

FUTUREGUARD COMPREHENSIVE CONDOMINIUM PACKAGE
Edition Date 03/14

Your FutureGuard Condominium Unit Owners Package Form Policy is written in plain language so that you may properly understand the protection you have purchased. The policy consists of these wordings the Declaration page(s) which contains information that is unique to your insurance policy and other forms that may need to be attached to complete your package coverage. Together, these represent the legal contract of indemnity that exists between you and us.

INSURING AGREEMENT

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

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

Only losses or claims that occur within the policy term shown on the Declarations will be covered under this policy. In no case will we entertain any loss or claim that occurred or was in progress prior to the policy period inception date or after the policy period expiry date shown on the Declarations.

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

The Declarations form an integral part of this policy and summarize the coverage you have selected and the premiums and limits that apply to them. Among other things, the Declarations identify the policyholder and the policy term.

This form consists of three Sections:

SECTION I describes the insurance for your property.

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

SECTION III explains OPTIONAL COVERAGES you may purchase for additional premiums.

This policy applies to loss under Section I and III, or bodily injury or property damage under Section II, which occurs during the policy period.

If a Broadening of Coverage occurs during the term of this policy, you will automatically benefit from the improved coverage at no additional cost to you. In addition, any loss or damage that is covered by another of our Homeowners policy forms that is less broad than this policy form is also insured hereunder.

SECTION I - INSURANCE ON YOUR PROPERTY

Definitions

"**You**" or "**your**" means the person(s) named in the Declarations and, while living in the same household, his or her spouse, the relatives of either or any person under 21 in their care. This also includes any full time student at college or university who is dependant on the named insured or spouse of the named insured. Spouse means either of a man and a woman who are married to each other or who have together entered into a marriage that is voidable or void or either of two persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 3 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.

Only the person(s) named in the Declarations may take legal action against us.

"**We**" or "**us**" mean the company providing this insurance.

"**Premises**" means your unit and includes garages, outbuildings and private approaches reserved for your use or occupancy only.

"**Condominium Corporation**" means a condominium or strata corporation and in Quebec the meeting of co-proprietors, established under Provincial Legislation.

"**Unit**" means the condominium unit, strata lot or exclusive portion described in the Condominium Declaration or Co-ownership Declaration occupied by you as a private dwelling.

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

"**Vacant**" means that all occupants have moved out with no intention of returning regardless of the presence of furnishings or in the case of a newly constructed dwelling, no occupant has yet taken up residence.

"**Business**" means any full-time or part-time activity of any kind undertaken for financial gain, and includes a trade, profession or occupation and the storage of merchandise.

"**Business Property**" means property used in any full-time, part-time or occasional activity of any kind undertaken for financial gain.

"**Civil Authority**" means any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under a Federal, Provincial or

Territorial legislation with respect to the protection of persons and property in the event of an emergency.

"**Domestic Appliance**" means a device or apparatus for personal use on the premises for containing, heating, chilling or dispensing water.

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

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

"**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, vapor or gas produced by, emitted from or arising out of any fungi or spore(s) or resultant mycotoxins, allergens, or pathogens.

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

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

"**Under Construction**" means any work resulting in any improvement, extension or addition to the dwelling when the work involves the piercing of an exterior wall or the roof for more than 24 hours.

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

"**Specified Perils**" means the following, subject to the exclusions and conditions in this policy:

1. fire;
2. lightning;
3. explosion, this peril does not include water hammer or electrical arcing;
4. smoke due to a sudden, unusual and faulty operation of a fireplace, or of any heating or cooking unit in or on the premises;
5. falling object which strikes the exterior of the building;
6. impact by aircraft or land vehicle;
7. riot;

8. vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
9. water damage meaning damage caused by:
 - a. the sudden and accidental escape of water from a watermain;
 - b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler, air conditioning system or domestic appliance, which is located inside your dwelling;
 - c. the sudden and accidental escape of water from a domestic appliance located outside your dwelling. However, such damage is not covered when the escape of water is caused by freezing;
 - d. water which enters through an opening which has been created suddenly and accidentally by an Insured Peril;
10. windstorm or hail, including loss or damage caused by weight of ice, snow, or sleet;
11. transportation meaning loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any motorized vehicle 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 property in a vacation or home trailer which you own or any watercraft, their furnishings, equipment or motors.

Coverage C - Your Personal Property

1. We insure the contents of your unit and other personal property you own, wear or use while on your premises which is usual to the ownership or maintenance of a dwelling.

If you wish, we will include personal property of others while it is on that portion of your premises which you occupy, but we do not insure property of roomers or boarders who are not related to you.

We do not insure loss or damage to motorized vehicles, camper units, truck caps and aircraft or their equipment, except that we do insure, lawn mowers, other gardening equipment, snow blowers, remote control caddies, golf carts, motorized wheelchairs or wheelchair-scooters and watercraft. The word "equipment" includes audio, visual, recording or transmitting equipment designed to be specifically powered by the electrical system of a motor vehicle or aircraft.

2. We insure your personal property while it is temporarily away from your premises, anywhere in the world. If you wish, we will include personal property belonging to others while it is in your possession or belonging to a residence employee travelling with or for you.

We do not insure personal property that is kept at another of your premises or portion thereof that is not stated in this policy, whether you own, rent or occupy it.

3. The personal property of a student, who is insured by this policy but is temporarily residing away from home for the purpose of attending a school, college or university, is insured at the student's residence up to the amount of insurance for coverage C.
4. We insure the personal property of your father and/or mother or your spouse's father and/or mother who are living in a nursing home or a home for the aged, but who are in your legal custody, up to the amount not exceeding \$2,500.
5. If you are moving your personal property from your principal residence to a new location in Canada which you intend to occupy as your new principal residence, your limit of insurance on personal property may be apportioned among and applied at your present principal residence, your new one, and in transit between them. This extension comes into effect on the day that you actually commence the physical transfer of your personal property from the old premises to the new premises, and terminates 30 consecutive days afterwards or on any termination of the policy, whichever occurs first.
6. We insure your personal property damaged by change of temperature resulting from physical damage to your unit or equipment by an Insured Peril. This only applies to personal property kept in the unit.

Personal property stored in a warehouse is insured for a period of 30 days only, from the date the property was first stored. We will continue coverage beyond that date for the peril of theft only.

Unit Improvements and Betterments

We insure unit improvements and betterments made or acquired by you, for an additional amount of up to 100% of the sum insured for Coverage C - Personal Property as shown on the Declaration page including:

- a) any building, structure or swimming pool on the premises;
- b) materials and supplies on the premises for use in such improvements and betterments;
- c) items such as wall-to-wall broadloom, light fixtures and wallpaper.

