance an A+ (Superior) rating based on financial strength and stability.

Wawanesa Insurance is successful because we pride ourselves on claims service. Once policyholders have experienced a claim with Wawanesa, they are customers for life.

Wawanesa proudly partners with Insurance Brokers across Canada. On behalf of our Brokers, we thank you for buying Canadian.

### Regional Offices

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[www.wawanesa.com](http://www.wawanesa.com)



**Wawanesa**  
**Insurance**



## INTRODUCTION

Thank you for choosing the **Wawanesa Mutual Insurance Company** as your insurer.

We are proud to offer you this product through Canada's Insurance Broker network.

Please read this booklet and Declarations carefully and keep them in a safe place. If you have any questions we encourage you to contact your Insurance Broker.

## HOW TO READ AND UNDERSTAND YOUR POLICY

Your booklet has been written in plain language to make it easier for you to understand the insurance protection you have purchased.

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

Your policy consists of:

- **THE DECLARATIONS** which contain information that is unique to your insurance policy and which indicates the coverages you have purchased.
- **THE POLICY** that is contained in this booklet.
- **OPTIONAL FORMS** and **ENDORSEMENTS** that are included in this booklet or attached to your Declarations.
- **THE STATUTORY CONDITIONS** which apply to all forms and are required by Provincial Law.

All of these items represent the legal contract of indemnity between you and us.

This policy consists of two sections:

**SECTION I – PROPERTY COVERAGE** of this booklet describes the insurance on your property. It also includes Loss Of Use and/or Fair Rental Value coverage as shown in the booklet.

**SECTION II – LIABILITY COVERAGE** of this booklet describes the insurance for your legal liability for bodily injury to others or damage to property of others arising out of your premises or your personal actions. It also includes benefits following injury or damage to property of others in certain other circumstances.

**SECTION III – FARM COVERAGE** of this booklet describes the insurance on your farm buildings, machinery, produce, livestock, and farm income. You will have purchased either FIRE and LIGHTNING or FIRE and EXTENDED COVERAGE. These coverages may vary by item. You may also have purchased SPECIAL COVERAGE on your buildings, contents, mobile farm machinery, or equipment, tools and parts.

In order to determine what coverage(s) you have, simply read your Declarations and then find the corresponding coverage(s) either in this booklet or in any attached form.

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# **AGREEMENT**

We provide the insurance described in this policy in return for payment of the premium when due and subject to the terms and conditions set out.

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

**Insurance cannot be a source of profit. It is only designed to indemnify you against actual losses or expenses incurred by you or for which you are liable.**

If we broaden coverage while the policy is in effect, you will receive the benefit of the increased coverage at no additional charge.



# DEFINITIONS

In this policy words and phrases shown in "quotations" have special meaning, either as defined in this booklet under DEFINITIONS or as otherwise specifically defined within the applicable form.

**"Aircraft"** means any contrivance used or designed for flight, including any parts whether or not attached to the aircraft. Aircraft includes but is not limited to airplanes, helicopters, hot air balloons, drones, unmanned aerial vehicles, hovercraft.

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

**"Business"** means any continuous or regular pursuit undertaken for financial compensation, including, any trade, profession or occupation. Business does not include "farming".

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

**"Cash Cards"** means cards designed to store a cash value by electronic means for use as a mode of payment, without a personal identification number and without direct access to a bank or other account.

**"Civil Authority"** means any person acting under the authority of Federal, Provincial or Territorial, or Municipal legislation with respect to the protection of persons and property in the event of an emergency.

**"Computer Equipment"** means the central processing unit and any auxiliary equipment including, but not limited to mice, monitors, keyboards, printers, speakers, scanners, disk and tape drives, modems, routers, cassette tape recorders, word processing equipment, tablet computers and/or any associated connecting cables.

**"Computer Software"** and **"Software"** means computer programs and/or instructions stored on electronic media, excluding video games of any kind.

**"Computer System"** means:

- a. "your" "computer equipment" described on the Declarations; and any
- b. (1) media;  
(2) "computer software" electronically stored on "computer equipment" or media; and  
(3) "data" electronically stored on "computer equipment" or media; all as described on the Declarations and which are being used in conjunction with "your" "computer equipment" as described on the Declarations.

**"Condominium Corporation"** means a condominium or strata corporation established under Provincial Legislation.

**"Custom Farming"** means the use of "your" farm machinery or equipment, away from "your" "premises" to farm for others, for a fee under any agreement(s) or contract(s) where "your" annual receipts equal or exceed \$10,000. Occasional farm work that "you" do for others in return for their work for "you" will not be considered custom farming.

Custom Farming does not include crop spraying.

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

**"Data Problem"** means:

- a. erasure, destruction, corruption, misappropriation or misinterpretation of "data";
- b. error(s) in creating, amending, entering, deleting or using "data"; or
- c. inability to receive, transmit or use "data".

**"Domestic Water Container"** means a device or apparatus for containing, heating, chilling or dispensing water for personal use.

**"Dwelling"** means:

- a. if "you" are a building or mobile home owner, the building or mobile home described on the Declarations wholly or partially occupied by "you" as a private residence;
- b. if "you" are a tenant, the portion of the building occupied by "you" principally as a private residence;
- c. if "you" are a condominium unit owner, the structure occupied as a condominium unit for private residence purposes or the portion of the structure occupied as a condominium unit for private residence purposes.

**"Farming"** means the ownership, maintenance or use of "premises" for the production of crops or the raising or care of livestock, including all necessary "operations". Farming also includes the operation of roadside stands and farm markets maintained principally for the sale of "your" own farm products.

**"Farm Employee"** means a person employed by "you" to perform duties in connection with any of "your" "farming" activities which are otherwise covered by this policy.

"Farm Employee" does not include:

- a. any "Named Insured";
- b. the "spouse" of any person described in (a) above;
- c. the relatives of any person referred to in either (a) or (b) above while living in the same household as the "Insured";
- d. any person under the age of 21 years, in the care of any person referred to in (a), (b) or (c) above and who is living in the same household as the "Insured"; or
- e. persons while performing duties in connection with "your" "business".

**"Farm Income"** means:

- a. the net income (net profit or loss before income taxes earned or incurred); and
- b. any normal, continuous operating expenses incurred, including payroll.

**"Flood"** includes but is not limited to, waves, tides, tidal waves, tsunami, dam breaks, seiche or the rising of, the breaking out or the overflow of, any body of water or watercourse, whether natural or man-made.

**"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, underground streams and percolating waters.

**"Insured"**

Under **SECTION I – PROPERTY COVERAGE** "Insured" means a "Named Insured" and while living in the same household;

- a. his or her "spouse";
- b. the relatives of either;
- c. a registered domestic partner; and
- d. any person under the age of 21 years and in "your" care.

In addition, a student who is enrolled and attends a school, college or university and who is dependent on a "Named Insured" or his or her "spouse" for support and maintenance is also an insured even if temporarily residing away from "your" principal residence as shown on the Declarations.

In addition, an insured or parent of an insured who is dependent on a "Named Insured" or his or her "spouse" for support and maintenance is also an insured while living in a nursing home or assisted living facility.

Only a "Named Insured" may take legal action against "us".

Under **SECTION II – LIABILITY COVERAGE** "Insured" also means;

- a. if "you" are a partnership or joint venture, "your" members and "your" partners and their "spouses", but only with respect to the conduct of "your" "farming" operations"; or
- b. if "you" are an organization other than a partnership or joint venture:
  - (1) "your" executive officers and directors, but only with respect to their duties as "your" officers and directors; and
  - (2) "your" shareholders, but only with respect to their liability as shareholders.

No person or organization is insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a "Named Insured";

- c. any of "your" "residence employees" or "farm employees" (other than executive officers), but only for acts that:
  - (1) cause "bodily injury" to someone other than "you" or a co-employee; and
  - (2) are within the scope of their employment by "you" and which are otherwise covered by this policy. The providing of professional health care services or the failure to provide them will not be considered to be within the scope of any employee's employment by "you";

- d. any person or organization legally liable for damages caused by a watercraft owned by "you" and to which this insurance applies. This does not include anyone using or having custody of the watercraft in the course of any "business" or "farming" operation or without the owner's permission;
- e. any person or organization legally liable for damages caused by an animal(s) owned by "you" and to which this insurance applies. This does not include anyone using or having custody of the animal(s) in the course of "business" or "farming" operation or without the owner's permission;
- f. "your" legal representative having temporary custody of the insured "premises", if "you" die while insured by this policy, for "legal liability" arising out of the "premises"; and/or
- g. any person who is insured by this policy at the time of "your" death and who continues residing on the "premises".

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

**"Named Insured"** means the person(s) designated as an "Insured" on the Declarations.

**"Occurrence"**

Under **SECTION I – PROPERTY COVERAGE** "Occurrence" means a loss to insured property during the policy period, caused by one or more of the insured perils.

Under **SECTION II – LIABILITY COVERAGE** "Occurrence" means an accident, including continuous or repeated exposure to the same general harmful conditions, and occurring during the policy period.

**"Our", "us" or "we"** means the Wawanesa Mutual Insurance Company.

**"Operations"** means "your" farm activities occurring at the described "premises".

**"Period of Restoration"** means the period of time that:

- a. begins with the date of direct physical loss or damage caused by or resulting from any insured peril at the described "premises"; and
- b. ends on the date when the property at the described "premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of Restoration" does not include any increased period of time required due to the enforcement of any ordinance or law that:

- a. regulates the construction, use or repair, or requires the tearing down of any property; or
- b. requires any "Insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "Period of Restoration".

**"Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to fuel oil, vapour, soot, chemicals, pesticides, herbicides, waste and smoke from agricultural smudging or industrial operations.

**"Premises"**

Under **SECTION I – PROPERTY COVERAGE** "Premises" means:

- a. the farm premises specified on the Declarations;
- b. the location where "you" reside and the land contained within the lot lines where the "dwelling" is situated;
- c. if "you" are a tenant or the owner of a condominium unit premises means the portion of the location which "you" occupy exclusively for "your" residential purposes;
- d. other residential premises specified on the Declarations, except "business property".

Under **SECTION II – LIABILITY COVERAGE** "Premises" includes:

- a. land "you" use for "farming" purposes and any new farm premises acquired during the policy period;
- b. individual or family cemetery plots or burials vaults;
- c. "vacant" land in Canada owned by or rented to "you", other than farm land;
- d. land in Canada owned by or rented to "you" on which an independent contractor is building a one, two or three family residence to be occupied by "you";

- e. the premises where "you" are residing temporarily or which "you" are using temporarily, provided "you" are not:
  - (1) the owner of the premises; or
  - (2) the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days; and/or
- 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:
  - (1) 30 consecutive days;
  - (2) the date the policy term expires or is terminated; or
  - (3) the date upon which specific liability insurance is arranged for such premises.

**"Property Damage"** means:

- a. physical damage to or destruction of tangible property; and
- b. the loss of use of tangible property.

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

**"Specified Perils"** means the following perils as described and limited, subject to losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED**:

1. **FIRE**
2. **LIGHTNING**
3. **EXPLOSION**
4. **SMOKE**

This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the "premises".

5. **FALLING OBJECT**

This peril means a falling object which strikes the exterior of a "dwelling" and/or private structure.

6. **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE**

This peril does not include any loss or damage to animals.

7. **RIOT**

8. **VANDALISM OR MALICIOUS ACTS**

This peril does not include loss or damage:

- a. caused by "you" and/or at "your" direction;
- b. occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- c. caused by theft or damage from an attempted theft.

9. **WATER DAMAGE**

"We" insure:

- a. the sudden and accidental escape of water or steam from within a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container", which is located within "your" "dwelling" and/or private structures;

but under no circumstances do "we" insure any loss or damage:

- (1) caused by freezing during the usual heating season;
  - (i) within a heated portion of "your" "dwelling" and/or private structures if "you" have been away from "your" "premises" for more than 4 consecutive days, but "you" will still be insured if "you" have taken any of the following precautions:
    - a) arranged for a competent person to enter "your" "dwelling" and/or private structures each day "you" were away to ensure that heating was being maintained;
    - b) shut off the water supply to "your" "dwelling" and/or private structures and had drained all of the pipes and "domestic water containers";

- c) connected "your" heating system to an alarm which is monitored 24 hours a day by a central monitoring service;
  - (ii) within an unheated portion of "your" "dwelling" and/or private structures;
- (2) caused by continuous or repeated leakage or discharge of water;
- (3) caused by seepage;
- (4) caused by the backing up or escape of water or sewage from any sewer, septic system or sump;
- (5) to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
- (6) occurring while the "dwelling" and/or private structure is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy". This exclusion applies immediately upon "your" "dwelling" and/or private structures becoming "vacant" or commencing construction;
- b. the sudden and accidental escape of water from a "domestic water container" which is located outside "your" "dwelling" and/or private structures; but under no circumstances do "we" insure any loss or damage when the escape of water is caused by freezing;
- c. the sudden and accidental escape of water from a "watermain" located outside "your" "dwelling" and/or private structures;
- d. water which enters "your" "dwelling" and/or private structures through an opening which has been created suddenly and accidentally by a "Specified Peril" other than WATER DAMAGE.

Regardless of exceptions a., b., c. and d. above, "we" do not insure any loss or damage caused by:

- (a) "surface waters";
- (b) "ground water" or rising of the water table;
- (c) shoreline ice build-up or water borne ice or other waterborne objects, all whether driven by wind or not;
- (d) "flood". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

#### **10. WINDSTORM**

This peril does not include loss or damage caused by or resulting from the weight of ice or snow, including, but not limited to shoreline ice build-up or water borne ice or other objects, whether driven by wind or not.

#### **11. HAIL**

#### **12. ELECTRICITY**

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

#### **13. TRANSPORTATION**

This peril means loss or damage to "your" personal property caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer, in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to personal property in a vacation or home trailer which "you" own.

#### **14. ICE DAMMING**

This peril means loss or damage caused by water that enters the "dwelling" or unit through a roof due to the accumulation of ice or snow on the exterior of the roof or eavestrough.

#### **15. DAMAGE CAUSED BY BEARS**

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

**"Spouse"** means a person:

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

**"Surface Waters"** means water or natural precipitation temporarily diffused over the surface of the ground, not caused by "flood" or escape of water from a "domestic water container" or "watermain".

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

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

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

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

**"You"** or **"Your"** refers to the "Insured".

# **SECTION I** **PROPERTY COVERAGE**

## **COVERAGE A – DWELLING BUILDING**

"We" insure:

- a. the "dwelling" on the "premises" described on the Declarations and its attached structures;
- b. permanently installed outdoor equipment on the "premises" used principally for the service of the "dwelling";
- c. outdoor "domestic water containers", including swimming pool(s), spas, hot tubs and their attached equipment on the "premises";
- d. materials and supplies located on or adjacent to the "premises" intended for use in construction, alteration or repair of the "dwelling" and/or private structures on the "premises";
- e. building fixtures and fittings used principally for the service of the "dwelling" while temporarily removed from the "premises" for repair or seasonal storage.

## **COVERAGE B – PRIVATE STRUCTURES**

"We" insure private structures on the "premises" separated from the "dwelling" by a clear space 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 private structures.

### **PROPERTY NOT INSURED**

"We" do not insure private structures originally built and previously used for "farming" purposes regardless of their current use unless otherwise endorsed in this form.

## **COVERAGE C – PERSONAL PROPERTY**

### **PERSONAL PROPERTY ON YOUR PREMISES**

"We" insure:

- a. the contents of "your" "dwelling" and other personal property "you" own, wear or use which is usual to the ownership, maintenance or use of "your" "dwelling"; and
- b. if "you" wish "we" will include uninsured personal property of others while it is on that portion of "your" "premises" which "you" occupy, but "we" do not insure personal property of roomers or boarders.

### **PERSONAL PROPERTY AWAY FROM YOUR PREMISES**

"We" insure:

- a. "your" personal property while it is temporarily away from "your" "premises" anywhere in the world. If "you" wish "we" will include uninsured personal property belonging to others while it is in "your" possession or belonging to a "residence employee" traveling with "you";
- b. personal property while in storage, including in a safety deposit box;
- c. personal property of a student who, while temporarily residing away from "your" principal residence is covered up to \$25,000 provided the student:
  - (1) is enrolled in and attending a school, college or university; and
  - (2) is dependent on a "Named Insured" or his or her "spouse" for support and maintenance;
- d. personal property of an "Insured" or parent of an "Insured" who is dependent on the "Named Insured" or his or her "spouse" for support and maintenance while residing in a nursing home or assisted living facility is covered up to \$25,000.

### **MOVING TO ANOTHER HOME**

"We" insure "your" personal property while "you" are moving from the "premises" shown on the Declarations to a new "dwelling" in Canada:

- a. for a period of 30 days commencing on the date "you" began moving; or
- b. until "your" policy term expires or is terminated;

whichever occurs first.

This coverage does not increase the Amount of Insurance applying to the property being moved.

## SPECIAL LIMITS OF INSURANCE

Coverage for the following types of personal property is subject to the SPECIAL LIMITS OF INSURANCE as shown below. These limits are the most "we" will pay for any loss or damage in any one "occurrence".

For all insured losses	Limit
"Business" property on "your" "premises"	\$5,000
Securities	\$5,000
Money, "cash cards", bullion	\$1,000
Watercraft, their furnishings, equipment, motors and accessories	\$3,000
Motorized garden equipment and golf carts	\$10,000
Spare automobile parts	\$1,000

The following **SPECIAL LIMITS OF INSURANCE** only apply to losses caused by theft or mysterious disappearance.

For theft or mysterious disappearance losses	Limit
Jewellery, watches, gems	\$10,000
Fur garments and garments trimmed with fur	\$6,000
Numismatic, coin or banknote collections	\$1,000
Manuscripts, stamps and stamp collections	\$1,500
Collectibles, including sports cards, memorabilia and comic books	\$250 per item; \$5,000 total

## PROPERTY NOT INSURED

"We" do not insure:

- a. property of roomers or boarders who are not related to "you";
- b. personal property normally kept at any other location "you" own, rent or occupy;
- c. motorized vehicles or their equipment except:
  - (1) electric power assisted bicycles;
  - (2) wheelchairs or scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability, that can attain speeds no greater than 32 kilometers per hour;
  - (3) watercraft;
  - (4) lawn mowers, snow blowers and other motorized gardening equipment; and
  - (5) motorized golf carts;
- d. camper units, truck caps, trailers, or their equipment;
- e. "aircraft" or their equipment.

Equipment includes audio, visual, recording, or transmitting equipment, powered by the electrical system of a motorized vehicle or "aircraft".

Equipment does not include spare automobile parts.

Toys or hobby items such as model "aircraft" or children's battery powered all-terrain vehicles using no more than a 12 volt battery or that can attain speeds no greater than 10 kilometers per hour are not considered motorized vehicles or "aircraft";

- f. sporting equipment where the loss or damage is due to its use;
- g. breakage of eyeglasses, glassware, statuary, marbles, bric-a-brac, porcelain, and similar fragile articles (other than jewellery, gems, watches, bronzes, precious and semi-precious stones, cameras and photographic lenses) unless the loss or damage is caused by:
  - (1) any of the "Specified Perils"; or
  - (2) theft, or attempted theft;
- h. animals, birds or fish unless the loss or damage is caused by any of the "Specified Perils" other than IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE;
- i. property at any fairground, exhibition or exposition, for the purpose of exhibition, trade or sale, except as provided in 14 EXHIBITION COVERAGE in ADDITIONAL COVERAGE;
- j. evidence of debt or title; or
- k. samples and goods held for sale.



## COVERAGE D – LOSS OF USE

The Amount of Insurance for COVERAGE D – LOSS OF USE is the total amount for any one or a combination of the following coverages. The periods of time shown below are not limited by the expiration of this policy.

### ADDITIONAL LIVING EXPENSE

As a result of an insured peril, if "your" "dwelling" is 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 a reasonable time required to repair or rebuild "your" "dwelling", or if "you" permanently relocate, the reasonable time required for "your" household to settle elsewhere.

### FAIR RENTAL VALUE

If an insured peril makes that part of the "dwelling" and/or private structure 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" and/or private structure rented or held for rental.

Fair Rental Value shall not include any expense that does not continue while that part of the "dwelling" and/or private structure rented or held for rental is unfit for occupancy.

### PROHIBITED ACCESS

If a "civil authority" prohibits access to "your" "premises":

- a. as a direct result of damage to neighbouring "premises" by an insured peril in this policy, "we" insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding two weeks; or
- b. by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, "we" insure any resulting necessary and reasonable increase in living expense incurred by "you" for the period access is prohibited, not exceeding two weeks.

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

- (1) losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED**;
- (2) "flood";
- (3) earthquake, unless Earthquake Coverage – Form 991 or Earthquake Coverage – Form 991C is shown on the Declarations.

No deductible applies to Prohibited Access coverage.

"We" do not insure loss or expense due to the cancellation of a lease or agreement.

## ADDITIONAL COVERAGES

The following ADDITIONAL COVERAGES do not increase the Amounts of Insurance in this policy, unless otherwise stated, and are subject to the exclusion, limitations and conditions of this policy.

### 1. OUTDOOR TREES, PLANTS AND SHRUBS

#### (Not Applicable To Any Seasonal Dwellings)

"You" may apply up to 5% of either the COVERAGE A or COVERAGE C Amount of Insurance shown on the Declarations to cover any trees, plants and shrubs on "your" "premises". "We" insure these items against loss caused by FIRE, LIGHTNING, EXPLOSION, VANDALISM OR MALICIOUS ACTS, or IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE all as described and limited in "Specified Perils".

"We" do not insure lawns and/or items grown for commercial purposes.

"We" will not pay more than \$1,000 for any one tree, shrub or plant, including its debris removal expense.

If the amount payable for loss under COVERAGE A or COVERAGE C is greater than the Amount of Insurance applicable, then an additional 5% of the COVERAGE A or COVERAGE C Amount of Insurance will be available to cover "your" Outdoor Trees, Plants or Shrubs.

For the purposes of this ADDITIONAL COVERAGE the amount of COVERAGE A or COVERAGE C will not be increased as a result of the application of the GUARANTEED REPLACEMENT COST.

## **2. PROPERTY REMOVED**

If "you" must remove "your" personal property from "your" "premises" in order to protect it from loss or damage from an insured peril, it is insured:

- a. for a period of 90 days commencing on the day "you" begin removing the property; or
- b. until the policy term expires or is terminated;

whichever comes first.

## **3. CHANGE OF TEMPERATURE**

"We" will pay for "your" personal property normally kept on the "premises" that is damaged by a change of temperature resulting from physical damage to "your" "dwelling" or equipment by any of the insured perils.

## **4. TEAR OUT**

If any of the walls, ceilings or other parts of "your" "dwelling" and/or private structures must be torn apart before insured WATER DAMAGE can be repaired, "we" will pay the cost of such work and its restoration.

The cost of tearing out and replacing property to repair damage related to, "domestic water containers", including swimming pools, spas, hot tubs or any "watermain" is not insured.

## **5. DEBRIS REMOVAL**

"We" will pay the reasonable expenses incurred by "you" for the removal of debris of insured property as a result of an insured peril.

If the amount payable for loss, including expenses for removal of debris, is greater than the Amount of Insurance applicable to the lost or damaged property, then an additional 5% of the COVERAGE A or COVERAGE C limit as indicated on the Declarations will be available to cover "your" debris removal expenses.

For the purposes of this ADDITIONAL COVERAGE, the amount of COVERAGE A or COVERAGE C will not be increased as a result of the application of the GUARANTEED REPLACEMENT COST.

This additional coverage does not apply to the following forms:

EARTHQUAKE COVERAGE – FORM 991

CONDOMINIUM EARTHQUAKE COVERAGE – FORM 991C

LIMITED SEWER BACK UP COVERAGE – FORM 3114

## **6. CREDIT OR DEBIT CARDS, FORGERY AND COUNTERFEIT CURRENCY**

"We" will pay up to \$5,000 for:

- a. "your" legal obligation to pay because of a theft or unauthorized use of credit card(s) issued to "you" or registered in "your" name; or
- b. loss caused by theft of "your" debit or automated teller cards.

"We" will not pay for loss under item a. or b. unless "you" have complied with all the conditions under which the cards are issued; nor will "we" pay for any loss caused by the use of "your" cards by a resident of "your" household or by a person to whom the cards have been entrusted.

- c. loss caused by forgery or alteration of any cheque or negotiable instrument;
- d. loss sustained by "your" acceptance in good faith of counterfeit paper currency.

At "our" option and expense "we" may defend any claim against "you" under a., b., and/or c. above.

This is additional insurance.

No deductible applies to this coverage.

## **7. FOOD SPOILAGE**

"We" will pay up to \$3,000 for "your" food while contained in a refrigeration and/or freezer unit, located on "your" "premises", against loss or damage caused by or resulting from:

- a. a power failure originating on or off "your" "premises"; or
- b. the mechanical breakdown of "your" refrigeration and/or freezer unit(s).

This coverage also includes damage to the refrigeration and/or freezer unit resulting from the insured spoilage of the foods contained within and reasonable expenses incurred by "you" to save and preserve the food from spoilage.

"We" do not insure:

- a. loss or damage from spoilage caused by the accidental or intentional disconnection of the power supply;
- b. expenses incurred in the acquisition of the food.

This is additional insurance.

No deductible applies to this coverage.

## **8. FIRE DEPARTMENT CHARGES**

"We" will reimburse "you" up to \$10,000 for fire department charges incurred for attending "your" "premises" as a result of an insured peril.

This is additional insurance.

No deductible applies to this coverage.

## **9. LOCK REPLACEMENT**

**(Not applicable to Seasonal Dwellings)**

"We" will pay up to \$1,000 to replace or re-key at "our" option, locks on "your" "premises" described in the Declarations, if "your" keys are stolen, provided the theft is reported to the police or law enforcement agency having jurisdiction.

This is additional insurance.

No deductible applies to this coverage.

## **10. ARSON CONVICTION REWARD**

"We" will pay up to \$1,000 for information which leads to a conviction for arson in connection with a fire loss to property insured by this policy. The \$1,000 limit will not be increased regardless of the number of persons providing information.

This is additional insurance.

No deductible applies to this coverage.

## **11. GRAVE MARKERS**

"We" will pay up to \$3,000 for loss or damage to grave markers and mausoleums that mark the grave of a "spouse", child, parent or grandparent of an "Insured", caused by any of the "Specified Perils".

This is additional insurance.

No deductible applies to this coverage.

## **12. AUTOMATIC PRINCIPAL RESIDENCE COVERAGE**

When "you" purchase a "dwelling" in Canada to replace "your" principal residence as shown in the Declarations, and "you" notify "us" within 30 days of the title registration to "you", the insurance afforded to "your" principal residence by this policy is extended to cover both residences:

- a. for a period of 30 days before or after that title registration; or
- b. until the policy term expires or is terminated;

whichever occurs first.

However, the most "we" will pay for either residence is the Amount of Insurance as stated in the Declarations for COVERAGE A, regardless of the value of the new residence.

The following do not apply to this ADDITIONAL COVERAGE:

- a. SINGLE INCLUSIVE LIMIT; and
- b. GUARANTEED REPLACEMENT COST – COVERAGE A.

Any applicable "vacancy" restrictions, as described and limited in this policy, will apply to both residences.

### **13. DATA**

"We" will pay up to \$1,500 for duty or licensing fees for the cost of downloading or restoring "data", for which "you" have paid duty or license fees, when loss of "data" is caused by an insured peril.

"We" will not pay the cost of gathering or assembling information or "data".

"Data" pertaining to "business" use is not covered.

### **14. EXHIBITION COVERAGE**

"We" will pay up to \$5,000 for direct physical loss or damage to property insured under COVERAGE C while at any fairground, exhibition or exposition for the purpose of exhibition or sale, caused by an insured peril.

This is additional coverage.

### **15. FARM OFFICE FURNISHINGS AND FARM OFFICE EQUIPMENT**

"We" will pay you to \$5,000 for "your" farm office furnishings and farm office equipment while located in an insured building on a "premises" described in the Declarations.

This is additional insurance.

## **ADDITIONAL COVERAGES – CONDOMINIUM UNIT OWNERS**

### **1. CONDOMINIUM LOSS ASSESSMENT**

"We" will pay up to the Amount of Insurance stated in the Declarations for "your" share of any special assessment if:

- a. the assessment is valid under the governing rules of the "Condominium Corporation"; and
- b. it is made necessary by a direct loss to the collectively owned condominium property caused by an insured peril "you" are covered for in "your" Condominium policy.

Special assessment does not include a deductible in the "Condominium Corporation's" property insurance policy.

### **2. CONDOMINIUM ADDITIONAL COVERAGE**

"We" insure "your" unit, up to the Amount of Insurance stated in the Declarations, excluding "your" improvements to it, if the "Condominium Corporation" has no insurance or its insurance is inadequate or is not effective.

Inadequate insurance does not include a deductible in the "Condominium Corporation's" property insurance policy.

"You" are insured against all risks of direct physical loss or damage as outlined in SPECIAL FORM, subject to the exclusions, limitations and conditions of the policy.

### **3. CONDOMINIUM UNIT OWNER IMPROVEMENTS**

If "you" are a condominium unit owner, "we" will pay up to the Amount of Insurance against loss or damage by an insured peril stated in the Declarations for improvements to the "dwelling" made by "you" or acquired at "your" expense, including:

- a. any private structure(s) or swimming pool on the "premises";
- b. materials and supplies located on or adjacent to the "premises" for use in such improvements.

#### **4. CONDOMINIUM DEDUCTIBLE ASSESSMENT**

"We" will pay up to the Amount of Insurance stated in the Declarations for:

- a. that part of an assessment made necessary by a deductible in the "Condominium Corporation's" property insurance policy, but only where the "Condominium Corporation's" governing rules specifically permit it to place the responsibility for any portion of the Master Policy Deductible on an individual unit owner.

This includes:

- (1) a deductible assessment for loss or damage to the collectively owned condominium property by an insured peril; and
  - (2) the damaged portion of "your" unit excluded under the "Condominium Corporation's" Master Policy Deductible Clause.
- b. "We" will pay up to \$2,500 if an assessment of a deductible is made necessary if loss or damage results from:
    - (1) an earthquake and only if EARTHQUAKE COVERAGE – FORM 991C is indicated on the Declarations; or
    - (2) fire that is caused directly or indirectly by earthquake.

No deductible applies to coverage.

### **ADDITIONAL COVERAGES – TENANTS**

#### **1. TENANT IMPROVEMENTS**

If "you" are a tenant, "we" insure improvements to the "dwelling" made by "you" or acquired at "your" expense including:

- a. any private structure(s) or swimming pool on the "premises";
- b. materials and supplies located on or adjacent to the "premises" for use in such improvements.

Payment under this coverage reduces the COVERAGE C Amount of Insurance by the sum paid.

#### **2. DAMAGE TO DWELLING**

If the amount payable for loss under COVERAGE C is greater than the Amount of Insurance applicable, then an additional \$2,000 of the COVERAGE C Amount of Insurance will be available to pay for damage, excluding FIRE damage:

- a. to the "dwelling" directly caused by theft, including attempted theft;
- b. to the interior of the "dwelling" directly caused by VANDALISM OR MALICIOUS ACTS as described and limited in "Specified Perils".

## SPECIAL FORM

If the Rating Information section of "your" Declarations indicates that a location is a Homeowners Special Form; Special Mobile Home or Special Rented Dwelling, "your" covered property at that location is insured against the following perils:

### **INSURED PERILS COVERAGE A, COVERAGE B, COVERAGE C and/or COVERAGE D**

"You" are insured against all risks of direct physical loss or damage, subject to the exclusions, limitations and conditions of this policy.

### **EXCLUSIONS**

"We" do not insure:

- (1) losses excluded under SECTION I – LOSS OR DAMAGE NOT INSURED;
- (2) settling, expansion, contraction, moving, bulging, buckling or cracking, except resulting damage to building glass;

Nor do "we" insure loss or damage:

- (3) caused by theft, or attempted theft of 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;
- (4) caused by theft or attempted theft from the part of the "dwelling" rented to others, committed by any tenant, tenant's employee or member of the tenant's household;
- (5) caused by vandalism, malicious acts or glass breakage occurring while "your" "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- (6) caused by water,

unless the loss or damage is caused by or resulted from:

- a. the sudden and accidental escape of water or steam from within a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container", which is located within "your" "dwelling" and/or private structures;

but under no circumstances do "we" insure any loss or damage:

- (1) caused by freezing during the usual heating season;
  - (i) within a heated portion of "your" "dwelling" and/or private structures if "you" have been away from "your" "premises" for more than 4 consecutive days, but "you" will still be insured if "you" have taken any of the following precautions:
    - a) arranged for a competent person to enter "your" "dwelling" and/or private structures each day "you" were away to ensure that heating was being maintained;
    - b) shut off the water supply to "your" "dwelling" and/or private structures and had drained all of the pipes and "domestic water containers"; or
    - c) connected "your" heating system to an alarm which is monitored 24 hours a day by a central monitoring service;
  - (ii) within an unheated portion of "your" "dwelling" and/or private structures;
- (2) caused by continuous or repeated leakage or discharge of water;
- (3) caused by seepage;
- (4) caused by the backing up or escape of water or sewage from any sewer, septic system or sump;
- (5) to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
- (6) occurring while the "dwelling" and/or private structure is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy". This exclusion applies immediately upon "your" "dwelling" and/or private structures becoming "vacant" or commencing construction;
- b. the sudden and accidental escape of water from a "domestic water container" which is located outside "your" "dwelling" and/or private structures; but under no circumstances do "we" insure any loss or damage when the escape of water is caused by freezing;
- c. the sudden and accidental escape of water from a "watermain" located outside "your" "dwelling" and/or private structures;

- d. water which enters "your" "dwelling" and/or private structures through an opening which has been created suddenly and accidentally by a "Specified Peril" other than WATER DAMAGE.

Regardless of exceptions a., b., c. and d. above, "we" do not insure any loss or damage caused by:

- (a) "surface waters";
  - (b) "ground water" or rising of the water table;
  - (c) shoreline ice build-up or water borne ice or other waterborne objects, all whether driven by wind or not;
  - (d) "flood". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
- (7) to a "watermain";
  - (8) caused directly or indirectly, in whole or in part, by snowslide, earthquake, landslide, or any other earth movement regardless of any cause or event that contributes concurrently. If any of these results in fire or explosion "we" will pay only for the resulting loss or damage from that fire or explosion;
  - (9) caused directly or indirectly by or resulting from freezing or thawing of outdoor "domestic water containers", including swimming pools, spas, hot tubs and their attached equipment;
  - (10) caused by hail damage to the outer metal cover of any mobile home unless the cover is punctured by the hail.

## BROAD FORM

If the Rating Information section of "your" Declarations indicates that a location is a Broad Homeowners Form or Broad Mobile Home Form, "your" covered property at that location is insured against the following perils:

### INSURED PERILS – COVERAGE A, COVERAGE B and/or COVERAGE D

"You" are insured against all risks of direct physical loss or damage, subject to the exclusions, limitations and conditions of this policy.

### EXCLUSIONS

"We" do not insure:

- (1) losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED**;
- (2) settling, expansion, contraction, moving, bulging, buckling or cracking, except resulting damage to building glass;

Nor do "we" insure loss or damage:

- (3) caused by theft or attempted theft of property in or from a "dwelling" under construction or of materials and supplies used in the construction, until the "dwelling" is completed and ready to be occupied;
- (4) caused by theft or attempted theft from the part of the "dwelling" rented to others, committed by any tenant, tenant's employee or member of the tenant's household;
- (5) caused by vandalism, malicious acts or glass breakage occurring while "your" "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- (6) caused by water,

unless the loss or damage is caused by or resulted from:

- a. the sudden and accidental escape of water or steam from within a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container", which is located within "your" "dwelling" and/or private structures;

but under no circumstances do "we" insure any loss or damage:

- (1) caused by freezing during the usual heating season;
  - (i) within a heated portion of "your" "dwelling" and/or private structures if "you" have been away from "your" "premises" for more than 4 consecutive days, but "you" will still be insured if "you" have taken any of the following precautions:
    - a) arranged for a competent person to enter "your" "dwelling" and/or private structures each day "you" were away to ensure that heating was being maintained;
    - b) shut off the water supply to "your" "dwelling" and/or private structures and had drained all of the pipes and "domestic water containers"; or
    - c) connected "your" heating system to an alarm which is monitored 24 hours a day by a central monitoring service;
  - (ii) within an unheated portion of "your" "dwelling" and/or private structures;
- (2) caused by continuous or repeated leakage or discharge of water;
- (3) caused by seepage;
- (4) caused by the backing up or escape of water or sewage from any sewer, septic system or sump;
- (5) to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
- (6) occurring while the "dwelling" and/or private structure is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy". This exclusion applies immediately upon "your" "dwelling" and/or detached private structures becoming "vacant" or commencing construction;
- b. the sudden and accidental escape of water from a "domestic water container" which is located outside "your" "dwelling" and/or private structures; but under no circumstances do "we" insure any loss or damage when the escape of water is caused by freezing;
- c. the sudden and accidental escape of water from a "watermain" located outside "your" "dwelling" and/or private structures;



- d. water which enters "your" "dwelling" and/or private structures through an opening which has been created suddenly and accidentally by a "Specified Peril" other than WATER DAMAGE.

Regardless of exceptions a., b., c. and d. above, "we" do not insure any loss or damage caused by:

- (a) "surface waters";
  - (b) "ground water" or rising of the water table;
  - (c) shoreline ice build-up or water borne ice or other waterborne objects, all whether driven by wind or not;
  - (d) "flood". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
- (7) to a "watermain";
- (8) caused directly or indirectly, in whole or in part by snowslide, earthquake, landslide, or any other earth movement regardless of any cause or event that contributes concurrently. If any of these results in fire or explosion, "we" will pay only for the resulting loss or damage from that fire or explosion;
- (9) caused directly or indirectly by or resulting from freezing or thawing of outdoor "domestic water containers", including swimming pools, spas, hot tubs and their attached equipment;
- (10) caused by hail to the outer metal cover of any mobile home, unless the cover is punctured by the hail.

### **INSURED PERILS - COVERAGE C**

"We" insure:

- 1. FIRE**
- 2. LIGHTNING**
- 3. EXPLOSION**
- 4. SMOKE**

This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the "premises".

- 5. FALLING OBJECT**

This peril means a falling object which strikes the exterior of a "dwelling" and/or private structure.

- 6. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE**

This peril does not include any loss or damage to animals.

- 7. RIOT**

- 8. VANDALISM OR MALICIOUS ACTS**

This peril does not include loss or damage:

- a. caused by "you" and/or at "your" direction;
- b. occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- c. caused by theft or attempted theft.

- 9. WATER DAMAGE**

"We" insure:

- a. the sudden and accidental escape of water or steam from within a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container", which is located within "your" "dwelling" and/or private structures;

but under no circumstances do "we" insure any loss or damage:

- (1) caused by freezing during the usual heating season;
  - (i) within a heated portion of "your" "dwelling" and/or private structures if "you" have been away from "your" "premises" for more than 4 consecutive days, but "you" will still be insured if "you" have taken any of the following precautions:
    - a) arranged for a competent person to enter "your" "dwelling" and/or private structures each day "you" were away to ensure that heating was being maintained;

- b) shut off the water supply to "your" "dwelling" and/or private structures and had drained all of the pipes and "domestic water containers"; or
  - c) connected "your" heating system to an alarm which is monitored 24 hours a day by a central monitoring service;
- (ii) within an unheated portion of "your" "dwelling" and/or private structures;
- (2) caused by continuous or repeated leakage or discharge of water;
  - (3) caused by seepage;
  - (4) caused by the backing up or escape of water or sewage from any sewer, septic system or sump;
  - (5) to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
  - (6) occurring while the "dwelling" and/or private structure is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy". This exclusion applies immediately upon "your" "dwelling" and/or private structures becoming "vacant" or commencing construction;
- b. the sudden and accidental escape of water from a "domestic water container" which is located outside "your" "dwelling" and/or private structures; but under no circumstances do "we" insure any loss or damage when the escape of water is caused by freezing;
  - c. the sudden and accidental escape of water from a "watermain" located outside "your" "dwelling" and/or private structures;
  - d. water which enters "your" "dwelling" and/or private structures through an opening which has been created suddenly and accidentally by a "Specified Peril" other than WATER DAMAGE.