Loss Assessment Coverage

We will pay an additional amount of up to 250% of the sum insured for Coverage C - Personal Property, as shown on the Declaration page, of your share of any special assessment if:

- a) the assessment is valid under the Condominium Corporations' governing rules; and
- b) it is made necessary by a direct loss to the collectively owned condominium property caused by an Insured Peril in this form.

We will not pay more than \$25,000 for that part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation.

Unit Owners Additional Protection

We insure your unit, excluding your improvements and betterments to it, if the Condominium Corporation has no insurance, its insurance is inadequate or it is not effective, for an additional amount of up to 250% of the sum insured for Coverage C - Personal Property, as shown on the Declaration page.

We do not insure losses or increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services.

Special Limits of Insurance

1. Books, tools and instruments pertaining to a business, profession or occupation for an amount to \$10,000 in all, but only while on your premises.
2. Securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, passports, tickets and documents or other evidence to establish ownership or the right or claim to benefit, for an amount up to \$6,000 in all.
3. Money or bullion up to \$1,000 in all.
4. Garden type tractors and personal snow removal equipment including attachments and accessories up to \$10,000 in all.
5. Watercraft, their trailers, furnishings, equipment, accessories and motors up to \$5,000 in all. Loss or damage from windstorm or hail is only insured if they were inside a fully enclosed building. Canoes and rowboats are also insured while in the open.
7. Trailers not used with watercraft, including their equipment up to \$3,000 in all.
8. Spare automobile parts up to \$1,000 in all. The maximum is \$250 for any one item.
9. Animals, birds or fish up to \$2500 in all, but excluding loss by theft or mysterious disappearance.

The following special limits of insurance do not apply to any claim caused by a Specified Peril:

10. Jewellery, watches, gems, fur garments and garments trimmed with fur up to \$10,000 in all.
11. Numismatic property (such as coin collections), stamps and philatelic property (such as stamp collections) up to \$5,000 in all.
10. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware up to \$10,000 in all.
12. Any on bicycle, tricycle or unicycle up to \$5,000 per item, inclusive of equipment and accessories.
13. Collectibles, meaning specifically sports cards, sports memorabilia and comic book collections, up to \$10,000 in all. The maximum is \$250 for anyone item.

Limitation of Coverage - Business Use of Premises

You are not insured for loss or damage occurring on premises used in whole or part for business purposes, unless the business use is stated in the Declarations.

However, the following incidental business uses by you are permitted without being stated in the Declarations:

1. School, if not more than three students involved at any one time;
2. Babysitting or daycare, if not more than three children involved at any one time;
3. Storage of merchandise not exceeding \$2,500 in value.

Coverage D - Additional Living Expense/Fair Rental Value

The amount of insurance for Coverage D is the total amount for any one or a combination of the following coverages. The periods of time stated below are not limited by the expiration of the policy.

1. **ADDITIONAL LIVING EXPENSE.** If an Insured Peril makes your unit unfit for occupancy, or you have to move out while repairs are being made, we insure any necessary increase in living expenses, including moving expenses incurred by you, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild your dwelling or, if you permanently relocate, the reasonable time required for your household to settle elsewhere.
2. **FAIR RENTAL VALUE.** If an Insured Peril makes that part of the dwelling or detached private structures rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.

If a civil authority prohibits access to your dwelling as a direct result of damage to neighbouring premises by an Insured Peril under this form, we insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding 2 weeks.

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

Insured Perils

You are insured against all risks of direct physical loss or damage subject to the exclusions and conditions in this form.

Loss or Damage Not Insured

We do not insure:

1. buildings or structures used in whole or in part for business or farming purposes or business property pertaining to a business actually conducted on the residence premises, or business property away from the residence premises, unless stated in the Declarations;
2. retaining walls, except for Fire, Lightning, Impact by Land Vehicle or Aircraft, or Vandalism and Malicious Acts;
3. sporting equipment where the loss or damage is due to its use;
4. contact lenses unless the loss or damage is caused by a Specified Peril, watercraft or aircraft, or theft or attempted theft;
5. animals, birds or fish unless the loss or damage is caused by a Specified Peril, but not by impact by aircraft or land vehicle;
6. samples, goods and other property at any fairground, exhibition or exposition for the purpose of exhibition or sale;
7. any property illegally acquired, used, kept, stored, imported or transported or any property subject to forfeiture;
8. property of roomers or boarders;
9. securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right or claim to a benefit, other than as provided and limited under Special Limits of Insurance;
10. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
11. losses or increased costs of repair due to operation of any law or by-law regulating the zoning, demolition, repair or construction of building and their related services;
12. marring or scratching of any property or breakage of any fragile or brittle articles unless caused by a Specified Peril, watercraft or aircraft, or theft or attempted theft;

13. wear and tear, deterioration, defect, design fault or mechanical breakdown, rust or corrosion, extremes of temperature, wet or dry rot, fungi or spores, and contamination except that resulting damage by an insured peril is covered;
14. inherent vice or latent defect;
15. the cost of making good faulty material or workmanship or any damage that occurs due to any fault in design except that resulting damage by an insured peril is covered;
16. against loss or damage caused directly or indirectly by the failure of any computer or other equipment, including embedded microchips, computer programme or software to correctly read, recognize, process, distinguish, interpret or accept any date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to any loss caused by a Specified Peril;
17. data, or loss or damage caused directly or indirectly by data problem. However, if loss or damage caused by data problem results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, water damage, all as described Specified Perils, this exclusion shall not apply to such resulting loss or damage.

We do not insure loss or damage:

18. resulting directly from settling, expansion, contraction, moving, bulging, buckling or cracking of pavements, patios, foundations, walls, floors, roofs or ceilings, except resulting damage to building glass;
19. occurring after your dwelling has become vacant;
20. caused directly or indirectly by:
 - a) 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 coal, natural or manufactured gas;
 - b) contamination by radioactive material.
21. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
22. arising from or resulting from, 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 except for ensuing loss or damage which results directly from fire or explosion, as described in Specified Perils. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;
23. resulting from an intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy;
24. any damage arising directly or indirectly from the growing, manufacturing, processing or storing by anyone of any drug, narcotic or illegal substances or items of any kind the possession of which constitutes a criminal offence. This includes any alteration of the premises to facilitate such activity whether or not you have any knowledge of such activity;
25. 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 is insured;
26. caused directly by animals owned by or in the care, custody or control of anyone included in the definition of "you" and "your";
27. caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, sprinkler or air conditioning system, or domestic appliance, including but not limited to a waterbed, aquarium;
28. caused by birds, vermin, racoons, skunks, rodents, bats or insects, except resultant damage and loss or damage to building glass caused by birds;
29. caused by smoke from agricultural smudging or industrial operations;
30. resulting directly from earth movement, meaning any loss caused by, resulting from, contributed to or aggravated by: earthquake, snowslide, landslide, mudflow, earth sinking, rising or shifting, unless fire, explosion or breakage of glass or safety glazing material which is part of a building, storm door or storm window, ensues and then we will pay only the resulting loss;
31. caused by theft or attempted theft by any tenant, tenant's guest, any boarder of yours, employee or member of the tenant's household if the part

of the dwelling containing the property insured, normally occupied by you, is rented to others;

32. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant even if permission for construction or vacancy has been given by us;
33. resulting from a change in ownership of property that is agreed to even if that change was brought about by trickery or fraud;
34. caused by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants, unless the loss or damage is caused by the bursting or overflowing of your domestic fixed fuel oil tank, apparatus or pipes;
35. 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;
36. caused by flood, surface water, spray, waves, tides, tidal waves, ice or waterborne objects, all whether driven by wind or not, unless the loss or damage resulted from the escape of water from a public watermain, swimming pool or equipment attached;
37. caused by water unless the loss or damage resulted from:
 - a. the sudden and accidental escape of water from a watermain;
 - b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler, air conditioning system or domestic appliance, which is located inside your dwelling;
 - c. the sudden and accidental escape of water from a domestic appliance located outside your dwelling. However, such damage is not covered when the escape of water is caused by freezing;
 - d. water which enters through an opening which has been created suddenly and accidentally by a Specified Peril other than water damage;
 - e. the backing up or escape of water from an eaves trough or down spout, or by the melting of ice or snow on the roof of the building, provided the water has not entered the ground and seeped through a basement or foundation wall.

We do not insure loss or damage:

- i) caused by continuous or repeated seepage of water;
- ii) caused by the backing up, escape or overflow of water from a sewer, sump or septic tank;
- iii) caused by ground water or rising of the water table;
- iv) caused by surface waters, unless the water escapes as described in (a) above;
- v) to a watermain;
- vi) to a system or appliance from which the water escaped;
- vii) caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
- viii) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
- ix) caused by freezing of any part of a plumbing, heating, sprinkler, air conditioning system or domestic appliance unless within a portion of your dwelling heated during the usual heating session;
- x) caused by freezing during the usual heating season within a heated portion of your dwelling if you have been away from your premises more than 4 consecutive days;

but you will still be insured if you had taken either of the following precautions: arranged for a competent person to enter your dwelling each day you were away to ensure that heating was being maintained,

or if your heating system is connected by a monitored heating alarm to a station providing 24-hour service, or if you had shut off the water supply and had drained all the pipes and appliances.

Special Coverage Features

In addition to your Property Coverages, your policy provides some additional Special Coverage Features.

Safety Deposit Box

We will pay up to the amount of insurance for Coverage C for loss or damage to your Personal Property while contained in a Bank (or Trust Company) Safety Deposit Box caused by any of the Insured Perils which apply to Coverage C, Personal Property.

The deductible applies to this coverage.

Debris & Protective Removal

The amounts of insurance include the cost of removing debris of the property insured as a result of the occurrence of an insured event.

If the amount payable for loss, including expense for debris removal, is greater than the Limit of Liability, an additional 5% of that amount will be available to cover debris removal expense.

If you must remove insured property from your premises to protect it from loss or damage that is covered by this policy, it is insured for 90 days or until your policy term ends - whichever happens first. The amount of insurance will be divided in the proportion that the value of the property removed bears to the value of all property at the time of loss.

Inflation Guard

Your policy includes an inflation index. We will increase the limits of insurance stated in the Declarations as applicable to Coverages C and D by the Building Inflation Rate % (BIR) at regular intervals.

- 2 months after inception - increased to ¼ of the BIR
- 5 months after inception - increased to ½ of the BIR
- 8 months after inception - increased to ¾ of the BIR
- 11 months after inception - increased to the full BIR

If you request a change in the amount of insurance during the policy term, we will treat the effective date of that change as the inception date for purpose of this feature.

Outdoor Greenery

You may apply up to 5% in all of the Limit of Insurance for Coverage C to trees, plants, shrubs and lawns on your premises. We will not pay more than \$1,000 for any one tree, plant or shrub including the cost of removing its debris.

We insure these items against loss caused by fire, theft, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts. We do not insure items or lawns grown for commercial purposes.

The deductible applies to this coverage.

Mortgage Rate Protector

You may use this no deductible feature after a total loss to your dwelling. A total loss is one equal to at least the amount specified in the Declarations. It must also be a loss for which you are covered.

Your bank or lending institution may have the right to "call in" your mortgage after a loss. If a new mortgage at a higher, competitive rate of interest is obtained, we will pay, in addition to the policy limits, the difference between the old and new rates on the balance of your outstanding mortgage.

We will pay each month. We will only pay for the duration period of your old mortgage until its expiry. We will cease to pay if title or interest in your premises is relinquished.

We will also pay for fees charged by a lawyer to obtain the new mortgage. We will not pay for other costs such as judgments or service charges.

Mass Evacuation

We will pay any necessary and reasonable increase in living expense to a maximum of \$2,500 incurred by you while access to the residence premises is prohibited by order of civil authority, but only when such order is given for a mass evacuation as a direct result of a sudden and accidental event.

You are insured for a period not exceeding 30 days from the date of the order of evacuation.

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

- (1) flood meaning waves, tides, tidal waves and the rising of, or the breaking out of the overflow of, any body of water, whether natural or man-made;
- (2) earthquake, unless the Earthquake peril is added to this policy by a Section III form;
- (3) 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 except for ensuing loss or damage which results directly from fire or explosion, as described in Specified Perils. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;

- (4) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (5) nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.

This \$2,500 coverage will be provided as part of the limits specified in the Declarations for Coverage D - Additional Living Expense/Fair Rental Value.

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

Fire Department Charges

If a fire department attends your premises in response to the occurrence of an insured event, they may bill you for these services. If this happens, your policy will pay for such expenses and is not subject to a deductible.

Lock Replacement

If your residence exterior door keys or your car keys are stolen, your policy provides up to \$500 to re-key your locks or to repair or replace them if it is not possible to re-key them. If your exterior door keys are lost, we will pay up to 50% of the cost, up to \$500 to re-key your locks or to repair or replace them if it is not possible to re-key them. You must notify us within 72 hours of the discovery of the keys being lost.

This coverage is not subject to a deductible.

Frozen Food Protection

You are insured for loss or damage by spoilage to food contained in any home freezer within your premises, resulting from:

- a) mechanical or electrical breakdown of the freezer, or
- b) failure or interruption of an outside power supply.

When a breakdown or power interruption happens, you must take all reasonable steps to save or preserve the food from spoilage, and we will pay for any reasonable extra expenses you incur in doing so.

This coverage includes the freezer unit when damage is due to food spoilage as well as the food. We will not pay for loss caused by:

- a) inherent vice or natural spoilage;
- b) accidental or deliberate manual disconnection of the power supply within your dwelling.

The deductible applies to this coverage.