Regardless of exceptions a., b., c. and d. above, "we" do not insure any loss or damage caused by:

- (a) "surface waters";
- (b) "ground water" or rising of the water table;
- (c) shoreline ice build-up or water borne ice or other waterborne objects, all whether driven by wind or not;
- (d) "flood". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

#### **10. WINDSTORM**

This peril does not include loss or damage caused by or resulting from the weight of ice or snow, including, but not limited to shoreline ice build-up or water borne ice or other objects, whether driven by wind or not.

#### **11. HAIL**

#### **12. TRANSPORTATION**

This peril means loss or damage to "your" personal property caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer, in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to personal property in a vacation or home trailer which "you" own.

#### **13. THEFT OR ATTEMPTED THEFT**

This peril does not include loss or damage:

- a. caused by theft from any part of the "dwelling" rented to others;
- b. caused by theft or attempted theft committed by any tenant, tenant's employee or member of the tenant's household;
- c. occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy".

**14. COLLAPSE, INCLUDING WEIGHT OF ICE, SNOW OR SLEET**

This peril means loss or damage to "your" personal property caused by the collapse of "your" "dwelling" or part of "your" "dwelling" on the "premises". This peril does not include loss or damage occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy".

**15. ICE DAMMING**

This peril means loss or damage caused by water that enters the "dwelling" or unit through a roof due to the accumulation of ice or snow on the exterior of the roof or eavestrough.

**16. ELECTRICITY**

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

**17. FUEL LEAKAGE**

This peril means loss or damage to personal property caused by or resulting from the sudden and accidental escape of fuel oil from a permanently installed domestic fixed fuel tank, any attached equipment, apparatus or piping as a result of a "Specified Peril".

**18. DAMAGE CAUSED BY BEARS**

## BASIC DWELLING FORM

If the Rating Information section of "your" Declarations indicates that a location is a Basic Dwelling Form or Secondary Residence Form, "your" covered property at that location is insured against the following perils:

### **INSURED PERILS – COVERAGE A, COVERAGE B, COVERAGE C and/or COVERAGE D**

"You" are insured against direct physical loss or damage caused by the following perils, subject to the exclusions, limitations and conditions of this policy.

"We" insure:

- (1) the "**Specified Perils**";
- (2) **THEFT OR ATTEMPTED THEFT**

This peril does not include loss or damage:

- a. caused by theft from any part of the "dwelling" rented to others;
- b. caused by theft or attempted theft committed by any tenant, tenant's employee or member of the tenant's household;
- c. occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy".

## SPECIAL CONDOMINIUM UNIT OWNERS FORM

If the Rating Information section of "your" Declarations indicates that a location is a Special Condominium Form, "your" covered property at that location is insured against the following perils:

### INSURED PERILS – COVERAGE C and/or COVERAGE D

"You" are insured against all risks of direct physical loss or damage to the property described, subject to the exclusions, limitations and conditions of this policy.

### EXCLUSIONS

"We" do not insure:

- (1) losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED**;
- (2) settling, expansion, contraction, moving, bulging, buckling, or cracking, except resulting damage to building glass;

Nor do "we" insure loss or damage:

- (3) caused by theft or attempted theft of property in or from a "dwelling" under construction, or of materials and supplies used in the construction, until the "dwelling" is completed and ready to be occupied;
- (4) caused by theft or attempted theft from the part of the "dwelling" rented to others, committed by any tenant, tenant's employee or member of the tenant's household;
- (5) caused by vandalism or malicious acts or glass breakage occurring while "your" "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- (6) caused by water,

unless the loss or damage is caused by or resulted from:

- a. the sudden and accidental escape of water or steam from within a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container", which is located within "your" "dwelling" and/or private structures;  
but under no circumstances do "we" insure any loss or damage:
  - (1) caused by freezing during the usual heating season;
    - (i) within a heated portion of "your" "dwelling" and/or private structures if "you" have been away from "your" "premises" for more than 4 consecutive days, but "you" will still be insured if "you" have taken any of the following precautions:
      - a) arranged for a competent person to enter "your" "dwelling" and/or private structures each day "you" were away to ensure that heating was being maintained;
      - b) shut off the water supply to "your" "dwelling" and/or private structures and had drained all of the pipes and "domestic water containers"; or
      - c) connected "your" heating system to an alarm which is monitored 24 hours a day by a central monitoring service;
    - (ii) within an unheated portion of "your" "dwelling" and/or private structures;
  - (2) caused by continuous or repeated leakage or discharge of water;
  - (3) caused by seepage;
  - (4) caused by the backing up or escape of water or sewage from any sewer, septic system or sump;
  - (5) to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
  - (6) occurring while the "dwelling" and/or detached private structure is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy". This exclusion applies immediately upon "your" "dwelling" and/or detached private structures becoming "vacant" or commencing construction;
- b. the sudden and accidental escape of water from a "domestic water container" which is located outside "your" "dwelling" and/or private structures; but under no circumstances do "we" insure any loss or damage when the escape of water is caused by freezing;
- c. the sudden and accidental escape of water from a "watermain" located outside "your" "dwelling" and/or private structures;

- d. water which enters "your" "dwelling" and/or private structures through an opening which has been created suddenly and accidentally by a "Specified Peril" other than WATER DAMAGE.

Regardless of exceptions a., b., c. and d. above, "we" do not insure loss or damage caused by:

- (a) "surface waters";
  - (b) "ground water" or rising of the water table;
  - (c) shoreline ice build-up or water borne ice or other waterborne objects, all whether driven by wind or not;
  - (d) "flood". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
- (7) to a "watermain";
  - (8) caused directly or indirectly, in whole or in part by snowslide, earthquake, landslide, or any other earth movement. If any of these results in fire or explosion "we" will pay only for the resulting loss or damage from that fire or explosion;
  - (9) caused directly or indirectly by or resulting from freezing or thawing of outdoor "domestic water containers", including swimming pools, spas, hot tubs and their attached equipment.

# BROAD CONDOMINIUM UNIT OWNERS FORM

If the Rating Information section of "your" Declarations indicates that a location is a Broad Condominium Form, "your" covered property at that location is insured against the following perils:

## INSURED PERILS – COVERAGE C and/or COVERAGE D

"You" are insured for the following perils against direct physical loss or damage to the property described, subject to the exclusions, limitations and conditions of this policy.

"We" insure:

1. **FIRE**
2. **LIGHTNING**
3. **EXPLOSION**
4. **SMOKE**

Smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the "premises".

5. **FALLING OBJECT**

Falling object which strikes the exterior of a "dwelling" and/or private structure.

6. **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE**

This peril does not include any loss or damage to animals.

7. **RIOT**

8. **VANDALISM OR MALICIOUS ACTS**

This peril does not include loss or damage:

- a. caused by "you" and/or at "your" direction;
- b. occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- c. caused by theft or attempted theft.

9. **WATER**

This peril means loss or damage caused by or resulting from:

- a. the sudden and accidental escape of water or steam from within a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container", which is located within "your" "dwelling" and/or private structures;

but under no circumstances do "we" insure any loss or damage:

- (1) caused by freezing during the usual heating season;
  - (i) within a heated portion of "your" "dwelling" and/or private structures if "you" have been away from "your" "premises" for more than 4 consecutive days, but "you" will still be insured if "you" have taken any of the following precautions:
    - a) arranged for a competent person to enter "your" "dwelling" and/or private structures each day "you" were away to ensure that heating was being maintained;
    - b) shut off the water supply to "your" "dwelling" and/or private structures and had drained all of the pipes and "domestic water containers"; or
    - c) connected "your" heating system to an alarm which is monitored 24 hours a day by a central monitoring service;
  - (ii) within an unheated portion of "your" "dwelling" and/or private structures;
- (2) caused by continuous or repeated leakage or discharge of water;
- (3) caused by seepage;
- (4) caused by the backing up or escape of water or sewage from any sewer, septic system or sump;
- (5) to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
- (6) occurring while the "dwelling" and/or private structure is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy". This exclusion applies immediately upon "your" "dwelling" and/or private structures becoming "vacant" or commencing construction;

- b. the sudden and accidental escape of water from a "domestic water container" which is located outside "your" "dwelling" and/or private structures; but under no circumstances do "we" insure any loss or damage when the escape of water is caused by freezing;
- c. the sudden and accidental escape of water from a "watermain" located outside "your" "dwelling" and/or private structures;
- d. water which enters "your" "dwelling" and/or private structures through an opening which has been created suddenly and accidentally by a "Specified Peril" other than WATER DAMAGE.

Regardless of exceptions a., b., c. and d. above, "we" do not insure any loss or damage caused by:

- (a) "surface waters";
- (b) "ground water" or rising of the water table;
- (c) shoreline ice build-up or water borne ice or other waterborne objects, all whether driven by wind or not;
- (d) "flood". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

**10. WINDSTORM**

This peril does not include loss or damage caused by or resulting from the weight of ice or snow, including but not limited to shoreline ice build-up or water borne ice or other objects, whether driven by wind or not.

**11. HAIL**

**12. BREAKAGE OF GLASS**

This peril means the breakage of glass which is part of "your" improvements on "your" "premises", including glass in storm windows and doors. This peril does not include loss or damage occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission;

**13. TRANSPORTATION**

This peril means loss or damage to "your" personal property caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer, in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to personal property in a vacation or home trailer which "you" own.

**14. THEFT OR ATTEMPTED THEFT**

This peril does not include loss or damage:

- a. caused by theft from any part of the "dwelling" rented to others;
- b. caused by theft or attempted theft committed by any tenant, tenant's employee or member of the tenant's household;
- c. to property in or from a "dwelling" under construction, or of materials and supplies for use in the construction, until the "dwelling" is completed and ready to be occupied.

**15. COLLAPSE, INCLUDING, WEIGHT OF ICE, SNOW OR SLEET**

This peril means loss or damage to "your" personal property caused by the collapse of "your" "dwelling" or part of "your" "dwelling" on the "premises". This peril does not include loss or damage occurring while the "dwelling" is under construction or "vacant", even if permission for construction or "vacancy" has been given by "us" for the policy to remain in force during construction or "vacancy".

**16. ELECTRICITY**

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

**17. FUEL LEAKAGE**

This peril means loss or damage to personal property caused by or resulting from the sudden and accidental escape of fuel oil from a permanently installed domestic fixed fuel tank, any attached equipment, apparatus or piping as a result of a "Specified Peril".

**18. DAMAGE CAUSED BY BEARS**



## SPECIAL TENANTS FORM

If the Rating Information section of "your" Declarations indicates that a location is a Special Tenants Form, "your" covered property at that location is insured against the following perils:

### INSURED PERILS – COVERAGE C and/or COVERAGE D

"You" are insured against all risks of direct physical loss or damage to the property described subject to the exclusions, limitations and conditions of this policy.

### EXCLUSIONS

"We" do not insure:

- (1) losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED**;
- (2) settling, expansion, contraction, moving, bulging, buckling, or cracking, except resulting damage to building glass;

Nor do "we" insure loss or damage:

- (3) caused by theft or attempted theft of property in or from a "dwelling" under construction, or of materials and supplies used in the construction, until the "dwelling" is completed and ready to be occupied;
- (4) caused by theft or attempted theft from the part of the "dwelling" rented to others, committed by any tenant, tenant's employee or member of the tenant's household;
- (5) caused by vandalism or malicious acts or glass breakage occurring while "your" "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- (6) caused by water,

unless the loss or damage is caused by or resulting from:

- a. the sudden and accidental escape of water or steam from within a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container", which is located within "your" "dwelling" and/or private structures;  
but under no circumstances do "we" insure any loss or damage:
  - (1) caused by freezing during the usual heating season;
    - (i) within a heated portion of "your" "dwelling" and/or private structures if "you" have been away from "your" "premises" for more than 4 consecutive days, but "you" will still be insured if "you" have taken any of the following precautions:
      - a) arranged for a competent person to enter "your" "dwelling" and/or private structures each day "you" were away to ensure that heating was being maintained;
      - b) shut off the water supply to "your" "dwelling" and/or private structures and had drained all of the pipes and "domestic water containers"; or
      - c) connected "your" heating system to an alarm which is monitored 24 hours a day by a central monitoring service;
    - (ii) within an unheated portion of "your" "dwelling" and/or private structures;
  - (2) caused by continuous or repeated leakage or discharge of water;
  - (3) caused by seepage;
  - (4) caused by the backing up or escape of water or sewage from any sewer, septic system or sump;
  - (5) to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
  - (6) occurring while the "dwelling" and/or detached private structure is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy". This exclusion applies immediately upon "your" "dwelling" and/or private structures becoming "vacant" or commencing construction;
- b. the sudden and accidental escape of water from a "domestic water container" which is located outside "your" "dwelling" and/or private structures; but under no circumstances do "we" insure any loss or damage when the escape of water is caused by freezing;
- c. the sudden and accidental escape of water from a "watermain" located outside "your" "dwelling" and/or private structures;

- d. water which enters "your" "dwelling" and/or private structures through an opening which has been created suddenly and accidentally by a "Specified Peril" other than WATER DAMAGE.

Regardless of exceptions a., b., c. and d. above, "we" do not insure any loss or damage caused by:

- (a) "surface waters";
  - (b) "ground water" or rising of the water table;
  - (c) shoreline ice build-up or water borne ice or other waterborne objects, all whether driven by wind or not;
  - (d) "flood". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion;
- (7) to a "watermain";
  - (8) caused directly or indirectly, in whole or in part by snowslide, earthquake, landslide, or any other earth movement. If any of these results in fire or explosion "we" will pay only for the resulting loss or damage from that fire or explosion;
  - (9) caused directly or indirectly by or resulting from freezing or thawing of outdoor "domestic water containers", including swimming pools, spas, hot tubs and their attached equipment.

## BROAD TENANTS FORM

If the Rating Information section of "your" Declarations indicates that a location is a Broad Tenants Form, "your" covered property at that location is insured against the following perils:

### INSURED PERILS – COVERAGE C and/or COVERAGE D

"You" are insured for the following perils against direct physical loss or damage to the property described, subject to the exclusions, limitations and conditions of this policy.

"We" insure:

1. **FIRE**
2. **LIGHTNING**
3. **EXPLOSION**
4. **SMOKE**

Smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the "premises".

5. **FALLING OBJECT**

Falling object which strikes the exterior of a "dwelling" and/or private structure.

6. **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE**

This peril does not include any loss or damage to animals.

7. **RIOT**

8. **VANDALISM OR MALICIOUS ACTS**

This peril does not include loss or damage:

- a. caused by "you" and/or at "your" direction;
- b. occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- c. caused by theft or attempted theft.

9. **WATER**

This peril means loss or damage caused by or resulting from:

- a. the sudden and accidental escape of water or steam from within a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container", which is located within "your" "dwelling" and/or detached private structures;

but under no circumstances do "we" insure any loss or damage:

- (1) caused by freezing during the usual heating season;
  - (i) within a heated portion of "your" "dwelling" and/or private structures if "you" have been away from "your" "premises" for more than 4 consecutive days, but "you" will still be insured if "you" have taken any of the following precautions:
    - a) arranged for a competent person to enter "your" "dwelling" and/or private structures each day "you" were away to ensure that heating was being maintained;
    - b) shut off the water supply to "your" "dwelling" and/or private structures and had drained all of the pipes and "domestic water containers"; or
    - c) connected "your" heating system to an alarm which is monitored 24 hours a day by a central monitoring service;
  - (ii) within an unheated portion of "your" "dwelling" and/or private structures;
- (2) caused by continuous or repeated leakage or discharge of water;
- (3) caused by seepage;
- (4) caused by the backing up or escape of water or sewage from any sewer, septic system or sump;
- (5) to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
- (6) occurring while the "dwelling" and/or detached private structure is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy". This exclusion applies immediately upon "your" "dwelling" and/or private structures becoming "vacant" or commencing construction;

- b. the sudden and accidental escape of water from a "domestic water container" which is located outside "your" "dwelling" and/or private structures; but under no circumstances do "we" insure any loss or damage when the escape of water is caused by freezing;
- c. the sudden and accidental escape of water from a "watermain" located outside "your" "dwelling" and/or private structures;
- d. water which enters "your" "dwelling" and/or private structures through an opening which has been created suddenly and accidentally by a "Specified Peril" other than WATER DAMAGE.

Regardless of exceptions a., b., c. and d. above, "we" do not insure any loss or damage caused by:

- (a) "surface waters";
- (b) "ground water" or rising of the water table;
- (c) shoreline ice build-up or water borne ice or other waterborne objects, all whether driven by wind or not;
- (d) "flood". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but "you" are still insured for ensuing loss or damage which results directly from fire or explosion.

**10. WINDSTORM**

This peril does not include loss or damage caused by or resulting from the weight of ice or snow, including but not limited to shoreline ice build-up or water borne ice or other objects, whether driven by wind or not.

**11. HAIL**

**12. BREAKAGE OF GLASS**

This peril means the breakage of glass which is part of "your" improvements on "your" "premises" including glass in storm windows and doors. This peril does not include loss or damage occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy".

**13. TRANSPORTATION**

This peril means loss or damage to "your" personal property caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer, in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to personal property in a vacation or home trailer which "you" own.

**14. THEFT OR ATTEMPTED THEFT**

This peril does not include loss or damage:

- a. caused by theft from any part of the "dwelling" rented to others;
- b. caused by theft or attempted theft committed by any tenant, tenant's employee or member of the tenant's household;
- c. to property in or from a "dwelling" under construction, or of materials and supplies for use in the construction, until the "dwelling" is completed and ready to be occupied.

**15. COLLAPSE, INCLUDING, WEIGHT OF ICE, SNOW OR SLEET**

This peril means loss or damage to "your" personal property caused by the collapse of "your" "dwelling" or part of "your" dwelling on the "premises". This peril does not include loss or damage occurring while the "dwelling" is under construction or "vacant", even if permission for construction or "vacancy" has been given by "us" for the policy to remain in force during construction or "vacancy".

**16. ELECTRICITY**

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

**17. FUEL LEAKAGE**

This peril means loss or damage to personal property caused by or resulting from the sudden and accidental escape of fuel oil from a permanently installed domestic fixed fuel tank, any attached equipment, apparatus or piping as a result of a "Specified Peril".

**18. DAMAGE CAUSED BY BEARS**

## SEASONAL HOMEOWNERS FORM

If the Rating Information section of "your" Declarations indicates that a location is a Seasonal Homeowners Form, "your" covered property at that location is insured against the following perils:

### **INSURED PERILS – COVERAGE A, COVERAGE B, COVERAGE C and/or COVERAGE D**

"You" are insured for the following perils against direct physical loss or damage to the property described, subject to the exclusions, limitations and conditions of this policy.

"We" insure":

(1) the "**Specified Perils**";

(2) **THEFT OR ATTEMPTED THEFT**

This peril does not include loss or damage:

(a) caused by theft from any part of the "dwelling" rented to others;

(b) caused by theft or attempted theft committed by any tenant, tenant's employee or member of the tenant's household;

(c) occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";

(3) **BREAKAGE OF GLASS**

This peril means the breakage of glass which is part of a "dwelling" and/or private structure on "your" "premises" including glass in storm windows and storm doors. This peril does not include loss or damage occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";

(4) **COLLAPSE, INCLUDING, WEIGHT OF ICE, SNOW OR SLEET**

This peril means the collapse of a "dwelling" and/or private structure on "your" "premises", including loss or damage to "your" personal property caused by the collapse of "your" "dwelling" or part of "your" dwelling on the "premises".

This peril does not include loss or damage occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy".

## BROAD SEASONAL DWELLING FORM

If the Rating Information section of "your" Declarations indicates that a location is a Broad Seasonal Form, "your" covered property at that location is insured against the following perils:

### **INSURED PERILS – COVERAGE A, COVERAGE B and/or COVERAGE C**

"You" are insured for the following perils against direct physical loss or damage to the property described, subject to the exclusions, limitations and conditions of this policy.

"We" insure:

- (1) The "**Specified Perils**";
- (2) **THEFT OR ATTEMPTED THEFT**

This peril does not include loss or damage:

- (a) caused by theft from any part of the "dwelling" rented to others;
- (b) caused by theft or attempted theft committed by any tenant, tenant's employee or member of the tenant's household;
- (c) occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy".

## BASIC SEASONAL DWELLING FORM

If the Rating Information section of "your" Declarations indicates that a location is a Basic Seasonal Form, "your" covered property at that location is insured against the following perils:

### **INSURED PERILS – COVERAGE A, COVERAGE B and/or COVERAGE C.**

"You" are insured against direct physical loss or damage caused by the "Specified Perils" as described, and limited, subject to losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED.**

However this does not include losses caused by or resulting from the following "Specified Perils":

(1) **VANDALISM OR MALICIOUS ACTS**

This peril does not include loss or damage:

- a. occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy";
- b. caused by "you" and/or at "your" direction;
- c. caused by theft or attempted theft.

(2) **DAMAGE CAUSED BY BEARS**

# **SECTION I**

## **OPTIONAL COVERAGES**

The following OPTIONAL COVERAGES in this section of the booklet apply only if shown on the Declarations.

No deductible applies to the OPTIONAL COVERAGES unless otherwise stated on the Declarations.

### **BOAT AND MOTOR COVERAGE – FORM 1110**

If the Declarations indicate that BOAT AND MOTOR COVERAGE – FORM 1110 is included, "we" insure the following items as described on the Declarations and for which an Amount of Insurance is also stated:

- (1) the boat(s) including its permanently attached equipment;
- (2) the outboard motor(s); and/or
- (3) equipment used for the operation, safety and maintenance of the vessel; and
- (4) their trailer(s).

#### **INSURED PERILS**

"We" insure "your" boat(s), motor(s), equipment and trailer(s) described in the Declarations against all risks of direct physical loss or damage, subject to the exclusions, limitations and conditions of the policy.

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

In addition to the exclusions outlined in the policy, "we" do not insure:

- (1) loss or damage caused by or resulting from marine life, marine borers, electrolysis, denting, weathering, or in consequence of freezing;
- (2) dishonesty of persons to whom the insured property is entrusted. This exclusion does not apply where the person entrusted is a carrier for hire.

Nor do "we" insure loss or damage occurring when the insured property is:

- (3) used as a public or livery conveyance for carrying passengers for compensation;
- (4) rented to others; or
- (5) operated in or in preparation for any race or speed test. This exclusion does not apply to sailboats.

#### **BASIS OF CLAIM PAYMENT**

Where VALUED appears beside an item, "we" will pay the actual cost of repairs or replacement with new parts and without deduction for depreciation, except for loss or damage to sails and/or protective covers of fabric or similar material which will be adjusted on the basis of the actual cash value at the time of loss or damage.

Otherwise, provided the vessel is in good and workable condition, "we" will pay the lesser of:

- (1) the cost to repair or replace the damaged property with similar quality and repaired according to the manufacturer's specifications or accepted repair practice;
- (2) the actual cash value of the property at the time of the loss; or
- (3) the amount indicated on the Declarations.

#### **TOTAL LOSS**

A Total or Constructive Total Loss will be settled based on the lesser of:

- (1) the Amount of Insurance on the Declarations;
- (2) the actual amount necessary to repair or replace the vessel; or
- (3) if the Declarations indicate actual cash value applies, the actual cash value of the property immediately at the time of the loss.

In the event of a Total or Constructive Total Loss, there will be no recovery of the insured property if:

- (1) the insured property is lost absolutely; or
- (2) the expense of recovering and repairing the insured vessel exceeds the Amount of Insurance stated on the Declarations.



## **ADDITIONAL CONDITIONS**

### **SAILBOAT LAY UP WARRANTY**

"You" warrant that the insured sailboat(s) will only be used during the navigational period stated on the Declarations, otherwise the sailboat shall be laid up and out of commission.

### **REPAIR CLAUSE**

"We" will not pay more than the actual cash value of the loss or damage if the property is not repaired or replaced.

### **NEWLY ACQUIRED PROPERTY**

If "you" acquire another boat or motor to replace the described property, "we" will insure the newly acquired property for a period not exceeding 30 days from date of acquisition. "We" shall be liable only for the Amount of Insurance on the property disposed of or the invoice cost of the new property, whichever is less.

### **TERRITORIAL LIMITS**

This form applies anywhere in Canada and the Continental United States.

### **LOSS OF USE**

In the event of an insured loss, "we" will pay up to \$1,500 per "occurrence" for the rental of a replacement vessel.

## **COMPUTER COVERAGE – FORM 962**

If the Declarations indicate that COMPUTER COVERAGE – FORM 962 is included, "we" insure "your" "computer system" described on the Declarations.

### **INSURED PERILS**

"You" are insured against all risks of direct physical loss or damage, subject to the exclusions, limitations and conditions of the policy.

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

"We" do not insure:

- (1) loss or damage occurring when the insured property is rented to others;
- (2) the cost to gather or assemble information required for the re-creation of any "data";
- (3) unlicensed "computer software" or any "data" or "computer software" which has been acquired illegally;
- (4) accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, unless they have been converted into electronic "data" and then only in that form.

### **BASIS OF CLAIM PAYMENT**

"We" will pay up the Amount of Insurance stated on the Declarations provided the property was in workable condition at the time of the loss, otherwise "we" will only pay the actual cash value amount of the property at the time of the loss.

### **ADDITIONAL CONDITION**

#### **NEWLY ACQUIRED ARTICLES**

If "you" acquire any additional articles of the type for which an Amount of Insurance is shown, "we" will automatically insure the newly acquired property under this coverage provided "you" notify "us" within 30 days of their acquisition. "We" will not pay more than \$5,000 under this extension.

This does not increase the Amount of Insurance on this OPTIONAL COVERAGE.

## **GLASS BREAKAGE COVERAGE – FORM 1017**

If the Declarations indicate that GLASS BREAKAGE COVERAGE – FORM 1017 is included, "we" insure glass that forms part of an insured building(s), including glass in storm doors and storm windows, against accidental breakage.

"We" do not insure loss or damage occurring while the "dwelling" is under construction or "vacant", even if "we" have given permission for the policy to remain in force during construction or "vacancy".

"We" are responsible only for the amount by which the loss or damage exceeds the amount of the deductible for this coverage, shown in the Declarations, in any one "occurrence".

## MOTORIZED VEHICLE COVERAGE – FORM 965

If the Declarations indicate that MOTORIZED VEHICLES COVERAGE – FORM 965 applies, "we" insure "your" motorized vehicle(s) that are specifically described on the Declarations.

### INSURED PERILS

"You" are insured against all risks of direct physical loss or damage, subject to the exclusions, limitations and conditions of the policy.

### LOSS OR DAMAGE NOT INSURED

"We" do not insure loss or damage:

- (1) caused by or resulting from the dishonesty of persons to whom the insured property is entrusted. This exclusion does not apply where the person entrusted is a carrier for hire; or
- (2) to tires and tubes unless caused by fire, theft, vandalism or malicious acts or unless the same accident causes other insured loss under this coverage.

Nor do "we" insure loss or damage occurring when the insured property is:

- (3) used as a public or livery conveyance for carrying passengers for compensation;
- (4) rented to others;
- (5) operated in or in preparation for any race or speed test; or
- (6) subject to licensing or to motor vehicle registration.

### BASIS OF CLAIM PAYMENT

"We" will pay up to the lesser of:

- (1) the Amount of Insurance stated on the Declarations; or
- (2) the cost to repair or replace the unit(s) described.

## PERSONAL ARTICLES COVERAGE – FORM 1014

If the Declarations indicate that PERSONAL ARTICLES COVERAGE – FORM 1014 applies, "we" insure "your" Personal Articles listed on the Declarations.

### INSURED PERILS

"You" are insured against all risks of direct physical loss or damage, subject to the exclusions, limitations and conditions of the policy.

### LOSS OR DAMAGE NOT INSURED

"We" do not insure loss or damage caused by or resulting from the dishonesty of persons to whom the insured property is entrusted. This exclusion does not apply where the person entrusted is a carrier for hire.

### SPECIAL CONDITIONS

#### (1) STAMP, COIN OR OTHER 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 \$500 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 unless otherwise stated on the Declarations.

This condition does not apply to articles listed on the Declarations.

#### (2) MUSICAL INSTRUMENTS AND MUSICAL EQUIPMENT

"We" do not insure any musical instrument or equipment played for a fee unless "we" have given permission.

#### (3) NEWLY ACQUIRED ARTICLES

If "you" acquire any additional articles of the type for which an Amount of Insurance is shown, "we" will automatically insure the newly acquired property under this coverage provided "you" notify "us" within 30 days of their acquisition. "We" will not pay more than \$5,000 under this extension.

### BASIS OF CLAIM PAYMENT

"We" will pay up to the lesser of:

- (1) the Amount of Insurance stated on the Declarations; or
- (2) the cost to repair or replace the insured tangible property as described.

## LIMITED SEWER BACK-UP COVERAGE – FORM 3114

Coverage for sewer backup is provided subject to the terms and conditions described in this OPTIONAL COVERAGE. The Amount of Insurance that is granted by this OPTIONAL COVERAGE is subject to "your" policy limits unless a specified Amount of Insurance for this coverage is shown on the Declarations.

### INSURED PERILS

"You" are insured against direct physical loss or damage caused by the sudden and accidental backing up or escape of water or sewage within "your" "dwelling" and/or private structure through a:

- (1) sewer on "your" "premises";
- (2) septic system on "your" "premises"; or
- (3) sump located within "your" "dwelling" and/or private structures.

### LOSS OR DAMAGE NOT INSURED

There is no coverage provided under this form if "flood" otherwise directly contributes concurrently or in any other sequence to the loss or damage.

Nor do "we" insure loss or damage caused by the backing up or escape of water or sewage from a sewer, septic system or sump, resulting directly or indirectly from "flood", if the backing up or escape of water or sewage from such sewer, septic system or sump occurs:

- (1) less than 72 hours before "flood" reaches "your" "premises";
- (2) while "flood" is present on "your" "premises"; or
- (3) up to 72 hours after "flood" leaves "your" "premises".

All other terms and conditions of the policy remain unchanged.

## EARTHQUAKE COVERAGE – FORM 991

If the Declarations indicate that a location is insured for EARTHQUAKE COVERAGE – FORM 991, "you" are insured against direct physical loss or damage caused by Earthquake, to property insured under **SECTION I – PROPERTY COVERAGE**.

### LOSS OR DAMAGE NOT INSURED

"We" do not insure:

- (1) loss or damage caused by any of the following perils whether or not directly or indirectly caused by, resulting from, contributed to, aggravated by or attributed to explosion, smoke, leakage from protective equipment, theft, vandalism and malicious acts or "flood" of any nature;
- (2) loss or damage caused by or resulting from losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED**; and
- (3) the increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services or increased costs associated with land stabilization.

### AMOUNT OF INSURANCE

The EARTHQUAKE COVERAGE Amount of Insurance for COVERAGE A, COVERAGE B, COVERAGE C and COVERAGE D is stated on the Declarations.

This endorsement does not increase the Amount of Insurance stated in the policy to which it is attached.

### SPECIAL CONDITIONS

For the purpose of this endorsement, earthquake shall include snowslide and landslide occurring concurrently with and resulting from an earthquake shock and other natural or man-made earth movements resulting from mining or fracking operations.

One or more earthquake shocks that occur within a one hundred and sixty eight (168) hour period shall constitute a single earthquake.

For the purposes of this endorsement, the following is deleted from ADDITIONAL COVERAGES (5) DEBRIS REMOVAL, "If the amount payable for loss, including expenses for removal of debris, is greater than the Amount of Insurance applicable to the lost or damaged property, then an additional 5% of the COVERAGE A or COVERAGE C limit as indicated on the Declarations will be available to cover "your" debris removal expenses."

## **DEDUCTIBLE**

"We" will only pay that part of the loss that exceeds the Earthquake Coverage Deductible shown on the Declarations. The Deductible shall apply separately to loss under COVERAGE A, COVERAGE B and COVERAGE C.

All other terms and conditions of the policy remain unchanged.

## **CONDOMINIUM UNIT OWNERS EARTHQUAKE COVERAGE – FORM 991C**

If the Declarations indicate that a location is insured for EARTHQUAKE COVERAGE – FORM 991C, "you" are insured against direct physical loss or damage caused by or resulting from Earthquake, to property insured under **SECTION I – PROPERTY COVERAGE** as follows:

- COVERAGE C – PERSONAL PROPERTY
- COVERAGE D – LOSS OF USE
- CONDOMINIUM ADDITIONAL COVERAGE
- CONDOMINIUM LOSS ASSESSMENT
- CONDOMINIUM UNIT IMPROVEMENTS

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

"We" do not insure:

- (1) loss or damage caused by any of the following perils whether or not directly or indirectly caused by, resulting from, contributed to, aggravated by or attributed to explosion, smoke, leakage from protective equipment, theft, vandalism and malicious acts or "flood" of any nature;
- (2) loss or damage caused by or resulting from losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED**; and
- (3) the increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services or increased costs associated with land stabilization.

### **AMOUNT OF INSURANCE**

The EARTHQUAKE COVERAGE Amount of Insurance for COVERAGE C, COVERAGE D, CONDOMINIUM ADDITIONAL COVERAGE, CONDOMINIUM LOSS ASSESSMENT and CONDOMINIUM UNIT IMPROVEMENTS is stated on the Declarations.

This endorsement does not increase the Amount of Insurance stated in the policy to which it is attached.

### **SPECIAL CONDITIONS**

For the purpose of this endorsement, earthquake shall include snowslide and landslide occurring concurrently with and resulting from an earthquake shock and other natural or man-made earth movements resulting from mining or fracking operations.

One or more earthquake shocks which occur within a one hundred and sixty eight (168) hour period shall constitute a single earthquake.

For the purposes of this endorsement, the following is deleted from ADDITIONAL COVERAGES (5) DEBRIS REMOVAL, "If the amount payable for loss, including expenses for removal of debris, is greater than the Amount of Insurance applicable to the lost or damaged property, then an additional 5% of the COVERAGE A or COVERAGE C limit as indicated on the Declarations will be available to cover "your" debris removal expenses."

## **DEDUCTIBLE**

"We" will only pay that part of the loss that exceeds the Earthquake Coverage Deductible shown on the Declarations. The Deductible shall apply separately to loss under COVERAGE C, CONDOMINIUM ADDITIONAL COVERAGE, CONDOMINIUM LOSS ASSESSMENT and CONDOMINIUM UNIT IMPROVEMENTS.

All other terms and conditions of the policy remain unchanged.

## BUILDING BYLAWS COVERAGE – FORM 1053

If the Declarations indicate BUILDING BYLAWS COVERAGE – FORM 1053 is included and there is loss or damage to the "dwelling" and/or private structures, caused by an insured peril, coverage is provided for the specified location(s) to pay for the additional cost of demolition, construction, or repair which is required to comply with any law or ordinance regulating demolition, construction or repair of buildings, so long as the "dwelling" and/or private structures are actually repaired, rebuilt or replaced.

### BASIS OF CLAIM PAYMENT

"We" will not pay:

- (1) more than the Amount of Insurance shown on the Declarations;
- (2) more than the minimum amount required to comply with any law or ordinance;
- (3) the additional cost, unless "your" property is actually repaired, rebuilt or replaced on the same location.

This coverage does not apply to the following forms:

EARTHQUAKE COVERAGE - FORM 991

CONDOMINIUM UNIT OWNERS EARTHQUAKE COVERAGE - FORM 991C

LIMITED SEWER BACK UP COVERAGE - FORM 3114

All other terms and conditions of the policy to which this endorsement applies remain unchanged.

This is additional insurance.

## IDENTITY FRAUD EXPENSE COVERAGE – FORM 1054

"We" agree to pay the following expenses "you" actually incur resulting from "identity fraud":

- (1) earnings lost by "you" as a result of unpaid time off work which must be taken to complete fraud affidavits, meet with law enforcement agencies, credit agencies, merchants or legal counsel;
- (2) loan application fees for reapplying for loan(s) due to the rejection of the original application because the lender received incorrect credit information;
- (3) costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions or similar credit grantors and credit agencies;
- (4) costs for sending certified mail to law enforcement agencies, financial institutions or similar credit grantors and credit agencies;
- (5) telephone expenses for calls to businesses, law enforcement agencies, financial institutions or similar credit grantors and credit agencies;
- (6) reasonable fees incurred, with prior notice to and approval by "us", if "you" hire a fraud mitigation professional to assist "you" in restoring the accuracy of "your" identifying information;
- (7) reasonable lawyer fees incurred, with prior notice to and approval by "us", for:
  - (i) "your" defense against any suit(s) by businesses or their collection agencies;
  - (ii) the removal of any criminal or civil judgments wrongly entered against "you"; and
  - (iii) any challenge to the information in "your" Consumer Credit Report; which is required to restore "your" identifying information.

The expenses must result from an act of "identity fraud" that was discovered during the policy term.

### EXCLUSIONS

"We" do not insure any expenses:

- (1) which are caused or contributed to, in whole or in part, directly or indirectly by:
  - (i) fraudulent, dishonest or criminal acts committed by:
    - a) "you";
    - b) any person acting with "you"; or
    - c) any person acting as "your" authorized representative; whether acting alone or in collusion with others;
  - (ii) "your" "business" or commercial pursuits;
  - (iii) "your" own use of "your" identity or credit; or
  - (iv) "your" intentional misuse of "your" identity or credit;

- (2) that do not arise directly and solely as a result of an act of "identity fraud" and the subsequent steps required to restore the accuracy of "your" identifying information.

This endorsement does not apply to losses covered under CREDIT OR DEBIT CARDS, FORGERY AND COUNTERFEIT MONEY in **SECTION I – PROPERTY COVERAGES – ADDITIONAL COVERAGE**.

**AMOUNT OF INSURANCE**

The IDENTITY FRAUD EXPENSE COVERAGE Amount of Insurance shown on the Declarations is the most "we" will pay for covered expenses from all "identity fraud" acts discovered in any one policy period, regardless of the number of acts discovered or the number of "Insureds" affected.

**ADDITIONAL CONDITIONS**

"You" must comply with all the terms and requirements stipulated with the issuance of any bank card or credit card including secure storage of PINs (Personal Identification Numbers) and personal information. If "you" do not, "you" will not be entitled to any coverage. Upon discovering an act of "identity fraud", "you" must immediately notify "us" and any applicable law enforcement agency so steps can be initiated to restore the accuracy of "your" identifying information. If "you" do not, "you" will not be entitled to any coverage.

**DEFINITION**

For the purposes of this coverage, "identity fraud" means the act of using, without lawful authority, "your" identifying information to commit any unlawful activity that constitutes a crime or violation of any federal, provincial, territorial, municipal or local law.

# SECTION I

## LOSS OR DAMAGE NOT INSURED

"We" do not insure:

- (1) loss or damage to structures or buildings used in whole or in part for "business" or "farming" purposes, unless shown on the Declarations;
- (2) loss or damage to personal property undergoing any process or while being worked on where the damage results from such process or work, but resulting damage to other property by a peril insured against is insured;
- (3) loss or damage occurring after "your" "dwelling" has, to "your" knowledge, been "vacant" for more than 30 consecutive days;
- (4) loss or damage to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (5) loss or damage to any property illegally acquired, kept, stored, or transported, or property subject to forfeiture;
- (6) "watermains";
- (7) loss or damage occurring while "your" mobile home is being moved, except in an emergency, to protect it when endangered by any of the insured perils. Moving begins with the commencement of the removal of leveling blocks/jacks and/or the disconnection of utilities, and continues until the mobile home has been fully installed and is ready for occupancy at its new location;
- (8) loss or damage caused by or resulting from the intentional or criminal acts or the failure to act by:
  - (i) any "Insured" under this policy; or
  - (ii) any other person at the direction of any "Insured" by this policy;
- (9) loss or damage caused by or resulting from vermin, birds, insects, rodents, raccoons, skunks or squirrels, except loss or damage to building glass;
- (10) loss or damage caused by or resulting from rust or corrosion, extremes of temperature, condensation, dampness of atmosphere, wet or dry rot, contamination or "fungi" except where otherwise provided for in this policy;
- (11) mechanical breakdown, except as otherwise provided for in this policy;
- (12) loss or damage caused directly or indirectly from any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
- (13) loss or damage caused by or resulting from contamination by radioactive material;
- (14) loss or damage caused directly or indirectly, in whole or in part, by war, invasion, act of foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution or insurrection, or military power, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;
- (15) loss or damage resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
- (16) loss or damage caused by or resulting from smoke from agricultural smudging or industrial operations;
- (17) loss or damage caused by domestic animals and/or pets of any kind:
  - (i) owned by "you";
  - (ii) in "your" care, custody or control; or
  - (iii) owned by or in the care, custody or control of anyone residing in "your" "dwelling".