Credit Card, Automated Teller Card, Forgery and Counterfeit Money Coverage

We will pay for:

1. Your legal obligation to pay because of the theft or unauthorized use of credit cards issued to you or registered in your name provided you have complied with all of the conditions under which the card was issued;
2. loss caused by the theft of your automated teller card provided you have complied with all of the conditions under which the card was issued;
3. loss to you caused by forgery or alteration of cheques, drafts or other negotiable instruments;
4. loss by your acceptance in good faith of counterfeit Canadian or United States paper currency.

We do not recover loss caused by the use of your credit card or automated teller card by a resident of your household or by a person to whom the card has been entrusted.

The most we will pay under this coverage during the term of this policy is \$15,000.

This coverage is not subject to a deductible.

Reward Coverage

We will pay up to \$1,000 to any individual or organization for information leading to the arrest and conviction of any person(s) who robs from any person insured under this policy or steals, vandalizes, burglarizes or commits arson to any covered property.

Personal Records Stored in a Personal Computer

We will pay up to \$10,000 to recreate personal records stored in a home computer located on your residence premises if the loss of those records is caused by a covered peril. This coverage does not apply to business records stored in the personal computer.

The deductible applies to this coverage.

Funeral Monuments

Funeral monuments situated in a burial place for any amount not exceeding \$1,000, but only if loss or damage is caused by a Specified Peril as defined in this policy.

Permissions Granted

You have our permission under the terms and conditions of this policy to:

- (a) make alterations, additions and repairs to the unit building that you occupy. (You may, however, need to request an increase in your Limits of Insurance.)
- (b) keep and use reasonable and normal quantities of fuel oil, L.P.G. gasoline, benzene, naphtha or other similar materials.

Basis of Claims Settlement

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

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

Deductible

We insure the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible in any one occurrence, however, if your claim exceeds \$10,000, the deductible will no longer apply in all cases where the applicable deductible is up to and including \$1,000.

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

Unit and Unit Improvements and Betterments

If within a reasonable time after damage, you replace or repair loss or damage to your unit improvements or betterments with materials of similar quality, we will pay for the actual cost of repairs or replacement (whichever is less) without deduction for depreciation.

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 to the date of occurrence.

Personal Property

We will pay the Actual Cash Value of the loss or damage to personal property covered under Section I up to the applicable amount of insurance.

For records, other than computer records, including books of account, drawings or card index systems, we will pay the cost of blank books, pages, cards or other materials plus the cost of actually transcribing or copying records.

If "Replacement Cost - Personal Property" is shown in the Declarations as an additional coverage for this location, we will pay on the basis of replacement cost, provided that:

1. the property at the time of loss was useable for its original purpose;
2. you repair or replace the property promptly.

Otherwise the basis of claim payment will be Actual Cash Value.

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

Replacement Cost does not apply to:

- a) antiques, fine arts, paintings and statuary;
- b) articles which, because of their inherent nature, cannot be replaced with new articles;
- c) articles for which their age or history contribute substantially to their value such as memorabilia, souvenirs and collectors' items.

You may choose payment on an Actual Cash Value basis initially. You may make a subsequent claim on a Replacement Cost basis but no later than 180 days after the date of loss or damage.

Actual Cash Value

Whenever the words "Actual Cash Value" are used in this policy, settlement of a claim 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.

Insurance Under More Than One Policy

If you have insurance on specifically described property, this policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

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

Conditions

The following conditions apply to the coverage provided under Section I of this policy.

Notice to Authorities

Where the loss is due to or appears to be due to theft, burglary, robbery, malicious mischief or disappearance of insured property, you must give immediate notice thereof to the police or other authorities having jurisdiction.

Sue and Labour

In the event that any property insured under this policy is damaged or destroyed, it is your duty to take all reasonable steps that might be available to you to bring about recovery of such property. We will contribute on a

proportionate basis towards any reasonable and proper expenses in accordance with our respective interest in the property insured.

Subrogation

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

We agree to waive our rights to any claim against the Condominium Corporation, its Directors, Property Managers, agents and employees, except for arson, fraud and vehicle impact.

We shall not consider independent contractors as being agents or employees of the Condominium Corporation, its Directors, Property Managers or of the unit owners.

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

No Benefit to Bailee

It is warranted by you that this insurance shall in no way be directly or indirectly to the benefit of any carrier or other bailee.

Pairs, Sets and Parts

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

SECTION II - INSURANCE ON YOUR LIABILITY TO OTHERS

In the event you have, under another policy or policies issued by us, liability insurance which applies to a loss or claim, then under no circumstances will we pay in total more than the highest of the liability limits stated on the Declaration Pages of all such policies issued by us.

Definitions

"You" or "your" in this Section have the same meanings as in Section I. In addition, the following persons are insured:

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without the owner's permission;
2. a residence employee while performing duties in connection with the ownership, use or operation of motorized vehicles and trailers for which coverage is provided in this form;
3. your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the insured premises;
4. any person who is insured by this form at the time of your death and who continues residing on the insured premises.

"We" or "us" in this Section have the same meanings as in Section I.

"Bodily Injury" means bodily injury, sickness, disease, disability, shock, mental anguish, mental injury or resulting death.

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

"Residence Employee" and "Employee" in this Section have the same meaning as "Residence Employee" in Section I.

"Weekly Indemnity" means two-thirds of your employee's weekly wage at the date of the accident, but we will not pay more than \$100 per week.

"Premises" in this Section means all premises where the person(s) named as Insured in the Declarations or his or her spouse, maintains a residence. It also includes:

1. other seasonal and residential premises specified in the Declarations except business property and farms;
2. individual or family cemetery plots or burial vaults;
3. vacant land in Canada you own or rent, excluding farm land;
4. land in Canada where an independent contractor is building a one or two-family residence to be occupied by you;

5. premises in Canada you are using or where you are temporarily residing if you do not own such premises;
6. a swimming pool on your premises.

"Business" means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation.

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

"Business Pursuits" means any full-time, part-time or occasional activity of any kind undertaken for financial gain, and includes a trade, profession or occupation.

"Business Premises" means premises on which a business pursuit is conducted, and premises rented in whole or in part to others, or held for rental.

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

All other definitions mentioned in Section I have the same meaning in Section II.

Coverages

This insurance applies only to accidents or occurrences which take place during the period this policy is in force.

The amounts of insurance are shown in the Declarations. Each person insured is a separate insured but this does not increase the limit of insurance.

Coverage E - Your Liability Protection

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

The limits of insurance are shown in the Declarations and are the maximum we will pay, under one or more sections of Coverage E, for all compensatory damages in respect of one accident or occurrence other than as provided under defence, settlement, and supplementary payments.

You are insured for claims made against you arising from:

1. **Personal Liability:** legal liability arising out of your personal actions anywhere in the world.