Nor do "we" insure:

- (18) wear and tear, deterioration or defect, or any quality in property which causes it to damage or destroy itself;
- (19) marring, scratching, abrasion or chipping of any personal property or breakage of any fragile or brittle article(s) unless caused by a "Specified Peril"; accident to a land vehicle, watercraft or "aircraft", or theft or attempted theft;

- (20) loss or damage arising directly or indirectly from the growing, cultivating, harvesting, processing, manufacturing, distribution or sale of any drug or narcotic or illegal substance, whether or not "you" have knowledge of such activity. This includes any alterations of the "premises" to facilitate such activity;
- (21) loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a governmental agency or other entity to prevent, respond to or terminate "Terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; but "you" are still insured for ensuing loss or damage which results directly from FIRE or EXPLOSION;
- (22) loss or damage to "data" or caused directly or indirectly by a "data problem". However, if loss or damage caused by a "data problem" results in the "occurrence" of further loss or damage to property insured that is directly caused by "Specified Perils", this shall not apply to such resulting loss or damage;
- (23) loss or damage caused by a "pollutant" unless the escape of the "Pollutant(s)" arises as a result of a peril not otherwise excluded;
- (24) the cost of correcting faulty design, material or workmanship.



# **SECTION I** **CONDITIONS**

## **BASIS OF SETTLEMENT**

"We" will pay for insured loss or damage to "your" "dwelling", private structures and personal property as described in this policy 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".

This applies even if more than one person or organization has an insurable interest in the property insured.

## **APPLICABLE TO COVERAGE A, COVERAGE B, COVERAGE C, AND/OR COVERAGE D**

### **1. INFLATION PROTECTION COVERAGE**

During the term of this policy, "we" will automatically increase the Amount of Insurance on COVERAGE A, B, C and COVERAGE D by a pro rata proportion of the annual percentage shown on the Declarations. The pro rata proportion will be based on the number of days the policy term has been in effect.

If at "your" request, "we" change the Amount of Insurance on COVERAGE A or COVERAGE C, "we" will apply this Inflation Protection Coverage on the changed Amounts of Insurance from the date the change is made.

### **2. ACTUAL CASH VALUE**

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.

For "dwelling" and/or private structures, if the conditions of this policy are not met, "we" will pay the actual cash value of the damage at the date of the "occurrence".

### **3. DEDUCTIBLE**

"We" are responsible only for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of the Deductible shown on the Declarations in any one "occurrence".

### **4. SINGLE INCLUSIVE LIMIT**

If the Declarations indicate SINGLE INCLUSIVE LIMIT applies to a location, "we" will pay for insured loss or damage up to "your" financial interest in the property, but not exceeding the single limit, as defined, for any loss or damage arising out of one "occurrence".

SINGLE INCLUSIVE LIMIT means the total of the Amounts of Insurance shown on the Declarations for COVERAGES A, B, C and D.

If the loss to "your" "dwelling" is settled on a GUARANTEED REPLACEMENT COST basis, the Amount of Insurance for COVERAGE A or the amount payable under COVERAGE A (whichever is less) will be subtracted from the single limit. Losses under COVERAGE B, C and D will be paid up to the remaining portion of the SINGLE INCLUSIVE LIMIT.

Single Inclusive Limit does not apply to the following forms:

EARTHQUAKE COVERAGE – FORM 991

CONDOMINIUM EARTHQUAKE COVERAGE – FORM 991C

LIMITED SEWER BACK UP COVERAGE – FORM 3114

All other terms and conditions of the policy apply.

## **5. FIRE FOLLOWING EARTHQUAKE**

"We" insure COVERAGE A, B, C and D and if applicable, CONDOMINIUM ADDITIONAL COVERAGE, CONDOMINIUM LOSS ASSESSMENT and CONDOMINIUM UNIT IMPROVEMENTS against direct physical loss or damage as a result of a fire from an earthquake.

### **SPECIAL CONDITION**

One or more earthquake shocks that occur within a one hundred and sixty eight (168) hour period shall constitute a single earthquake.

For the purposes of this endorsement, the following is deleted from ADDITIONAL COVERAGES (5) DEBRIS REMOVAL, "If the amount payable for loss, including expenses for removal of debris, is greater than the Amount of Insurance applicable to the lost or damaged property, then an additional 5% of the COVERAGE A or COVERAGE C limit as indicated on the Declarations will be available to cover "your" debris removal expenses."

### **DEDUCTIBLE**

"We" will pay only that part of the loss that exceeds the Deductible shown on the Declarations for this coverage. This Deductible shall apply separately to loss under COVERAGE A, B and C and, if applicable, CONDOMINIUM ADDITIONAL COVERAGE, CONDOMINIUM LOSS ASSESSMENT and CONDOMINIUM UNIT IMPROVEMENTS.

In determining the cost of repairs or replacement "we" will not pay or include the increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.

## **APPLICABLE TO COVERAGE A and/or COVERAGE B**

## **6. BUILDING**

If "you" repair or replace the damaged or destroyed building(s) on the same location, with building(s) of the same size and occupancy, constructed with materials of similar quality, within a reasonable time after the damage, "you" may choose as the basis for loss settlement either (1) or (2) below. However in the event that "you" are restricted by law or ordinance from rebuilding on the same location as a result of an earthquake "occurrence", "you" may still choose either (1) or (2) as the basis for loss settlement. Otherwise settlement will be as in (2).

- (1) 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 cost to replace the damaged or destroyed building(s) on the same location, with building(s) of the same size and occupancy and constructed with materials of similar quality as of the time of loss, but not to exceed the actual costs incurred.
- (2) The actual cash value of the loss or damaged property as of the time of loss.

In determining the cost of repairs or replacement "we" will not pay or include the increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.

## **7. GUARANTEED REPLACEMENT COST – COVERAGE A**

If the Declarations indicate GUARANTEED REPLACEMENT COST – COVERAGE A, "we" will pay for the insured loss to "your" "dwelling" on the basis of full replacement cost regardless of the Amount of Insurance shown on the Declarations provided "you":

- (1) insure "your" "dwelling" for 100% of its replacement value as of the original inception date of this policy as well as of the effective dates of all subsequent renewal policy terms. For the purposes of this coverage, "we" will consider a "dwelling" insured to 100% of its replacement value if "you" provide "us" with a replacement cost calculation acceptable to "us" every five years, beginning with the original inception date of the policy, and also allow the "dwelling" Amount of Insurance to be increased annually, on renewal, by an inflationary percentage established by "us";
- (2) repair, rebuild or replace the "dwelling" on the same location, with a building of the same size and occupancy, constructed with material of similar quality; and
- (3) notify "us" within 90 days of the start of work if "you" make additions or improvements to "your" "dwelling" that will increase its "replacement cost" by \$10,000 or more.

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

In determining the cost of repairs or replacement "we" will not pay or include the increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.

## **APPLICABLE TO COVERAGE C**

### **8. REPLACEMENT COST ON PERSONAL PROPERTY**

If the Declarations indicate that Replacement Cost on Contents is included. "we" will pay for loss or damage on the basis of Replacement Cost for all other personal property except:

- (1) articles that cannot be replaced with new articles because of their inherent nature, such as antiques or works of art;
- (2) articles for which their age or history substantially contributes to their value, such as memorabilia, souvenirs and collectors' items;
- (3) property that has not been maintained in good or workable condition;
- (4) property that is no longer used for its original purpose;

for which "we" will pay only on the basis of actual cash value.

"We" will also pay the cost of reproduction from duplicates or from originals.

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

- (1) repairing the property with materials of similar kind and quality; or
- (2) new articles of similar kind, quality and usefulness;

Without deduction for depreciation.

"We" will pay on the basis of replacement cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise "we" will pay on the basis of actual cash value.

"You" may choose to settle a loss to property eligible for replacement cost on contents coverage on an actual cash value basis initially. "You" may still make an additional claim for the difference between the actual cash value and replacement cost basis provided such claim is made within 180 days after the date of loss or damage.

For personal property described under SPECIAL LIMITS OF INSURANCE, "we" will not pay more than the applicable limit under either the replacement cost or actual cash value basis.

### **9. PAIRS AND SETS**

In the case of loss or damage to any article(s) which is part of a pair or set, the amount of loss or damage to such article(s) will be a reasonable and fair proportion of the total value of the set, but in no event will such loss or damage be construed to mean total loss of the pair or set.

### **10. PARTS**

In the case of loss or damage to any part of the insured property 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.

## **APPLICABLE TO CONDOMINIUM UNIT OWNERS AND TENANTS COVERAGE ONLY**

### **11. IMPROVEMENTS OR UNIT DAMAGE**

"We" will pay for the actual cost of repair or replacement (whichever is less) to "your" improvements, with materials of similar quality and without deduction for depreciation provided the repair or replacement is completed within a reasonable amount of time after damage.

If 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 time of loss. "We" will pay for insured loss or damage to "your" unit on the basis of loss settlement described above, less any amount recoverable from any insurance covering the collective interest of the unit owners.

## POLICY CONDITIONS

The following conditions apply to all **SECTION I – COVERAGES**:

### 1. AMOUNTS NOT REDUCED

Any loss or damage shall not reduce the Amounts of Insurance provided by this policy.

### 2. INSURANCE UNDER MORE THAN ONE POLICY

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

In all other cases, "we" will pay "our" rateable proportion of the loss or claim under this policy.

### 3. NOTICE TO AUTHORITIES

Where loss or damage is, or is suspected to be, due to malicious acts, theft or attempted theft, "you" must give immediate notice of the incident to the police or law enforcement agency having jurisdiction or any other enforcement agency having jurisdiction.

### 4. SUBROGATION

"We" will be entitled to assume all "your" rights of recovery against others and bring action in "your" name to enforce these rights when "we" make payment or assume liability under this policy.

"Your" right to recover from "us" is not affected by any release from liability entered into by "you" prior to loss.

### 5. DECLARATION OF EMERGENCY – EXTENSION OF TERMINATION OR EXPIRY DATE

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an "emergency" is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

- (1) The "emergency" must have a direct effect or impact on:
  - (a) the "Insured", the insured site or insured property located in the declared emergency area; or
  - (b) the operations" of the Insurer or its agent/broker located in the declared emergency area.
- (2) (a) Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the "emergency" is terminated plus the lesser of:
  - (i) 30 days; or
  - (ii) the number of days equal to the total time the "emergency" order was in effect.
- (b) If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
  - (i) 30 days; or
  - (ii) the number of days equal to the total time the "emergency" order was in effect.
- (3) In no event shall the total term of this extension exceed 120 consecutive days.

The "Insured" agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

"**Emergency**" means the first statutory declaration of an "emergency";

- (1) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- (2) as provided for by the relevant governing legislation if different from (1) above, but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

### 6. RECOVERY OF INNOCENT PERSONS

- (1) Where this policy contains a term or condition excluding coverage for loss or damage resulting from the intentional or criminal acts or failure to act by an "Insured" or any other person, the exclusion applies only to the claim of a person:
  - (a) whose act or omission caused the loss or damage;

- (b) who abetted or colluded in the act or omission;
  - (c) who:
    - (i) consented to the act or omission; and
    - (ii) knew or ought to have known that the act or omission would cause the loss or damage; or
  - (d) who is in a class prescribed by regulation.
- (2) Nothing in SECTION I allows a person whose property is insured under the contract to recover more than their proportionate interest in the lost or damaged property.
- (3) A person whose coverage under a contract would be excluded but for SECTION I must comply with the requirements prescribed in the regulations.

All other terms and conditions of the policy remain unchanged.

## **SECTION II**

# **LIABILITY COVERAGE**

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

This insurance applies:

- (1) to accidents or "occurrences" which take place during the period this policy is in force;
- (2) separately to each "Insured" against whom the claim is made or action is brought.

### **COVERAGE E – LEGAL LIABILITY**

"We" will pay all sums which "you" become legally liable to pay as compensatory damages because of unintentional "bodily injury" or "property damage" arising out of:

- (1) "your" personal actions anywhere in the world;
- (2) "your" ownership, use or occupancy of the "premises".

The Amount of Insurance shown on the Declarations is the maximum amount "we" will pay for all compensatory damages in respect to one accident or "occurrence" regardless of the number of "insureds" against whom claims are made or actions are brought.

Defense, costs and supplementary expense payments as described under DEFENSE, SETTLEMENT and SUPPLEMENTARY PAYMENTS are in addition to the Amount of Insurance.

"We" do not insure claims made against "you" arising from:

- (1) liability "you" have assumed by contract unless "your" "legal liability" would have applied even if no contract had been in force, but we do insure claims made against "you" for the "legal liability" of other persons in relation to "your" "premises" that "you" have assumed under a written contract;
- (2) damage to property owned by an "Insured";
- (3) damage to property used, occupied, leased or rented by or in the care, custody or control of an "Insured", except for unintentional "property damage" to "premises" owned by others, or their contents, which "you" are using, renting or have in "your" custody or control caused by fire, explosion, water damage or smoke as described in "Specified Perils";
- (4) damage to personal property or fixtures as a result of work done on them by "you" or anyone on "your" behalf;
- (5) "bodily injury" to "you" or any person residing in "your" household other than a "residence employee";
- (6) the personal actions of a "Named Insured" who does not reside on the "premises" described on the Declarations.

There are other exclusions that apply to all Coverages under Section II, Please refer to **SECTION II – EXCLUSIONS**.

### **DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS**

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

"We" will also pay:

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

## **UNAUTHORIZED SETTLEMENTS**

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

## **COVERAGE F – VOLUNTARY MEDICAL PAYMENTS**

"We" will pay reasonable medical expenses incurred within one year of the date of the accident or "occurrence" if "you" unintentionally injure another person or if they are accidentally injured on "your" "premises". This coverage is available even though "you" are not legally liable.

Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses.

The Amount of Insurance shown on the Declarations is the most "we" will pay for each person in respect to one accident or "occurrence". Payment under COVERAGE F is not an admission of liability by "you" or "us".

"We" will not pay for:

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

There are other exclusions that apply to all coverages under Section II. Please refer to **SECTION II – EXCLUSIONS**.

## ADDITIONAL/OPTIONAL COVERAGES

### VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY OF OTHERS

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

"We" do not insure:

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

There are other exclusions that apply to all coverages under SECTION II. Please refer to **SECTION II – EXCLUSIONS**.

#### BASIS OF PAYMENT

"We" will pay up to \$1,000 or what it would cost to repair or replace the property with materials of similar quality at the time of loss, whichever is less.

"We" may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with "you" or the owner of the property. "We" may take over any salvage if "we" wish.

### VOLUNTARY COMPENSATION FOR RESIDENCE EMPLOYEES

This coverage is automatically provided for all "your" occasional "residence employees". It will be extended to "your" permanent "residence employees" if so stated on the Declarations.

"We" offer to pay the benefits described below if "your" "residence employee" is injured or dies accidentally while working for "you", even though "you" are not legally liable.

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

A "residence employee" or anyone acting on his or her behalf who accepts these benefits must sign a release giving up any right to sue "you". "We" have the right to recover from anyone, other than "you", who is responsible for the "residence employee's" injury or death.

#### EXCLUSION

"We" will not pay benefits for any hernia injury.

There are other exclusions that apply to all coverages under SECTION II. Please refer to **SECTION II – EXCLUSIONS**.

#### SCHEDULE OF BENEFITS

##### (1) Loss of Life

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

- a. a total of 100 times the "weekly indemnity" to those wholly dependent upon him or her. If there is more than one dependent the amount will be divided equally among them. This payment is in addition to any benefit for Temporary Total Disability paid up to the date of death;
- b. actual funeral expenses not to exceed \$1,000.

##### (2) Temporary Total Disability

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

##### (3) Permanent Total Disability

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



(4) Injury Benefits

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

"We" will not pay more than 100 weeks in total, even if the accident results in loss from more than one item.

For loss of:

- |                                  |           |
|----------------------------------|-----------|
| (i) One or more of the following | 100 weeks |
| • Hand                           |           |
| • Arm                            |           |
| • Foot                           |           |
| • Leg                            |           |
| (ii) One finger or toe           | 25 weeks  |
| or                               |           |
| More than one finger or toe      | 50 weeks  |
| (iii) One eye                    | 50 weeks  |
| or                               |           |
| Both eyes                        | 100 weeks |
| (iv) Hearing of one ear          | 25 weeks  |
| or                               |           |
| Hearing of both ears             | 100 weeks |

(5) Medical Expenses

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

"We" will pay the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, up to a maximum of \$5,000.

"We" do not insure "you" for costs recoverable from other insurance plans.

**WEEKLY INDEMNITY**

For the purpose of this coverage, "weekly indemnity" means two thirds of "your" "residence employee's" weekly wage at the date of the accident but "we" will not pay more than \$100 per week.

**CONDOMINIUM LOSS ASSESSMENT**

If "you" are a condominium unit owner, "we" will pay:

- (1) "your" share of any special assessment made if:
  - (i) the assessment is valid under the "Condominium Corporation's" governing rules; and
  - (ii) the assessment is made necessary by the liability of the "Condominium Corporation" for "occurrence(s)" which takes place during the policy period;
- (2) up to the Amount of Insurance shown on the Declarations under Condominium Deductible Assessment, for that part of an assessment made necessary by a deductible in the "Condominium Corporation's" liability insurance policy but only where the "Condominium Corporation's" governing rules specifically permit it to place the responsibility for any portion of the Master Policy Deductible on an individual unit owner.

This coverage is subject to all exclusions, terms and conditions of COVERAGE E and, does not increase the Amount of Insurance under COVERAGE E.

## **ADDITIONAL USE OF GOLF CARTS – FORM HMVL1**

If permission for ADDITIONAL USE OF GOLF CARTS – FORM HMVL1 is stated on the Declarations, "we" insure motorized golf carts while in use:

- (1) on "your" "premises";
- (2) on a golf course and within the boundaries of a golf course;
- (3) any municipal roadway where permitted by municipal law; or
- (4) on private property such as camp grounds, recreational parks, mobile home communities, retirement communities and gated communities where:
  - (i) the community by-laws permit the use of golf carts; and
  - (ii) the roadways within that community are privately maintained and controlled.

"We" do not insure the use or operation of golf carts, whether owned by "you" or not, while:

- (1) used on public roads or highways unless permitted by law;
- (2) used for carrying passengers for compensation;
- (3) used for "business" purposes;
- (4) used in any race or speed test;
- (5) rented to others; or
- (6) being used or operated without the owner's consent if "you" are not the owner.

All other exclusions, limitations and conditions of this policy remain unchanged.

## **BOARDING OR TRAINING OF HORSES COVERAGE – FORM 1295**

If BOARDING OR TRAINING OF HORSES COVERAGE – FORM 1295 is stated on the Declarations, "you" are insured under COVERAGE E and COVERAGE F for claims made or actions brought against "you" for "bodily injury" or "property damage" arising out of the use of "your" "premises" to either board horses, or to board and train horses, as described in the Declarations.

"You" are not insured for claims made or actions brought against "you" for "bodily injury" or "property damage" arising out of:

- (1) riding instruction, rental horses, rodeos, contests or other horse shows or the practice or preparation for any such activity; or
- (2) the use of the "premises" for horse sales or auctions, veterinary stables, racing stables or dude ranches.

## **SPECIAL LIMITATIONS**

### **WATERCRAFT AND MOTORIZED VEHICLES**

#### **WATERCRAFT AND MOTORIZED VEHICLES "YOU" OWN**

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

- (1) watercraft, including their attachments, equipped with an outboard motor or motors, of not more than 25 hp in total, when used with or on a single watercraft;
- (2) watercraft, including their attachments, equipped with any other type of motor of not more than 50 hp;
- (3) non-motorized watercraft, including their attachments, not more than 8 metres in length;
- (4) self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 25 hp;
- (5) motorized wheelchairs, including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability;
- (6) motorized golf carts while in use on a golf course.

Any other watercraft is insured only if liability coverage for it is shown on the Declarations. If the watercraft or motor with which it is equipped is acquired after the effective date of the policy, "you" will be insured automatically for a period of 30 days only from the date of acquisition.

#### **WATERCRAFT AND MOTORIZED VEHICLES "YOU" DO NOT OWN**

"You" are also insured against claims arising out of "your" use or operation of:

- (1) any type of watercraft;
- (2) any self-propelled land vehicle, amphibious vehicle or air cushion vehicle, provided that the vehicle is not subject to motor vehicle registration and is designed primarily for use off public roads;

provided that the motorized vehicle or watercraft is not owned by any person insured by this policy.

#### **WATERCRAFT AND MOTORIZED VEHICLE EXCLUSIONS**

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

- (1) used for carrying passengers for compensation;
- (2) used for "business" purposes;
- (3) used in any race or speed test or in preparation for either;
- (4) rented to others;
- (5) being used or operated without the owner's consent if "you" are not the owner.

#### **TRAILERS**

"We" insure "you" against claims arising out of "your" ownership, use or operation of any trailer or its equipment, provided such trailer is not attached to, carried on or being towed by a motorized vehicle subject to motor vehicle registration.

#### **BUSINESS AND BUSINESS PROPERTY**

"We" insure "you" against claims arising out of:

- (1) "your" personal actions during the course of "your" trade, profession or occupation which are not related directly to "your" trade, profession or occupation;
- (2) the occasional rental to others of the portion of the "dwelling" usually occupied by "you" as a private residence;
- (3) the rental to others of portions of "your" two or three family "dwelling" usually occupied in part by "you" as a residence "premises" provided no family unit includes more than 2 roomers or boarders;
- (4) the rental of space in "your" residence to others for incidental office, school or studio occupancy;
- (5) the rental to others, or holding for rent, of not more than 3 car spaces or stalls in garages or stables;
- (6) the temporary or part time "business" pursuits of an "Insured" under the age of 21 years.

Claims arising from any other "business" pursuit or operation are insured only if liability coverage is shown on the Declarations.

## **SECTION II** **EXCLUSIONS**

"We" do not insure claims arising from:

- (1) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (2) "bodily injury" or "property damage" which is required to be insured under a nuclear energy liability policy issued by the nuclear insurance association of Canada, or any other group or pool of insurers;
- (3) "business" pursuits or any "business" use of the "premises" except as provided under SPECIAL LIMITATIONS BUSINESS AND BUSINESS PROPERTY in SECTION II;
- (4) the rendering of or the failure to render any professional service;
- (5) liability imposed upon or assumed by "you" under any workers' compensation statute;
- (6) "bodily injury" or "property damage" caused by any intentional or criminal act or failure to act by:
  - (i) any person insured by this policy;
  - (ii) any other person at the direction of any person insured by this policy;
- (7) (i) sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy;
  - (ii) failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment;
- (8) the transmission of communicable disease by any person insured by this policy;

- (9) the ownership, use or operation of any watercraft, motorized vehicle or trailer except as provided under "watercraft and motorized vehicles" and "trailers" in SECTION II;
- (10) the ownership, use or operation of:
  - (i) any "aircraft";
  - (ii) "premises" used as an airport or landing facility; and all activities related to either;
- (11) any claim that arises directly or indirectly, in whole or in part, out of the use or misuse of "social media" and/or the Internet. This includes the use of, distribution by, publication by, display of any material that offends another using social media and/or the Internet.

For the purposes of this exclusion, social Media means a form of electronic communication including but not limited to, networking, blogging or microblogging, through which "you" create or share information, ideas, personal messages, photographs, videos and other content using online communities.

## **SECTION II** **CONDITIONS**

Statutory Conditions 1, 3, 4, 5 and 15 incorporated in this policy apply as conditions to all coverages under SECTION II.

### **1. WHAT YOU MUST DO AFTER AN ACCIDENT OR OCCURRENCE**

- (1) When an accident or "occurrence" takes place, "you" must promptly give "us" notice (in writing if requested by "us"). The notice must include:
  - (i) the date, time, place and circumstances of the accident or "occurrence";
  - (ii) the interest of all persons in the property affected.
- (2) If requested by "us" "you" must help "us" to verify the damage.
- (3) If requested by "us" "you" shall arrange for the injured person(s) to:
  - (i) give "us", as soon as possible, written proof of claim, under oath if requested;
  - (ii) submit to a physical examination at "our" expense by doctors "we" select as often as "we" may reasonably require;
  - (iii) authorize "us" to obtain medical and other records.

Proofs and authorizations may be given by someone acting on behalf of the injured person.

### **2. ACTION AGAINST US**

No suit may be brought against "us" until:

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

### **3. INSURANCE UNDER MORE THAN ONE POLICY**

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

### **4. DEDUCTIBLE (COVERAGE E – LEGAL LIABILITY)**

"We" are responsible only for the amount by which "our" obligation to pay compensatory damages under "property damage" liability exceeds any Property Damage Deductible amount stated in the Declarations in any one "occurrence".

"We" may also pay any part or all of the Property Damage Deductible amount to effect settlement of any claim or action and upon notification of the action taken, "you" shall promptly reimburse "us" for the deductible amount that has been paid.

### **5. UNAUTHORIZED SETTLEMENTS**

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

# **SECTION III**

## **FARM PROPERTY COVERAGES**

This insurance applies only to those items of property described below which are listed in the Declarations, at the location(s) specified in the Declarations and is subject to all exclusions, terms and conditions under the policy.

### **COVERAGE G – BARNs, BUILDINGS AND STRUCTURES**

#### **1. BARNs, BUILDINGS AND STRUCTURES**

##### **COVERED PROPERTY**

"We" insure:

- a. farm barns, buildings and structures;
- b. materials and supplies located on the "premises" intended for use in construction, alteration or repair of farm barns, buildings and structures;
- c. portable buildings and portable structures, however, "we" will not pay for a greater proportion of any loss than the Amount of Insurance applying to all portable buildings or structures bears to the total value of that property at the time of loss; and
- d. permanently attached fixtures and equipment that forms part of the barn, building or structure.

##### **PROPERTY NOT INSURED**

"We" do not insure:

- a. silos or fences, whether or not attached to any building or structure, unless specifically declared and described on the Declarations; or
- b. barns, buildings and structures used for "business" purposes, unless declared and described on the Declarations.

##### **NEWLY ACQUIRED OR NEWLY CONSTRUCTED FARM BARNs, BUILDINGS AND STRUCTURES**

"You" may extend the insurance applicable under COVERAGE G to:

- a. "your" new buildings, while being built; and
- b. buildings "you" acquire during the policy term, at locations other than the specified "premises";

which are intended for similar use as the building(s) described in the Declarations.

The most "we" will pay under this additional coverage is \$250,000.

Insurance under this extension will end when any one of the following first occurs:

- a. the policy expires;
- b. 30 days expire after "you" acquire or begin to construct the property; or
- c. "you" report the values to "us".

"You" agree to keep an accurate record of the date when construction commenced or acquisition occurred, as well as the description and value of the newly constructed or acquired property and to pay the pro rata amount of additional premium.

This is not an additional Amount of Insurance.

##### **COINSURANCE**

If the Declarations show SPECIAL (SPL) under the heading FORM, "we" will not pay for a greater proportion of any loss than the applicable Amount of Insurance bears to 80% of the value of all insured property at the time of loss. If two or more items are specifically described in the Declarations, this condition will apply separately to each item.

If the amount of loss or damage is less than 2% of the applicable Amount of Insurance or \$5,000, whichever is lesser, this condition does not apply.

## 2. CONTENTS OF BARN, BUILDINGS AND STRUCTURES

### COVERED PROPERTY

If the Declarations show CONTENTS – FORM 1298, "we" insure contents owned by "you" or for which "you" may be legally liable, while located in the described barn, building or structure and are usual to "your" "farming" operation.

### PROPERTY NOT INSURED

"We" do not insure:

- a. any personal property covered under **SECTION I – PROPERTY COVERAGES**;
- b. feed, grain or produce;
- c. grain dryers;
- d. irrigation equipment;
- e. liquified petroleum;
- f. fuels;
- g. windmills;
- h. accounts, bills and stamps;
- i. sawmill equipment;
- j. fertilizers, or chemicals including herbicides and pesticides, except as described and limited in EXTENSION OF CONTENTS OF BARN, BUILDINGS AND STRUCTURES;
- k. livestock, except as described and limited in EXTENSION OF CONTENTS OF BARN, BUILDINGS AND STRUCTURES;
- l. poultry products or dairy products;
- m. processed or frozen meats, or honey;
- n. semen and semen tanks;
- o. automobiles, motorcycles, motor homes, vehicles licensed for road use, camper units, truck caps, trailers, all-terrain vehicles, watercraft and their motors, snowmobiles or "aircrafts", including all equipment and appurtenances of the forgoing;
- p. mobile machinery and mobile equipment;
- q. property used in whole or in part for "business" pursuits;
- r. property used primarily for any "custom farming" operation;
- s. permanently attached fixtures and equipment forming part of the barn, building or structure.

### EXTENSION OF CONTENTS OF BARN, BUILDINGS AND STRUCTURES

- a. **Fertilizers, or Chemicals Including Herbicides and Pesticides:** "You" may use up to 10% of the CONTENTS OF BARN, BUILDINGS AND STRUCTURES Amount of Insurance stated on the Declarations for the building to which this coverage is attached, to cover losses by FIRE only, to fertilizers, or chemicals including herbicides and pesticides provided it is in a fully enclosed building.
- b. **Poultry:** "You" may use up to \$1,000 of the Amount of Insurance stated on the Declarations, for CONTENTS OF BARN, BUILDINGS AND STRUCTURES to cover loss by FIRE only, of "your" poultry, including chickens, turkeys, geese, and ducks, of any maturity, usual to a mixed "farming" operation.
- c. **Veterinarian Supplies:** "You" may use up to 10% of the Amount of Insurance stated on the Declarations, for CONTENTS OF BARN, BUILDINGS AND STRUCTURES to cover veterinarian supplies, provided they are in a fully enclosed building.
- d. **Property Away From the Barn, Building or Structure:** "You" may use up to 10% of the Amount of Insurance shown on the Declarations, for CONTENTS OF BARN, BUILDINGS AND STRUCTURES at a described location, to cover that property while temporarily located somewhere else on the described "premises".

Extensions a., b., c. and d. do not increase the Amount of Insurance applicable to CONTENTS OF BARN, BUILDINGS AND STRUCTURES.

# COVERAGE H – FARM PERSONAL PROPERTY

## 1. MACHINERY, EQUIPMENT, TOOLS, PARTS

### COVERED PROPERTY

"We" insure the following property as shown on the Declarations, owned by "you" or for which "you" may be legally liable:

#### H1A Scheduled Mobile Farm Machinery and Mobile Farm Equipment

Each item of mobile farm machinery and mobile farm equipment that is specifically described on the Declarations, and for which an individual Amount of Insurance is shown on the Declarations.

##### Off Premises

If Scheduled Mobile Farm Machinery and Mobile Farm Equipment are listed on the Declarations, "we" insure that mobile farm machinery and mobile farm equipment while it is temporarily away from "your" "premises" anywhere in Canada or the Continental United States.

#### H1B Blanket Mobile Farm Machinery and Mobile Farm Equipment

All mobile farm machinery and mobile farm equipment on a blanket basis if a single Amount of Insurance is shown on the Declarations.

##### Off Premises

If Blanket Mobile Farm Machinery and Mobile Farm Equipment are listed on the Declarations, "we" insure that mobile farm machinery and mobile farm equipment while it is temporarily away from "your" "premises" anywhere in Canada or the continental United States.

#### H1C Scheduled Tools

Individual tools that are specifically described on the Declarations, and for which individual Amounts of Insurance are shown on the Declarations.

##### Off Premises

If Scheduled Tools are listed on the Declarations, "we" insure those tools while they are temporarily away from "your" "premises" anywhere in Canada or the Continental United States.

#### H1D Machinery (other than Mobile Farm Machinery and Mobile Farm Equipment), Spare Parts or Tools

Machinery (other than Mobile Farm Machinery and Mobile Farm Equipment), spare parts or tools on a blanket basis on those items for which a single Amount of Insurance is shown in the Declarations.

##### Off Premises

If an Amount of Insurance is shown on the Declarations for H1D Machinery, Spare Parts or Tools, "we" will insure that property while it is temporarily away from "your" "premises" anywhere in Canada or the Continental United States.

### PROPERTY NOT INSURED

"We" do not insure:

- a. automobiles, motorcycles, mobile homes, vehicles licensed for road use, all-terrain vehicles, watercraft and their motors, snowmobiles, "aircraft", including equipment and appurtenances of any of the foregoing;
- b. machinery engaged in "custom farming" "operations" unless stated on the Declarations, and then only for "custom farming" "operations" performed within Canada;
- c. sawmill equipment;
- d. brooders, barn cleaners, boilers, bulk feed tanks or bins, bulk milk tanks, pasteurizers or any permanent fixtures attached to or within a building;
- e. portable buildings and portable structures;
- f. grain dryers or irrigation equipment unless stated and described on the Declarations with an Amount of Insurance shown for each item;
- g. liquified petroleum or manufactured gas, or other fuels;

- h. windchargers, windmills or their towers, outdoor radio or television equipment or wiring, private power and light poles;
- i. household personal property or property usual to a "dwelling";
- j. accounts, bills, stamps, tokens, deeds, evidences of debt, money and securities.

**NEWLY ACQUIRED OR NEWLY LEASED MOBILE FARM MACHINERY AND MOBILE FARM EQUIPMENT**

"You" may extend the Amount of Insurance applicable to H1A Scheduled Mobile Farm Machinery and Mobile Farm Equipment or H1B Blanket Mobile Farm Machinery and Mobile Farm Equipment under COVERAGE H to mobile farm machinery and mobile farm equipment "you" acquire (or for which "you" assume "legal liability") during the policy term.

The most "we" will pay is 10% of the applicable Amount of Insurance or \$150,000, whichever is greater.

Insurance under this extension will end when any one of the following first occurs:

- a. the policy expires or is terminated;
- b. 30 days expire after "you" acquire the property; or
- c. "you" report the values to "us".

"You" agree to keep an accurate record of the date of acquisition and a description and value of the acquired or leased property and to pay the pro rata amount of additional premium.

This is additional insurance.

**COINSURANCE**

"We" will not pay for a greater proportion of any loss than the applicable Amount of Insurance bears to 80% of the actual cash value of all insured property at the time of loss. If two or more items are specifically described in the Declarations, this condition will apply separately to each item.

If the amount of loss or damage is less than 2% of the applicable Amount of Insurance or \$5,000, whichever is the lesser, this condition does not apply.

**2. FEED, GRAIN, CHEMICALS, FERTILIZER, PRODUCE**

**COVERED PROPERTY**

"We" insure the following property as shown on the Declarations, owned by "you" or for which "you" may be legally liable:

**H2A Feed including Stacks of Hay or Straw** stored in buildings, bins, enclosures or piled in the open on all land owned, leased or operated by "you" within Canada.

**H2B Whole Threshed Grain and Seeds** stored in buildings, bins, enclosures or piled in the open on all land owned, leased or operated by "you" within Canada.

**H2C Fertilizers or Chemicals, Including Herbicides and Pesticides, specifically described on the Declarations** stored in buildings, bins, storage tanks, enclosures on all land owned, leased or operated by "you" within Canada.

**H2D Other Farm Products specifically described on the Declarations** stored in buildings, bins, storage tanks, enclosures or piled in the open on all land owned, leased or operated by "you" within Canada.

**PROPERTY IN THE CUSTODY OF A COMMON OR CONTRACT CARRIER**

If the Declarations indicate that "you" have purchased coverage under item (2) FEED, GRAIN, CHEMICALS, FERTILIZER, PRODUCE in COVERAGE H, "we" will extend that coverage to include such covered property while it is in the custody of a common or contract carrier.

The most "we" will pay for all property covered under this extension as the result of one loss is \$15,000.

This is not an additional Amount of Insurance.

**PROPERTY NOT INSURED**

"We" do not insure:

- a. property in private or commercial elevators, grain dryers, grain cleaning plants; and/or
- b. property while in transit by common or contract carrier except as described above in PROPERTY IN THE CUSTODY OF A COMMON OR CONTRACT CARRIER.



## **AVERAGE DISTRIBUTION**

Where "you" insure property, as described in H2A, H2B, H2C, or H2D above, and that property is located in more than one building, bin, storage tank, enclosure or pile in the open, the Amount of Insurance applicable at each location will be determined by multiplying the Amount of Insurance stated on the Declarations for such property by the percentage that the value of such property at each building, bin, storage tank, enclosure or pile in the open bears to the total value of all such property in all buildings, bins, storage tanks, enclosures, or piles in the open.

## **3. LIVESTOCK**

### **COVERED PROPERTY**

"We" insure the following property as shown on the Declarations owned by "you" or for which "you" may be legally liable:

#### **H3A Scheduled Livestock**

Each animal that is specifically described on the Declarations and for which an individual Amount of Insurance is shown on the Declarations, while located on the "premises"; or

#### **H3B Blanket Livestock Coverage**

Livestock of a class shown on the Declarations with the number of animals and an Amount of Insurance per animal, while located on the "premises";

"We" will pay only in the proportion that the number of animals insured bears to 80% of the number of animals of each kind owned by "you" at the time of loss, multiplied by the Amount of Insurance per head shown in the Declarations or the "actual cash value" of the animal(s) damaged or destroyed, whichever is the least.

### **PROPERTY IN THE CUSTODY OF A COMMON OR CONTRACT CARRIER**

If the Declarations indicate that "you" have purchased coverage item (3) LIVESTOCK in COVERAGE H, "we" will extend that coverage to include such covered property while it is in the custody of a common or contract carrier.

The most "we" will pay for all property covered under this extension as a result of one loss is \$15,000.

This is not an additional Amount of Insurance.

### **PROPERTY NOT INSURED**

"We" do not insure:

- a. livestock while in:
  - (i) transit by common or contract carrier except as described above in PROPERTY IN THE CUSTODY OF A COMMON OR CONTRACT CARRIER;
  - (ii) public stockyards, sales barns and sales yards; or
  - (iii) packing plants and slaughter houses;
- b. poultry in incubators or brooders.

### **LOSS CONDITION – LOSS OR DAMAGE MEANS DEATH OR DESTRUCTION (LIVESTOCK COVERAGE ONLY)**

Loss or damage under LIVESTOCK means death or destruction of insured livestock resulting from or made necessary by an INSURED PERIL. Death occurring more than 15 days after the happening of an INSURED PERIL or resulting from or contributed to by any disease, whether consequent upon an INSURED PERIL or not, is not insured.

### **LIVESTOCK TEMPORARILY AWAY FROM YOUR PREMISES**

Coverage is extended to include covered livestock as listed in H3A or H3B above while that livestock is temporarily away from "your" "premises" anywhere in Canada or the continental United States.

### **NEWLY ACQUIRED LIVESTOCK**

"You" may extend the insurance that applies to H3A Scheduled Livestock and H3B Blanket Livestock Coverage under COVERAGE H to apply to similar livestock that "you" acquire during the policy term.

The most "we" will pay under this extension is \$10,000, and no more than \$5,000 for any one animal.

This is not an additional Amount of Insurance.

Insurance under this extension will end when any one of the following first occurs:

- a. the policy expires or is terminated;
- b. 30 days expire after "you" acquire the livestock; or
- c. "you" report the values to "us".

"You" agree to keep an accurate record of the date of the acquisition and description and value of each animal and to pay the pro rata amount of additional premium.

## **COVERAGE I – FARM INCOME AND EXTRA EXPENSE**

Where COVERAGE I – FARM INCOME AND EXTRA EXPENSE is shown on the Declarations, "you" are insured against the following:

### **FARM INCOME**

"We" will pay for the actual loss of "farm income" "you" sustain due to the necessary suspension of "your" "operations" during the "Period of Restoration". The suspension must be caused by the direct physical loss or damage by an insured peril, to property insured under COVERAGE G including CONTENTS OF BARNS, BUILDINGS AND STRUCTURES, and/or COVERAGE H3 – LIVESTOCK at the "premises" described on the Declarations.