You are not insured for claims made against you arising from:

- a) the ownership, use or operation of any motorized vehicle, trailer, watercraft, or farm equipment, except those shown under items 1, 2 and 3 of "motorized vehicles - vehicles you own", or those for which coverage is shown in the Declarations;
- b) damage to property you own, use, occupy, rent or lease;

- c) damage to property in your care, custody or control;
- d) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
- e) bodily injury to you or to any person residing in your household other than a residence employee.

2. **Premises Liability:** legal liability arising out of your ownership, use or occupancy of the premises defined in Section II. This insurance also applies if you assume by a written contract, the legal liability of other persons in relation to your premises.

You are not insured for claims made against you arising from:

- a) damage to property you own, use, occupy, or rent or lease from others;
- b) damage to property in your care, custody or control;
- c) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
- d) bodily injury to you or to any person residing in your household other than a residence employee.

3. **Tenants' Legal Liability:** legal liability for property damage to premises of others or the contents contained therein belonging to others, which you are using, renting or have in your custody or control, provided such property damage is caused by fire, explosion, water escape including escape of water from a waterbed or aquarium, or smoke, all as defined or limited in Section I.

You are not insured for liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force.

4. **Employers' Liability:** legal liability for bodily injury to residence employees arising out of and in the course of their employment by you.

You are not insured for claims made against you resulting from the ownership, use or operation of aircraft while being operated or maintained by your employee.

You are not insured for liability imposed upon or assumed by you under any Workers' Compensation Statute.

You are not insured for any claim for loss, cost or expenses arising out of:

- a) the actual or alleged failure, malfunction or inadequacy of any computer or other equipment, including embedded microchips, computer programme or software to correctly read, recognize, process, distinguish, interpret or accept any date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming.
- b) any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify, or test for any potential or actual problems described in paragraph (a) of this exclusion.

Defence, Settlement Supplementary Payments

We will defend you against any suit which makes claims against you for which you are insured under Coverage E and which alleges bodily injury or property damage and seeks compensatory damages, even if it is groundless, false or fraudulent. We reserve the right to investigate, negotiate and settle any claim or suit if we decide this is appropriate.

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

- 1. all expenses which we incur;
- 2. all costs charged against you in any suit insured under Coverage E;
- 3. any interest accruing after judgement on that part of the judgement which is within the limit of insurance of Coverage E;
- 4. premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the limit 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;
- 6. reasonable expense, except loss of earnings, which you incur at our request.

Coverage F - Voluntary Medical Payments

We will pay reasonable expenses incurred within 1 year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured on your premises. This coverage is available even though you are not

legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses. Medical expenses for residence employees are insured.

The amount of insurance shown in the Declarations is the maximum amount we will pay for each person in respect of one accident or occurrence.

We will not pay expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract.

We will not pay your medical expenses or those of persons residing with you, other than residence employees.

We will not pay medical expenses of any person covered by any Workers' Compensation Statute.

You are not insured for claims arising out of the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is shown in this policy.

You shall arrange for the injured person, if requested, to:

- 1. give us, as soon as possible, written proof of claim, under oath if required;
- 2. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
- 3. authorize us to obtain medical and other records.

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

Coverage G - Voluntary Payment for Damage to Property

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by anyone included in the definition of "you" or "your" of Section II of this form, 12 years of age or under.

You are not insured for claims:

- 1. resulting from the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is provided by this form;
- 2. for property you or your tenants own or rent;
- 3. which are insured under Section I;
- 4. caused by the loss of use, disappearance or theft of property;

Basis of Payment

We will pay whichever is the least of the following:

- 1. the actual cash value of the property at the time of loss;
- 2. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
- 3. the amount shown in the Declarations.

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.

Within 60 days after the loss, you must submit to us (under oath if required) a PROOF OF LOSS FORM containing the following information:

- 1. the amount, place, time and cause of loss;
- 2. the interest of all persons in the property affected;
- 3. the actual cash value of the property at the time of loss.

If necessary, you must help us verify the damage.

Coverage H - Voluntary Compensation for Residence Employees

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

If your employee does not accept these benefits or sues you, we may withdraw our offer, but this will not affect your legal liability insurance.

An employee 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 employee's injury or death.

An injured employee will, if requested:

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

In case of death, we can require an autopsy before we make payment.

We will not pay benefits:

- (1) unless your employee was actually performing duties for you when the accident happened;
- (2) for any hernia injury;
- (3) for injury or death caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.

Schedule of Benefits

1. Loss of Life

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

- (a) to those wholly dependent upon him or her, a total of one hundred times the weekly indemnity in addition to any benefit for Temporary Total Disability paid up to the date of death;
- (b) actual funeral expenses up to \$500.

2. Temporary Total Disability

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

3. Permanent Total Disability

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

4. Injury Benefits

If, as a result of the accident, your employee suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, we will pay weekly indemnity for the number of weeks shown.

These benefits will be paid in addition to Temporary Total Disability Benefits but no others and for not more than 100 times the weekly indemnity.

FOR LOSS OF:	Number of Weeks
A. One or more of the following:	
Hand.....	100
Arm	100
Foot	100
Leg	100
B. One finger or toe	25
OR	
More than one finger or toe	50
C. One eye	50
OR	
Both eyes.....	100
D. Hearing of one ear	25
OR	
Hearing of both ears	100

5. Medical Expenses

If, as a result of the accident, your 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 for the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5,000.

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

Loss Assessment Coverage (Condominium Unit Owner)

We will pay for your share of special assessments if:

- a) the assessment(s) are valid under the Condominium Corporation's governing rules; and
- b) the assessment(s) are made necessary by occurrence(s) to which this Section of the policy applies.

We will not pay more than \$25,000 for that part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation.

Special Limitations

Watercraft

Watercraft You Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your ownership, use or operation of watercraft equipped with an outboard motor or motors of not more than 19 kW (25hp) in total when used with or on a single watercraft. You are also insured if your watercraft has an inboard or an inboard-outboard motor of not more than 38 kW (50 hp) or for any other type of watercraft not more than 8 metres (26 feet) in length.

If you own any motors or watercraft larger than those stated above, you are insured only if they are shown on the policy. If they are acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of their acquisition, or until expiry of the policy whichever comes first.

Watercraft You Do Not Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your use or operation of watercraft which you do not own, provided:

- 1. the watercraft is being used or operated with the owner's consent;
- 2. the watercraft is not owned by anyone included in the definition "you" or "your" in Section II of this form.

You are not insured for damage to the watercraft itself.

Regardless of whether you own or do not own a watercraft for which third party liability coverage is provided above, there is no coverage here:

- 1) if you use the watercraft for carrying passengers for compensation or hire;
- 2) in any race or speed test;
- 3) if you rent or lease it to others;
- 4) if you use it for business purposes;
- 5) if you use or operate it without the owner's consent if you are not the owner.