### **EXTRA EXPENSE**

"We" will pay for the following actual and necessary expenses "you" incur during the "Period of Restoration" that "you" would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from an insured peril:

- a. any Extra Expense incurred to avoid or minimize the suspension of "business" and to continue "operations":
  - (i) at the described "premises"; or
  - (ii) at replacement "premises" or at temporary locations, including:
    - (a) relocation expenses; and
    - (b) costs to equip and operate the replacement or temporary locations;
- b. any Extra Expense incurred to minimize the suspension of "business" if "you" cannot continue "operations";
- c. any Extra Expense incurred to:
  - (i) repair or replace any property; or
  - (ii) research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage.

### **EXTENDED FARM INCOME (PROFITS) – FORM 2025**

If the Declarations indicate that FARM INCOME AND EXTRA EXPENSE (PROFITS) – FORM 2025 applies, "we" will pay for the actual loss of "farm income" "you" incur during the period that:

- a. begins on the date property is actually repaired, rebuilt, or replaced and "operations" are resumed; and
- b. ends on the earlier of:
  - (i) the date "you" could restore "your" "operations" with reasonable speed, to the condition that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 365 consecutive days after the date determined in a. above.

Loss of "farm income" must be caused by direct physical loss or damage at the described "premises" caused by or resulting from an insured peril.

## **BASIS OF SETTLEMENT**

Where the Declarations indicate FARM INCOME AND EXTRA EXPENSE (PROFITS) – FORM 2025, the most "we" will pay for loss in any one "occurrence" is the applicable Amount of Insurance shown in the Declarations.

## **COINSURANCE**

"We" will not pay the full amount of any loss if the Amount of Insurance for FARM INCOME AND EXTRA EXPENSE (PROFITS) – FORM 2025 is less than 100% of the sum of:

- a. the net income (net profit or loss before income taxes); and
- b. all operating expenses, including payroll expenses;

that would have been earned (had no loss occurred) by "your" "operations" at the described "premises" for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

"We" will determine the most "we" will pay using the following steps:

- a. determine the sum of the net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy;
- b. divide the Amount of Insurance for the described "premises" by the figure determined in a. above; and then
- c. multiply the total amount of loss by the figure determined in b. above.

"We" will pay the lesser of amount determined in c. above, or the Amount of Insurance, whichever is less.

## **ALTERATIONS AND NEW BUILDINGS**

"We" will pay for the actual loss of "farm income" "you" sustain due to direct physical loss or damage at the described "premises" caused by or resulting from any insured peril to:

- a. new buildings or structures, whether complete or under construction;
- b. alterations or additions to existing buildings or structures; and
- c. machinery, equipment, supplies or building materials located on or within 100 metres (328 feet) of the described "premises" and:
  - (i) used in the construction, alterations or additions; or
  - (ii) incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "Period of Restoration" will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

Loss of "farm income" must be caused by direct physical loss or damage at the described "premises" caused by or resulting from any insured peril.

## **ACTION OF CIVIL AUTHORITY**

"We" will pay for the actual loss of "farm income" "you" sustain and necessary Extra Expense caused by action of "civil authority" that prohibits access to the described "premises" due to direct physical loss or damage to property, not otherwise described, as a result of an insured peril. This coverage will apply for a period of up to two consecutive weeks from the date of that action.

## **AUDITORS' FEES**

"We" will pay up to \$1,000 in any one "occurrence", towards reasonable auditors' fees "you" incur, to produce and certify the particulars or details of "your" "farming" that are required by "us", in order to arrive at the amount of loss payable.

## **ELECTRONIC MEDIA AND RECORDS**

"We" will not pay for any loss of "farm income" caused by direct physical loss or damage to "data", "media", or "software" after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. the period of time beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described "premises" due to loss or damage caused by the same "occurrence".

This limitation does not apply to Extra Expense.

## **LOSS OR DAMAGE NOT INSURED**

"We" do not pay for:

- a. any loss due to fines or damages for breach of contract, for late or non-completion of orders or for penalties of any kind;
- b. any increase of loss caused by or resulting from:
  - (i) delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (ii) suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", "we" will cover such loss that affects "your" "farm income" during the "Period of Restoration";
- c. any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "Period of Restoration".

## **BASIS OF SETTLEMENT**

Where the Declarations indicate COVERAGE I – FARM INCOME AND EXTRA EXPENSE, the most "we" will pay for loss of "farm income" and Extra Expense in each period of 30 consecutive days after the direct physical loss or damage is 25% of the COVERAGE I Amount of Insurance shown on the Declarations.

Payments under ADDITIONAL COVERAGES will not increase the applicable Amount of Insurance.

## **LOSS DETERMINATION – LOSS OF FARM INCOME**

- a. The amount of "farm income" loss will be determined based on:
  - (i) the net income of the farm before the direct physical loss or damage occurred;
  - (ii) the likely net income of the farm as if no loss or damage occurred;
  - (iii) the operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (iv) other relevant sources of information, including:
    - (a) "your" financial records and accounting procedures;
    - (b) bills, invoices and other vouchers; and
    - (c) deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (i) all expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "Period of Restoration" if no direct physical loss or damage had occurred. "We" will deduct from the total of such expenses:
    - a. the salvage value that remains of any property bought for temporary use during the "Period of Restoration", once "operations" are resumed; and
    - b. any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance; and
  - (ii) all necessary expenses that reduce the "farm income" loss that otherwise would have been incurred.
- c. Resumption of "Operations"  
"We" will reduce the amount of "your":
  - (i) "farm income" loss, other than Extra Expense, to the extent "you" can resume "your" "operations", in whole or in part, by using damaged or undamaged property at the described "premises" or elsewhere;
  - (ii) Extra Expense loss to the extent "you" can return "operations" to normal and discontinue such Extra Expense.
- d. If "you" do not resume "operations", or do not resume "operations" as quickly as possible, "we" will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

# **SECTION III**

## **ADDITIONAL COVERAGES**

The following ADDITIONAL COVERAGES do not increase the Amounts of Insurance in this policy, unless otherwise stated.

### **1. ACCIDENT INSURANCE COVERAGE**

#### **Accident Insurance – Death:**

Subject to the limitations stated below, if death of an "Insured" results directly and independently of all other causes from "bodily injury" caused solely by external, violent and accidental means, and such death occurs within 365 days after such injury "we" will pay \$5,000 per "occurrence, to the "Insured's" estate.

#### **Limitations**

- a. No benefit shall be payable unless the death of the "Insured" is a direct result of:
  - (i) fire on the "premises"; or
  - (ii) "farming" "operations" on the "premises".
- b. No benefit shall be payable if the death of the "Insured" results from or was in any manner or degree, associated with or occasioned by:
  - (i) suicide or self-inflicted injury, regardless of mental capacity;
  - (ii) war, declared or undeclared, insurrection or participation in a riot; or full or part-time military service;
  - (iii) travel or flight in or descent from any kind of "aircraft";
  - (iv) viral infections; bacterial infections (except pyogenic bacterial infections which occur with and through an accidental "bodily injury"); any form of disease or illness or physical or mental infirmity; medical or surgical treatment;
  - (v) the attempt or commission of a crime by the "Insured";
  - (vi) any poison, drug, gas or fumes, voluntarily or otherwise, taken, administered, absorbed or inhaled; or
  - (vii) a motor vehicle if, at the time and place of an "occurrence", the involved motor vehicle;
    - (a) is registered for use on public roads or property;
    - (b) is not registered for use on public roads or property, but such registration is required by law, or regulation issued by a government agency, for it to be used at the place of the "occurrence".

The following Statutory Conditions apply to the foregoing ACCIDENT INSURANCE COVERAGE:

#### **STATUTORY CONDITIONS**

##### **THE CONTRACT**

The application, this policy, any document attached to this policy when issued, and any amendment to the contract agreed on in writing after the policy is issued, constitute the entire contract, and no agent has authority to change the contract or waive any of its provisions.

##### **WAIVER**

The insurer shall be deemed not to have waived any condition of this contract, either in whole or in part, unless the waiver is clearly expressed in writing signed by the Insurer.

##### **COPY OF APPLICATION**

The Insurer shall, on request, furnish to the "Insured" or to a claimant under the contract a copy of the application.

##### **MATERIAL FACTS**

No statement made by the "Insured" or person insured at the time of application for the contract shall be used in defense of a claim under or to avoid this contract unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.

#### TERMINATION BY INSURED

The "Insured" may terminate this contract at any time by giving written notice of termination to the Insurer by registered mail to its head office or chief agency in the province, or by delivery thereof to an authorized agent of the Insurer in the province, and the Insurer shall on surrender of this policy refund the amount of premium paid in excess of the short rate premium calculated to the date of receipt of such notice according to the table in use by the Insurer at the time of termination.

#### TERMINATION BY INSURER

- a. The Insurer may terminate this contract at any time by giving written notice of termination to the "Insured" and by refunding concurrently with the giving of notice the amount of premium paid in excess of the pro rata premium for the expired time.
- b. The notice of termination may be delivered to the "Insured", or it may be sent by registered mail to the latest address of the "Insured" on the records of the Insurer.
- c. Where the notice of termination is delivered to the "Insured", five days notice of termination shall be given; where it is mailed to the "Insured", 10 days notice of termination shall be given, and the 10 days shall begin on the day following the date of mailing of notice.

#### NOTICE AND PROOF OF CLAIM

The "Insured" or person insured, or a beneficiary entitled to make a claim, or the agent of any of them, shall:

- a. give written notice of claim to the Insurer
  - (i) by delivery thereof, or by sending it by registered mail to the head office or chief agency of the Insurer in the province; or
  - (ii) by delivery thereof to an authorized agent of the Insurer in the province, not later than 30 days from the date a claim arises under the contract on account of an accident;
- b. within 90 days from the date a claim arises under the contract on account of an accident, furnish to the Insurer such proof as is reasonably possible in the circumstances of the happening of the accident and the loss occasioned thereby, the right of the claimant to receive payment, his age and the age of the beneficiary if relevant; and
- c. if so required by the Insurer, furnish a satisfactory certificate as to the cause or nature of the accident for which claim may be made under the contract.

#### FAILURE TO GIVE NOTICE OR PROOF

Failure to give notice of claim or furnish proof of claim within the time prescribed by the Statutory Condition does not invalidate the claim if the notice or proof is given or furnished as soon as reasonably possible, and in no event later than one year from the date of the accident if it is shown that it was not reasonably possible to give notice or furnish proof within the time so prescribed.

#### INSURER TO FURNISH FORMS FOR PROOF OF CLAIM

The Insurer shall furnish forms for proof of claim within 15 days after receiving notice of claim, but where the claimant has not received the forms within that time he may submit his proof of claim in the form of a written statement of the cause or nature of the accident giving rise to the claim and of the extent of the loss.

#### RIGHTS OF EXAMINATION

As a condition precedent to recovery of insurance money under this contract in the case of death of the person insured, the Insurer may require an autopsy subject to any law of the applicable jurisdiction relating to autopsies.

#### WHEN MONEY PAYABLE

All money payable under this contract shall be paid by the Insurer within 60 days after it has received proof of claim.

#### LIMITATION OF ACTIONS

An action or proceeding against the Insurer for the recovery of a claim under this contract shall not be commenced more than one year after the date the insurance money became payable or would have become payable if it has been a valid claim.

## 2. COMPUTER COVERAGE

"We" will pay up to \$5,000 for "your" "computer equipment" subject to the exclusions, limitations and conditions outlined under COMPUTER COVERAGE – FORM 962.

This is additional coverage to any amount shown elsewhere on the Declarations for COMPUTER COVERAGE – FORM 962.

**3. COST OF PREPARING PROOF OF LOSS**

"We" will pay up to \$2,000 for reasonable professional expenses incurred by "you" in preparing the proof of "your" loss or any other exhibits required by this policy.

This is an additional Amount of Insurance.

No deductible applies to this coverage.

**4. COST OF RESTORING FARM OPERATIONS RECORDS INCLUDING AUDITORS' FEES**

"We" will pay up to \$5,000 in any one "occurrence", to cover "your" cost to research, replace or restore the lost information on farm "operations" records, damaged by an insured peril.

This is an additional Amount of Insurance.

No deductible applies to this coverage.

**5. EXTRA EXPENSE**

(Additional coverage to COVERAGE G or H(2) FEED, GRAIN, CHEMICALS, FERTILIZER, PRODUCE)

"We" will pay up to \$10,000, for the actual and necessary expenses "you" incur to resume normal "farming" "operations" interrupted as the result of direct physical loss or damage to insured property by an insured peril.

Coverage for such extra expense is not limited by the expiration of this policy. "We" will not pay extra expense "you" incur after the period required for repair, rebuilding or replacement of insured property.

No deductible applies to this coverage.

**6. POLLUTANT CLEAN-UP AND REMOVAL**

"We" will pay up to \$10,000 during each separate 12 month period of this policy, for "your" covered expenses to extract "pollutants" from land or water at the "premises" described on the Declarations arising out of the discharge, dispersal, seepage, migration, release or escape of the "pollutant" caused by or resulting from an insured peril provided the loss or damage:

- a. occurs during the policy period; and
- b. is reported to "us" in writing within 180 days of the date the loss occurs.

"We" will not pay for any cost to test for, monitor or assess the existence, concentration or effects of "pollutants" unless the testing is performed in the course of extracting the "pollutants" from land or water.

This is an additional Amount of Insurance.

A \$1,000 deductible applies to this ADDITIONAL COVERAGE

**7. SEED, CHEMICALS, AND FERTILIZER**

"We" will pay up to \$10,000 in any one "occurrence" for direct physical loss or damage to certified seed, chemicals and fertilizer, caused by a peril insured under the FIRE AND EXTENDED COVERAGE FORM.

This coverage is in addition to any amount shown elsewhere in the Declarations for seed, chemicals or fertilizer.

A \$500 deductible applies to this ADDITIONAL COVERAGE.

**ADDITIONAL COVERAGES – COVERAGE G**

**1. BLANKET BYLAWS COVERAGE**

COVERAGE:

"We" will pay up to \$20,000 towards the following:

a. COVERAGE A – LOSS OF THE UNDAMAGED PORTION OF A BUILDING COVERAGE

If an insured peril causes loss or damage to an insured building at the described "premises", "we" will pay for loss to the undamaged portion of the building, caused by the enforcement of any bylaw that:

- (i) requires the demolition of parts of the same building not damaged by an insured peril;
- (ii) regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described "premises"; and
- (iii) is in force at the time of loss.

b. COVERAGE B – DEMOLITION COST COVERAGE

If an insured peril causes loss or damage to a covered building at the described "premises", "we" will pay the cost to demolish and clear the site of undamaged parts of the building, caused by the enforcement of any building, zoning or land use bylaw.

**c. COVERAGE C – INCREASED COST OF CONSTRUCTION COVERAGE**

If an insured peril causes loss or damage to an insured building at the described "premises", "we" will pay for the increased cost to repair, rebuild or construct the building caused by the enforcement of any building, zoning or land use bylaw. If the building is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by a zoning or land use bylaw.

"We" will not pay for the increased cost of construction if the building is not repaired or replaced.

"We" will not pay for the cost associated with the enforcement of any bylaw which requires any "Insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

No deductible applies to this coverage.

**2. CORRALS AND FENCING COVERAGE**

"We" will pay up to \$5,000 in any one "occurrence" as an additional Amount of Insurance for direct physical loss or damage to corrals and/or fences (excluding pasture fences) caused by FIRE OR LIGHTNING or IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE as described in **SECTION III – INSURED PERILS**.

A \$500 deductible applies to this coverage.

**3. FARM SIGN COVERAGE**

"We" will pay up to \$3,000 in any one "occurrence" as an additional Amount of Insurance for direct physical loss or damage to an external farm sign on the "premises", caused by any peril insured under the SPECIAL FORM.

A \$500 deductible applies to this coverage.

**4. FARM WATER SYSTEMS COVERAGE**

"We" will pay up to \$5,000 for "your" insured water pumps, pressure systems and pump houses used in whole or in part for "farming" purposes. "Your" farm water systems will be insured for loss or damage insured by the SPECIAL FORM as described and limited under **SECTION III – INSURED PERILS**.

A \$500 deductible applies to this coverage

**5. FUEL AND TANK COVERAGE**

"We" will pay up to \$3,000 in any one "occurrence" as an additional Amount of Insurance for direct physical loss or damage to fuel tanks, fuel tank stands, liquified petroleum or manufactured gas stored on the "premises", caused by a peril insured under the FIRE AND EXTENDED COVERAGE FORM. The tank(s) must be kept locked at all times in order for theft or vandalism coverage to be in force.

A \$500 deductible applies to this coverage.

**6. PRIVATE POWER AND LIGHT POLES**

"We" will pay up to \$5,000 in any one "occurrence" as an additional Amount of Insurance for direct physical loss or damage to private power and light poles, outside wiring and attachments. Attachments include attached switch boxes, fuse boxes, and other electrical equipment mounted on poles "you" own at the "premises" described on the Declarations. The \$5,000 limit applies in excess of any applicable deductible.



## **7. VETERINARIAN SUPPLY COVERAGE**

"We" will pay up to \$2,000 in any one "occurrence" as an additional Amount of Insurance for direct physical loss or damage to veterinarian supplies (excluding semen and semen tanks) kept for use in "your" "farming" "operations" while on "your" "premises" caused by a peril insured under the FIRE AND EXTENDED COVERAGE FORM, and CONSEQUENTIAL LOSS COVERAGE – FORM 2028 as described and limited in **SECTION III – OPTIONAL COVERAGES**.

A \$500 deductible applies to this coverage.

## **8. DEBRIS REMOVAL**

(Additional coverage to COVERAGE G)

"We" will pay the reasonable expenses incurred by "you" for the removal of debris of property insured under SECTION III as a result of an insured peril. If the amount payable for loss, including expenses for the removal of debris, is greater than the scheduled Amount of Insurance on the insured property, an additional 5% of the Amount of Insurance of COVERAGE G as shown on the Declarations, where the loss or damage occurred, will be available to cover debris removal expenses.

No deductible applies to this coverage.

## **9. FIRE DEPARTMENT CHARGES**

"We" will reimburse "you" up to \$10,000 for fire department charges incurred for attending "your" "premises" as a result of an insured peril.

This is additional insurance.

No deductible applies to this coverage.

## **ADDITIONAL COVERAGE – COVERAGE H**

### **1. EXHIBITION COVERAGE**

"We" will pay up to \$5,000 in any one "occurrence" for direct physical loss or damage to property covered under COVERAGE H under **SECTION III – FARM PROPERTY COVERAGES** while at any fairground, exhibition or exposition for the purpose of exhibition or sale, caused by an insured peril. This coverage does not increase the Amount of Insurance applying to the damaged property.

A \$500 deductible applies to this coverage.

### **2. FARM TOOLS AND PARTS COVERAGE**

(Additional coverage to COVERAGE (H)(1) – MACHINERY, EQUIPMENT, TOOLS, PARTS)

"We" will pay up to \$2,000 in any one "occurrence" as an additional Amount of Insurance for direct physical loss or damage to farm tools and parts caused by any peril insured under the SPECIAL FORM.

A \$500 deductible applies to this coverage.

### **3. GOOD NEIGHBOUR COVERAGE**

"We" will pay up to \$10,000 in any one "occurrence" as an additional Amount of Insurance for direct physical loss or damage to farm personal property owned in whole by others, while in "your" care, custody and control, caused by a peril insured under the SPECIAL FORM. If there is other insurance covering the same loss or damage, "we" will pay only for the amount of insured loss or damage in excess of the amount due for that other insurance.

A \$500 deductible applies to this coverage.

### **4. PROPERTY REMOVED**

If "you" must remove insured property from "your" "premises" described on the Declarations to protect it from loss or damage, it is insured by this policy for 90 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. This coverage does not increase the Amount of Insurance applying to the property being removed.

### **5. STANDING CROP COVERAGE**

(Additional coverage to COVERAGE H(2) – FEED, GRAIN, CHEMICALS, FERTILIZER, PRODUCE)

"We" insure "your" standing or swathed grain and seed crop, and standing or swathed hay or straw for direct physical loss caused by FIRE.

The most "we" will pay under this coverage is \$5,000 for "your" grain and seed crops and \$1,000 for "your" hay and straw.

If there is other insurance covering the same loss or damage, then "we" will only pay for covered loss or damage in excess of the amounts covered by that other insurance.

## **SECTION III** **INSURED PERILS**

### **FIRE AND LIGHTNING FORM**

If F & L (FIRE AND LIGHTNING) is shown on the Declarations under the heading FORM, "you" are insured against the following perils:

#### **INSURED PERILS**

"You" are insured against direct physical loss or damage caused by the following perils, subject to the exclusions, limitations and conditions of this policy:

**1. FIRE OR LIGHTNING**

This peril does not insure loss or damage to livestock caused by lightning unless their death or destruction occurs no more than 15 days after the "occurrence".

**2. EXPLOSION**

This peril includes the explosion of manually portable gas cylinders or domestic hot water boilers having an internal diameter not exceeding 610 millimeters (24 inches) or explosion of gas or unconsumed fuel within a furnace or within exhaust passages leading to the atmosphere.

### **FIRE AND EXTENDED COVERAGE FORM**

If F & EC (FIRE AND EXTENDED COVERAGE) is shown on the Declarations under the heading FORM, "you" are insured against the following perils:

#### **INSURED PERILS**

"You" are insured against direct physical loss or damage caused by the following perils, subject to the exclusions, conditions and limitations of this policy:

**1. FIRE OR LIGHTNING**

This peril does not insure loss or damage to livestock caused by lightning unless their death or destruction occurs no more than 15 days after the "occurrence".

**2. EXPLOSION**

This peril includes the explosion of manually portable gas cylinders or domestic hot water boilers having an internal diameter not exceeding 610 millimeters (24 inches) or explosion of gas or unconsumed fuel within a furnace or within exhaust passages leading to the atmosphere.

**3. SMOKE**

This peril means sudden and accidental damage from smoke.

**4. 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, landslide or any other earth movement.

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

This peril does not include any loss or damage to animals.

**6. RIOT**

**7. WINDSTORM OR HAIL**

This peril does not include loss or damage:

- a. to the outer metal cover of any barn, building or structure caused by hail, whether driven by wind or not, unless the cover is punctured by the hail;
- b. due to weight or pressure or melting of ice or snow, waves or "flood", all whether driven by wind or not;
- c. to trees, lawns, plants and shrubs;
- d. to all other property in the open other than:
  - (i) realty fixtures attached and belonging to the individual buildings insured;
  - (ii) permanently installed yard fixtures; or
  - (iii) livestock, except when caused by or resulting from dust, frost or cold weather or ice (other than hail), snow or sleet, all whether driven by wind or not.

**8. TRANSPORTATION**

This peril means:

- a. collision, derailment, upset or overturn of a transporting land conveyance;
- b. stranding or sinking of vessels;
- c. collapse of bridges, culverts, docks or wharves.

**9. THEFT**

This peril does not include:

- a. loss or damage caused by or resulting from theft of:
  - (i) fertilizer from storage tanks, unless pumps are securely locked when not in use; or
  - (ii) property in the open, other than livestock;
- b. escape or mysterious disappearance of livestock or poultry.

**10. DEATH OR DESTRUCTION OF LIVESTOCK**

This peril means death or destruction of insured livestock directly resulting from or made necessary by:

- a. earthquake, "flood" or drowning, collapse of any building or structure, or the falling of trees or their branches;
- b. collision with land vehicles other than those owned or operated by "you", "your" employees or other persons residing on the "premises";
- c. accidental shooting or mutilation except by "you", "your" employees, or other persons residing on the "premises";
- d. attack by dogs or wild animals. This peril does not include loss or damage:
  - (i) to sheep; or
  - (ii) caused by dogs or wild animals owned by "you", "your" employees, or other persons residing on the "premises";
- e. electricity;
- f. entrapment, meaning the accidental and involuntary ensnaring or restraint of an animal. This peril does not include loss or damage:
  - (i) due to animal birth;
  - (ii) while in transit or being loaded or unloaded;
  - (iii) while being handled or forcibly restrained;
  - (iv) due to splitting;
  - (v) due to suffocation of animals in their own fluids;
  - (vi) due to casting, or an animal's inherent inability to regain an upright position; or
  - (vii) due to the animal becoming trapped or cast by the contours or depressions of the land, including but not limited to any furrow, gully, ditch, hill or any slope.

**11. VANDALISM OR MALICIOUS ACTS**

This peril does not include loss or damage:

- a. occurring while any building is "vacant" even if permission for "vacancy" has been given by "us". Outbuildings, which are in a seasonal state of "vacancy" due to normal practices of "farming" "operations", are not considered "vacant";
- b. to glass which forms part of a building;
- c. caused by theft or attempted theft.

## SPECIAL FORM

If SPL (SPECIAL) is shown on the Declarations under the heading FORM, "you" covered property is insured against the following perils:

### INSURED PERILS – COVERAGE G and COVERAGE H(1)

"You" are insured against all risks of direct physical loss or damage subject to the exclusions, conditions and limitations of this policy.

### EXCLUSIONS

"We" do not insure:

- (1) Loss or damage caused by or resulting from:
  - a. wear and tear, gradual deterioration, latent defect, any quality in property that causes it to damage or destroy itself, mechanical breakdown, scraping, marring, scratching, rust, corrosion, dampness or dryness of atmosphere, freezing or extremes of temperature;
  - b. freezing of a plumbing, heating, sprinkler or air conditioning system or of a domestic appliance, or by discharge or overflow of water or steam from within the system or appliance caused by freezing:
    - (1) that is not within a building, or structure, heated during the usual heating season; or
    - (2) occurring in a building, or structure, that is unoccupied, unless "you" have taken reasonable care to:
      - (i) maintain heat in the building or structure; or
      - (ii) shut off the water supply and drain the system or appliance of water;
  - c. vermin or rodents, including but not limited to raccoons, squirrels, skunks and ground-hogs;
  - d. birds;
  - e. insects including but not limited to termites and moths;
  - f. the cost of making good faulty design, materials or workmanship or any damage that occurs due to any such fault except that resulting damage by any of the insured perils is insured;
  - g. settling, expansion, contraction, moving, shifting or cracking.

Except when direct loss or damage caused by any of the FIRE AND EXTENDED COVERAGE perils is insured.

- (2) Loss or damage to insured mobile farm machinery caused by or resulting from:
  - a. any repairing, adjusting, servicing or maintenance operation, unless FIRE or EXPLOSION ensues and then only for the loss or damage by such FIRE or EXPLOSION;
  - b. short circuit or other electrical disturbances of any kind, exclusive of lightning, within an electrically equipped article unless FIRE ensues and then for loss or damage caused by FIRE only;
  - c. loss or damage to tracks, tires or tubes unless caused by FIRE, THEFT, VANDALISM OR MALICIOUS ACTS or unless the same accident causes other insured loss under this coverage;
  - d. the clogging, compacting, plugging or piling up of any material of a type intended to be taken into such machinery;
  - e. the described property if used in logging, forestry, brushcutting or sawmill operation however, permission is granted for brushcutting on land owned, leased or used by "you".
- (3) Loss or damage to insured barns, buildings or structures caused by or resulting from:
  - a. snowslide, earthquake, landslide, or other earth movement;
  - b. "flood" or "surface waters";
  - c. seepage or leakage of water below the surface of the ground, including through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights;
  - d. the backing up of sewers, sumps, septic tanks or drains;
  - e. hail, whether driven by wind or not, to the outer metal cover unless the cover is punctured by the hail.

## **SECTION III**

# **OPTIONAL COVERAGES**

The following OPTIONAL COVERAGES in this section of the booklet apply only if shown on the Declarations.

### **CONSEQUENTIAL LOSS COVERAGE – FORM 2028**

If the Declarations indicate that CONSEQUENTIAL LOSS COVERAGE – FORM 2028 is included, "we" insure "your" farm personal property damaged by change in temperature resulting from physical damage by an insured peril to the building or equipment contained in the building, including connections and supply transmissions on the "premises" described in the Declarations.

This OPTIONAL COVERAGE does not apply to artificial insemination material.

This OPTIONAL COVERAGE does not increase the Amount of Insurance applying to the damaged property.

### **DUAL VALUATION CLAUSE – FORM 2021**

If the Declarations indicate that DUAL VALUATION CLAUSE – FORM 2021 is included, the Basis of Claim Payment for scheduled items insured by H1A Scheduled Mobile Farm Machinery and Mobile Farm Equipment and/or H1B Blanket Mobile Farm Machinery and Mobile Farm Equipment under COVERAGE H in **SECTION III – FARM PROPERTY COVERAGES** will be as follows:

With respect to repair costs only, mobile farm machinery and mobile farm equipment is insured for the cost of repair without deduction for depreciation, and such costs are not to exceed the "actual cash value" of the insured mobile farm machinery or mobile farm equipment. This basis of claim settlement does not apply if loss or damage is caused by ingestion of foreign objects or to parts consisting of canvasses, tarps, tracks, tires, batteries, or betterments resulting from the repair or replacement of parts having previous unrepaired damage.

### **LOSS OF USE COVERAGE – FORM 2027**

If the Declarations indicate that LOSS OF USE COVERAGE – FORM 2027 is included, "we" will pay up to the Amount of Insurance stated on the Declarations in all, for expenses incurred by "you" for the rental of replacement mobile farm machinery or mobile farm equipment, similar in size and capacity to the specified item(s) insured under H1A Scheduled Mobile Farm Machinery and Mobile Farm Equipment in COVERAGE H or the unscheduled items insured under H1B Blanket Mobile Farm Machinery and Mobile Farm Equipment in COVERAGE H, which have become inoperable because of loss or damage caused by an insured peril. Payment shall end on the date of completion of repairs or replacement of the lost or damaged property or on the date that "we" make or tender settlement for such loss.

### **MINIMUM LIVESTOCK CLAUSE – FORM 2026**

If the Declarations indicate that MINIMUM LIVESTOCK CLAUSE – FORM 2026 applies, insurance shall only be afforded if 2 or more head are lost during any single "occurrence" by an insured peril. It is further agreed that the Amount of Insurance payable shall not be reduced by the minimum requirement of 2 head.

### **REPLACEMENT COST COVERAGE ON MOBILE FARM MACHINERY AND MOBILE FARM EQUIPMENT – FORM 2020**

If the Declarations indicate REPLACEMENT COST ON FARM MACHINERY – FORM 2020 applies to a specified piece of mobile farm machinery or mobile farm equipment, "you" are insured for the following:

1. "We" will pay for loss to that machinery or equipment on a replacement cost basis, provided:
  - a. "you" are the original purchaser of the property, exclusive of the selling dealer; and
  - b. the loss or damage occurs within sixty (60) months of the date on which the property was first delivered to "you".
2. This coverage does not apply to:
  - a. machinery or equipment rented or leased to "you" or by "you";
  - b. tracks, tires or batteries;
  - c. betterments resulting from the repair or replacement of property having prior unrepaired damage;
  - d. any increase in the cost of replacement resulting from the enforcement of any restriction or prohibition in any regulation, ordinance or law.

3. "You" may make a claim for loss or damage covered by this insurance on the actual cash value basis instead of a replacement cost basis. In the event "you" elect to have "your" loss settled on an actual cash value basis, "you" may still make a claim for the additional coverage this endorsement provides if "you" notify "us" of "your" intention to do so within 180 days after the loss or damage.
4. "We" will not pay on a replacement cost basis for any loss or damage:
  - a. until the lost or damaged property is actually repaired or replaced; and
  - b. unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
5. "We" will not pay more for loss or damage on a replacement cost basis than the least of:
  - a. the Amount of Insurance applicable to the lost or damaged item;
  - b. the cost to replace the lost or damaged item with new property:
    - (i) of comparable material and quality;
    - (ii) used for the same purpose;
  - c. the amount "you" actually spend that is necessary to repair or replace the lost or damaged property.

#### **COINSURANCE**

"We" will not pay for a greater proportion of any loss than the applicable Amount of Insurance for the lost or damaged item bears to 100% of the original replacement cost of the item.

However, if the amount of loss or damage is less than 2% of the applicable Amount of Insurance or \$5,000, whichever is less, this COINSURANCE condition does not apply.

## **SECTION III**

# **LOSS OR DAMAGE NOT INSURED**

"We" do not insure

- (1) loss or damage caused:
  - (i) due to grass, stubble or bush fires occurring while a building is "vacant", even if permission for "vacancy" has been given by "us". Barns, buildings or structures which are in a seasonal state of "vacancy" due to normal practices of "farming" "operations" are not considered "vacant";
  - (ii) to electrical devices, appliances, fixtures or wiring or resulting extra expense caused by electrical currents, other than lightning. Direct loss or damage by FIRE is insured;
- (2) loss or damage caused directly or indirectly by:
  - (i) explosion, collapse, rupture, bursting, cracking, burning out or bulging of any of the following property, if owned or leased by "you", or operated under "your" control:
    - (a) any boiler and connected piping or other equipment containing steam or water under steam pressure;
    - (b) any other equipment under pressure if its maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - (ii) electrical arcing or any coincident rupture of electrical equipment due to arcing;
  - (iii) bursting or rupture caused by hydrostatic pressure or freezing;
  - (iv) bursting or rupture of any safety disc, rupture diaphragm or fusible plug;
  - (v) water hammer; or
  - (vi) bursting or rupture due to expansion or swelling of the contents of any building or structure caused by or resulting from water.

Direct loss or damage by fire, the explosion of manually portable gas cylinders or domestic hot water boilers having an internal diameter not exceeding 610 millimeters (24 inches) or the explosion of gas or unconsumed fuel within a furnace or within exhaust passages leading to the atmosphere is insured.
- (3) caused by smoke from agricultural smudging or industrial operations;
- (4) loss or damage caused:
  - (i) to the interior of a building or the personal property inside a building, caused by rain, hail, snow, sleet, sand or dust, unless an opening in the roof or wall is made by wind or hail and the rain, hail, snow, sleet, sand or dust enters concurrently through this opening;
  - (ii) to fences anywhere on the "premises", windmills, or silos by the peril of windstorm or hail.
- (5) occurring while the building insured is, to "your" knowledge, "vacant" for more than 30 consecutive days. Outbuildings, which are in a seasonal state of "vacancy" due to normal practices of "farming" "operations", are not considered "vacant";
- (6) loss or damage resulting directly or indirectly from:
  - (i) any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
  - (ii) contamination by radioactive material;
  - (iii) war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, or military power.
- (7) losses or increased costs of repair or reconstruction due to the operation of any law regulating the zoning, demolition, repair or construction of buildings or structures and their related services;
- (8) loss due to delay or loss of market;
- (9) loss due to unexplained or mysterious disappearance of property, or shortage of property disclosed on taking inventory;

- (10) loss or damage caused by or resulting from the intentional or criminal acts or the failure to act by:
- (i) any "Insured" under this policy, including but not limited to "your" partners, directors, trustees, employees or agents; or
  - (ii) any other person at the direction of any "Insured" by this policy; or
  - (iii) any person with whom the property is entrusted.
- Except, property insured under COVERAGE – H(1) MACHINERY, EQUIPMENT, TOOLS, PARTS, while in the custody of a bailee hired by "you" is insured;
- (11) loss or damage resulting from a change in ownership or possession of property that is agreed to, even if that change was brought about by trickery or fraud;
- (12) any property illegally acquired, kept, stored or transported or property subject to forfeiture;
- (13) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (14) loss or damage to farm personal property while undergoing a process involving the application of heat, but resulting damage to other property is insured;
- (15) loss or damage arising directly or indirectly from the growing, cultivating, harvesting, processing, manufacturing, distribution or sale of any drug or narcotic or illegal substance, whether or not "you" have knowledge of such activity. This includes any alterations of the "premises" to facilitate such activity;
- (16) any loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage but "you" are still insured for ensuing loss or damage which results directly from FIRE or EXPLOSION;
- (17) "data" or "data problem" except:
- (i) electronically stored "data" insured under COMPUTER COVERAGE – FORM 962 in **SECTION I – OPTIONAL COVERAGES**; or
  - (ii) if loss or damage caused by a "data problem" results in the "occurrence" of further loss of or damage to property insured that is directly caused by "Specified Perils".



# **SECTION III** **CONDITIONS**

## **BASIS OF CLAIM PAYMENT**

"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".

This applies even if more than one person or organization has an insurable interest in the property insured.

### **1. REINSTATEMENT**

Any loss or damage shall not reduce the Amounts of Insurance provided by this policy.

### **2. DEDUCTIBLE**

"We" are responsible only for the amount by which the loss or damage caused by any of the insured perils exceeds the amount of the deductible shown on the Declarations in any one "occurrence".

Loss or damage to mobile farm machinery or mobile farm equipment caused by the ingestion of a foreign object is subject to the Ingestion Deductible shown on the Declarations. The deductible is expressed as a percentage of the amount of adjusted loss. The Ingestion Deductible amount will not be less than the percentage shown on the Declarations or \$1,000, whichever is the greater.

### **3. FARM BARN, BUILDINGS AND STRUCTURES**

"We" will pay the actual cash value of the loss or damage at the time of loss, unless otherwise indicated on the Declarations.

### **4. REBUILDING CLAUSE – FARM BARN, BUILDINGS AND STRUCTURES**

If the Declarations indicate that REBUILDING CLAUSE is included, the Basis of Claim Payment will be as follows:

- a. the most "we" will pay is 50% of the amount of any loss which "we" would have paid in the absence of this REBUILDING CLAUSE;
- b. if "you" repair or replace the damaged or destroyed farm barns, buildings or structures for the same size occupancy and use within 9 months of the date of loss, on or within 65 m. (200 ft.) of the site where the building stood immediately prior to the loss, "we", upon receipt of satisfactory evidence to that effect from "you", shall pay the remaining 50% of such loss;
- c. if "you" do not repair or replace the damaged or destroyed farm barns, buildings or structures in accordance with the provisions of paragraph b. above, "you" agree that the reduced payment received by "you" under the provisions of paragraph a. above shall constitute the full and final settlement under this policy with respect to such loss.

### **5. REPLACEMENT COST – FARM BARN, BUILDINGS AND STRUCTURES**

If the Declarations indicate that REPLACEMENT COST applies, "we" will pay for insured loss to the damaged or destroyed farm barn, building or structure on a replacement cost basis, but payment shall not exceed the least of:

- a. the cost to repair or replace the damaged or destroyed farm barn, building or structure within a reasonable time and for the same quality, size and occupancy on the same location;
- b. the amount actually and necessarily spent to repair or replace the farm barn, building or structure; or
- c. the applicable Amount of Insurance.

"We" will not pay for a greater proportion of loss than the applicable Amount of Insurance bears to 90% of the replacement cost of all insured property at the time of loss. If two or more items are specifically described on the Declarations, this condition will apply separately to each item.

If the amount of loss or damage is less than 2% of the applicable Amount of Insurance or \$5,000, whichever is the lesser, this condition does not apply.

If "you" do not repair, rebuild or replace the barn, building or structure on the same location, with a building of the same size, and occupancy, constructed with material of similar quality, the Basis of Settlement will be as if this coverage had not been in effect.

**6. FARM PERSONAL PROPERTY AND CONTENTS OF BARN, BUILDINGS AND STRUCTURES**

"We" will pay the actual cash value of the loss or damage at the time of loss up to the applicable Amount of Insurance.

**7. INSURANCE UNDER MORE THAN ONE POLICY**

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

**8. NOTICE TO AUTHORITIES**

Where loss or damage is, or is suspected to be due to malicious acts, burglary, robbery, theft or attempted theft, "you" must give immediate notice of the incident to the police or other enforcement agency having jurisdiction.

**9. LOSS TO A PAIR OR SET**

In case of loss to a pair or set, "we" may elect to:

- a. repair or replace any part to restore the pair or set to its value before the loss; or
- b. pay the difference between actual cash value of the property before and after the loss.

**10. LOSS TO PARTS**

In case of a loss to any part of the insured property, consisting of several parts when complete, "we" shall pay for the value of the part lost or damaged.

**11. PERMISSION**

"You" are permitted to make alterations, additions or repairs.

IN WITNESS WHEREOF, "we" have caused this policy to be signed by "our" President and CEO.



President & CEO