Motorized Vehicles

Vehicles You Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your ownership, use or operation of the following including their trailers or attachments:

- 1. self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 19 kW (25 hp) used or operated mainly on your property;
- 2. motorized golf carts while in use on a golf course;
- 3. motorized wheelchairs (including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability).

Vehicles You Do Not Own - You are insured against claims for bodily injury to or damage to the property of others, arising out of your use or operation of any self-propelled land vehicle, amphibious vehicle or air cushion vehicle including their trailers, which you do not own, provided that:

- 1. the vehicle is not licensed and is designed primarily for recreational use off public roads;
- 2. the vehicle is being used or operated with the owner's consent;
- 3. the vehicle is not owned by anyone included in the definition of "you" or "your" in Section II of this form.

You are not insured for damage to the vehicle itself.

Regardless of whether you own or do not own a motorized vehicle for which third party liability coverage is provided above, there is no coverage here:

- 1. if you use the motor vehicle(s) for carrying passengers for compensation or hire;
- 2. in any race or speed test;
- 3. if you rent or lease it/them to others;
- 4. if you use it for business purposes;
- 5. if you use or operate it without the owner's consent if you are not the owner.

There is also no coverage here for liability arising out of the ownership, use or operation of any motorized vehicle or trailer or part thereof except as mentioned here.

Trailers

You are insured against claims for bodily injury to or damage to the property of others, arising out of your ownership, use or operation of any trailer or its equipment, provided that such trailer is not being towed by, attached to or carried on a motorized vehicle.

Business Pursuits and Business Property

You are insured against claims for bodily injury to or damage to the property of others, arising out of:

1. your work for someone else as a sales representative, collector, messenger or office employee, provided that the claim does not involve injury to a fellow employee;
2. your work for someone else as a teacher or educator, provided that the claim does not involve physical disciplinary action to a student or injury to a fellow employee;
3. the temporary or part-time business pursuits of an insured person under the age of 21 years;
4. activities during the course of a business pursuit which are usually considered to be personal activities;
5. the occasional rental of your residence to others; rental to others of a one or two-family dwelling usually occupied in part by you as a residence, provided no family unit includes more than 2 roomers or boarders;
6. the rental to others of not more than three car spaces or stalls in garages or stables.
7. the rental of space in your residence to others for incidental office, school or studio occupancy.

Claims arising from the rental of residential buildings containing not more than 6 dwelling units are insured only if the properties or operations are stated in the Declarations.

Loss or Damage Not Insured

You are not insured against claims for bodily injury to or damage to the property of others, arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. 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 except for ensuing loss or damage which results directly from fire or explosion, as described in Specified Perils. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;
3. bodily injury or property damage caused directly or indirectly by:
 - a) 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 coal, natural or manufactured gas;
 - b) contamination by radioactive material.
4. your business or any business use of your premises except as specified in this policy;
5. the rendering or failure to render any professional service;
6. caused intentionally by you, at your direction, or by or through any criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy.

7. the ownership, use or operation of any aircraft or premises used as an airport or landing strip, and all necessary or incidental operations;
8. the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this form;
9. the transmission of communicable disease by any person insured by this policy;
10. abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological, mental and/or emotional abuse, molestation or harassment, including corporal punishment, directly or indirectly, by:
 - a) any person or named insured who is insured by this policy;
 - b) any person or named insured who is insured by this policy having knowledge of such an activity taking place;
 - c) any person or named insured who is insured by this policy failing to prevent such activity from taking place;
 - d) at the direction of any person or any named insured who is insured by this policy.
11. a) "bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
 - 1) at or from premises owned, rented or occupied by an Insured;
 - 2) at or from any site or location used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - 3) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or for any person or organization for whom the Insured may be legally responsible; or
 - 4) at or from any site or location on which an Insured or any contractors or subcontractors working directly or indirectly on behalf of an Insured are performing operations:
 - a) if the pollutants are brought on or to the site or location in connection with such operations; or
 - b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
- b) Any loss, cost or expense arising out of any governmental direction or request that an Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

"Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Sub-paragraphs (1) and (4)(a) of paragraph (a) of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

12. any type of discrimination including discrimination due to sex, age or marital status, colour, race, creed or national origin;
13. bodily injury or property damage caused by:
 - a) erasure, destruction, corruption, misappropriation or misinterpretation of data;
 - b) error in creating, amending, entering, deleting or using data.
14. the distribution or display of data via a Website, the internet, intranet or similar device or system designed or intended for electronic communication date.

SECTION III - OPTIONAL COVERAGES

This section explains coverages available for (i) specific types of property or occurrences and (ii) other residences which do not qualify under Section I, such as Seasonal Dwellings, or Secondary or Rented Dwellings.

The following conditions and sections that apply to Coverage I and Coverage II also apply to Section III.

"Conditions"
"General Condition - Waiver"
"Statutory Conditions; Other Conditions"

SCHEDULED ARTICLES FORM

We insure described articles, except animals, against all risks of direct physical loss or damage, unless specifically restricted, anywhere in the world, subject to the terms and conditions of this endorsement.

Definitions as stated in Section I of this policy apply to this form.

Loss or Damage Not Insured

Except as listed below, all exclusions from Section I of this policy apply to this form.

We do not insure:

1. any musical instrument played for a fee unless we have given our written permission;
2. damage to property while it is in actual use unless we have given our written permission.

Special Conditions

Stamp and Coin Collections - We will pay for loss or damage to your collection in the proportion that the amount of insurance on your collection bears to its cash market value at the time of the loss. We will not pay more than \$250 on any single article of your collection. A single article means any one stamp, coin or other individual article of a collection. This condition does not apply to items individually scheduled under this form.

Sports Equipment

We do not insure:

1. equipment used professionally;
2. balls, pucks, shuttlecocks and targets except against loss or damage caused by fire or burglary.

Bicycles

We do not insure:

1. Bicycles while being used in professional races or speed contests;
2. loss or damage to accessories unless the bicycle itself is lost or damaged at the same time.

Golf Carts and Mobile Equipment

We do not insure:

- Loss or damage to tires and tubes unless the loss or damage is by fire or theft or happens at the same time as other loss or damage which is insured.

Animals

Animals are insured (except for the peril of theft) against death or destruction only, resulting from or made necessary by the following perils as described and limited:

1. Fire, Lightning, explosion, Smoke, Riot, Windstorm, Hail, Earthquake;
2. Flood (meaning the rising of navigable waters);
3. Collision, Derailment or Overturning of a transporting vehicle on land;
4. Being attacked by another animal, or being hit or run over by a vehicle except vehicles owned or operated by you or your employees;
5. Theft.

We do not insure:

1. animals which are defective in eyesight or hearing;
2. loss resulting from necessary destruction of an animal unless the destruction is certified by a licensed veterinarian.

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

Valued Property - We will pay up to the amount shown for each item. Where a "V" appears beside an item, that article is valued at and insured for the amount shown. Otherwise, scheduled articles are insured for their replacement cost.

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

Deductible

If a deductible applies to any property covered under this form, it will be specified in the Declarations.

FINE ARTS FORM

We insure your Fine Arts such as are listed specifically in the declarations against all risks of direct physical loss or damage subject to the terms and conditions of this form.

Definitions as stated in Section I of this policy apply to this form.

Location of coverage is specified in the Declarations as either "Location" or "Floating". If not specifically stated, "Location" cover applies.

Location

- a) at or in transit between the locations specified in the Declarations.
- b) at any other location in Canada or the continental United States, except at fairgrounds or at national or international expositions, for not more than 10% of the total amount of insurance under this form.

Floating

Within Canada and the continental United States.

Loss of Damage Not Insured

Except as listed below, all exclusions for Section I of this policy apply to this form.

We do not insure:

1. any process or work being performed on your Fine Arts where damage results from such process or work;
2. breakage of glassware, statuary, marbles, bric-a-brac, chinaware, porcelains and other fragile or brittle articles. If the Declarations show that breakage coverage applies, this exclusion is not applicable.

Special Conditions

Newly Acquired Articles - If you acquire any additional fine arts, we will automatically insure these provided you tell us within 30 days of acquisition. We will not pay more than 25% of the total amount of insurance provided by this form.

Packing and Unpacking - The Fine Arts must be packed and unpacked by a competent packer(s).

Valued Property - We will pay up to the amount shown for each fine arts item. Each such item is valued at and insured for the amount shown. Any loss or damage shall not reduce the amounts of insurance provided by this form. If, following payment of a claim, you acquire any articles to replace those which were lost or damaged, you must tell us within 30 days.

Deductible

No deductible applies to this coverage.

BOAT AND MOTOR FORM

We insure your boat, motor(s), miscellaneous unattached equipment and trailer as defined below and as listed in the Declarations against all risks of direct physical loss or damage subject to the terms and conditions of this form.

Definitions

1. "Boat(s)" shall mean the boat(s) described in the Declarations, including spars, sails, tackle, permanently attached fittings and equipment (except outboard motors), machinery and dinghies;
2. "Motor(s)" shall mean the motor(s) described in the Declarations, including fuel containers and electric starting equipment or controls supplied as integral equipment by the manufacturer;
3. "Miscellaneous equipment" shall mean boat equipment not included in 1. or 2. above, including life jackets, batteries, oars, oarlocks, anchors, boat extinguishers, extra gasoline tanks, horns, boat covers, fire extinguishers, pumps, furniture and furnishings, stereo equipment, radio transmitting and receiving equipment (attached or unattached). Boat equipment does not include outboard motors, parasails, hang gliders, scuba gear, fishing tackle, other sporting equipment or other personal effects;
4. "Trailer" shall mean the boat trailer as described in the Declarations.

All other definitions as stated in Section I of this policy apply to this form.

Loss or Damage Not Insured

Except as listed below, all exclusions from Section I of this policy apply to this form.

We do not cover physical loss, damage or expense:

1. caused directly by wear and tear, dampness of atmosphere, wet or dry rot, gradual deterioration (including marine life, Marine borers, or vermin), marring, denting, scratching, electrolysis, corrosion, rust, or in consequence of ice freezing, extremes of temperature or weathering;
2. caused directly by faulty workmanship, faulty manufacturing or faulty design, latent defect or by maintenance of lack thereof. We will however, pay if damage not otherwise excluded ensues and then only for such ensuing damage;
3. resulting from wrongful conversion or infidelity of persons to whom the insured property may be entrusted;
4. resulting from the preparation or participation in any race or speed test. This exclusion does not apply to sailboats;
5. to wearing apparel, sporting equipment and personal effects;
6. occurring while your boat and its equipment, motor(s), or trailer(s) is used in connection with your trade, profession or occupation, rented to others; or used to carry people or property for compensation

BASIS OF SETTLEMENT

We will pay claims for loss or damage up to your financial interest in the property, but not more than the applicable limit(s) of insurance for any loss or damage arising out of one occurrence.

Replacement Cost

We will pay the Replacement Cost of the loss or damage at the date of the occurrence up to the applicable limit of insurance for each item stated on the Declarations.

We will pay the lesser of:

- the cost to repair with materials of similar kind and quality, or
- the cost of new articles of similar kind, quality and usefulness without any deduction for depreciation, up to the limit of insurance, or
- the applicable limit of insurance;

but we will not pay more than the Actual Cash Value of the loss or damage: if the property is not repaired or replaced; if repair or replacement is not effected as soon as reasonably possible; for property no longer in use for its originally intended purpose; for antiques and items of a similar nature which, by their inherent nature, cannot be replaced with comparable article.

Actual Cash Value

The Actual Cash Value is what the property is worth and takes into account such things as the cost of replacement less any depreciation and obsolescence. In determining depreciation, we will consider the condition of the property immediately before the damage occurred, the resale value and normal life expectancy.

Loss of Use

We will pay up to \$1,500 per occurrence to rent a replacement if the vessel insured is damaged in an accident insured by this form.

Lay Up Warranty

Your boat must be laid-up ashore, properly winterized and out of commission during the following period:

From December 1st to April 1st (at 12:00am)

This does not apply to Coastal Waterways of British Columbia.

Navigational Limits

This form applies to anywhere on the coastal waters, tributaries, inland lakes and rivers, or land, of Canada and of the Continental United States excluding Alaska.

Special Conditions

Newly Acquired Property - If you acquire another boat or motor, boat trailer or miscellaneous equipment in addition to or as a replacement for the described property, we will insure the newly acquired property for a period not exceeding 30 days from the date of acquisition. We shall be liable only for the amount of insurance on the property that you sold, or retained, or the purchase price of the new property, whichever is less, except that a maximum limit of \$5,000 will apply to newly acquired miscellaneous equipment.

Sound Condition - You warrant that the insured property is in sound condition at the time of attachment of this insurance.

Repair Clause - Plywood, plastic, fiberglass and molded hull boats shall be repaired according to the manufacturers specifications or accepted repair practice. Our liability shall be limited to an amount not in excess of the cost of making such repairs.

Reinstatement - If you provide us with the relevant details within 30 days, we will not reduce your amount of insurance in the event that we make a payment under this policy to repair or replace the insured property after a loss or if you replace it after a loss. The amount of insurance, however, will be reduced if we make settlement with you following a loss on a cash value basis and you do not replace the insured property.

Insurance to Value - This clause is only in effect if the loss qualifies to be settled on a Replacement Cost basis. The amounts of insurance for each scheduled item must be maintained to 100% of replacement value. If, at the time of a loss, the amount of insurance is less than the full replacement value, you will be required to participate, financially, in the loss. We will pay the replacement value, in accordance with the conditions for that, proportionately to the percentage that the amount of insurance bears to 100% of the replacement value.

Unrepaired Damage - We shall not be liable under this section for unrepaired damage in addition to a subsequent total loss which occurs during the period covered by this form.

Deductible

The deductible which applies to the coverage provided by this form is stated in the Declarations except if there is a total loss of boat, motor or trailer, no deductible applies.

GLASS BREAKAGE DEDUCTIBLE FORM

If the words "Glass Breakage Deductible Form" appear in the Declarations, the amount of the deductible, as it applies to Glass Breakage only, is reduced to \$25 in any one occurrence.

SEWER BACK-UP FORM

If 'Sewer Back-Up' is shown as an additional coverage for any location, the form insuring that location is extended to insure, at that location, against direct loss or damage caused by the backing up or escape of water from a sewer or drain, sump, septic tank, eaves trough or downspout.

Coverage under this endorsement is subject to the deductible and all other terms and conditions of the form it extends.

All the statutory and additional conditions of the policy also apply to this endorsement.

EARTHQUAKE DAMAGE EXTENSION FORM

If the words "Earthquake Form" appear in the Declarations we provide this coverage at the premises noted.

We insure the premises covered by this Form against direct loss or damage caused by Earthquake. You are also covered for direct loss or damage caused by snowslide, landslide and other earth movements occurring concurrently with and directly resulting from an earthquake shock. For the purposes of this Form, all earthquake shocks which occur within any 168 consecutive hours during the policy period shall be considered a single earthquake.

Deductible

We will only pay the amount of loss or damage we insure which exceeds the deductible percentage stated in the Declarations, applied to the amount of insurance shown at the premises noted. The deductible applies to each claim for a single earthquake as defined. The Section I policy deductible does not apply to this Form.

Loss or Damage Not Insured

We do not insure loss or damage caused by or resulting from:

1. any of the following perils whether or not attributable to earthquake: fire, explosion, smoke, leakage from fire protective equipment, vandalism or

malicious acts, theft, flood of any nature, waves, tidal waves, high water, waterborne objects or ice;

2. wind, hail, rain or snow unless the building we insure, or containing the property we insure is first damaged by the direct force of an earthquake making an opening in the roof or walls of the building. Then we will pay for damages caused by wind, hail, rain or snow which enters the building through such an opening;
3. your failure to preserve the property, meaning any loss or damage caused by your neglect or failure to use all reasonable means to save and preserve the property during and after an earthquake;
4. any earthquake shock which occurs before this form becomes effective or after the expiration of this policy.

We also insure under Section I of the policy to which this form is attached, subject to the changes in terms and conditions that follow, your unit excluding your improvements and betterments to it, if the condominium Corporation has no insurance, its insurance is inadequate, or is not effective.

GENERAL POLICY CONDITIONS

The following conditions apply to all sections of this policy including any riders or endorsements.

Notice of Accident or Occurrence

When an accident or occurrence takes place, you must promptly give us notice (in writing if required). The notice must include:

1. your name and policy number;
2. the time, place and circumstances of the accident;
3. the names and addresses of witnesses and potential claimants.

Co-operation

You are required to:

1. help us obtain witnesses, information and evidence about the accident and co-operate with us in any legal actions if we ask you;
2. immediately send us everything received in writing concerning the claim including legal documents.

Unauthorized Settlements - Coverage E

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

Action Against Us - Coverage E

You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until the amount of your obligation to pay has been finally determined, either by judgement against you or by an agreement which has our consent.

Action Against Us - Coverages F and G

You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until 60 days after the required PROOF OF LOSS FORM has been filed with us.

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.

Waiver

We shall not be deemed to have waived any term or condition of this policy in whole or in part, unless our waiver is clearly stated and in writing, and is signed by a person authorized to do so. In addition, neither we nor you may be lawfully considered to have waived any term or condition of this policy by any act relating to the appraisal of the amount of a claim, the delivery or completion of proof, or the investigation of or adjustment of any claim under the policy.

Examination Under Oath

In the event of a loss, each of you is required, after submission of the Proof of Loss, to submit to examination under oath and produce for examination all documents in your possession or control that relate to the application for insurance and Proof of Loss and you shall permit extracts and copies thereof to be made, all at such reasonable place and time as is designated by the insurer or its representative.

CONDITIONS REQUIRED BY LAW

With respect to Section II - Liability Coverage, including Voluntary Compensation for Residence Employees Endorsement when added, Statutory Conditions 1, 3, 4 5 and 15 only apply. Otherwise, all of the conditions set forth under the titles Statutory Conditions and Additional Conditions apply with respect to all of the perils insured by this policy except as these Conditions may

be modified or supplemented by the Forms and Endorsements included herein or attached.

STATUTORY CONDITIONS
(Applicable in Common Law jurisdictions)

The "Statutory Conditions" set out in this policy are renamed "Policy Conditions" and now apply, as modified or supplemented in forms or endorsements attached to this policy, as "Policy Conditions" to all coverages and all perils (including fire) insured by this policy.

Misrepresentation

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property of others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless (a) otherwise specifically stated in the contract, or
(b) the interest of the insured in that property is stated in the contract.

Change of interest

3. The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
a) material to the risk, and
b) within the control and knowledge of the insured.
(2) If an insurer or its agent is not promptly notified of a change under subparagraph
(1) of this condition, the contract is void as to the part affected by the change.
(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
(a) terminate the contract in accordance with Statutory Condition 5, or
(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
(4) If the insured fails to pay an additional premium when required to do so under subparagraph
(3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination of insurance

5. (1) The contract may be terminated
(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or (b) by the insured at any time on request.
(2) If the contract is terminated by the insurer,
(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
(b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
(4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements after loss

6. (1) On the happening of any loss or of damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9, (a) immediately give notice in writing to the insurer, (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration, (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and

particulars of the amount of loss claimed,
(ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
(iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
(iv) stating the amount of other insurances and the names of other insurers,
(v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
(vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
(vii) stating the place where the insured property was at the time of loss,
(c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
(d) if required by the insurer and if practicable,
(i) produce books of account and inventory lists,
(ii) furnish invoices and other vouchers verified by statutory declaration, and
(iii) furnish a copy of the written portion of any other relevant contract.
(2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

7. Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

Who may give notice and proof

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
(a) by the agent of the insured, if
(i) the insured is absent or unable to give the notice or make the proof, and
(ii) the absence or inability is satisfactorily accounted for, or
(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

Salvage

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

10. After loss or damage to insured property, the insurer has (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
(b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
(i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
(ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the

contract is disputed, and independently of all other questions.
(2) There is no right to a dispute resolution process under this condition until (a) a specific demand is made for it in writing, and (b) the proof of loss has been delivered to the insurer.

When loss payable

12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

Repair or replacement

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or

damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the

proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

Notice

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured