

# BASIC HOUSE FORM

## PROPERTY COVERAGES

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### IMPORTANT

This Policy contains various exclusions and limitations which eliminate or restrict coverage. Please read it carefully. Insurance cannot be a source of profit. It is only designed to indemnify "You" against actual losses or expenses incurred by "You" or for which "You" are liable.

## DEFINITIONS

**“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.

**“Dwelling”** means the building described on the “Declaration Page”, occupied by “You” as a private principal residence.

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

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

**“Identity Theft”** means the act or acts of knowingly transferring or using, without lawful consent or authority, “Your” means of identity, which constitutes a violation of any federal, provincial, territorial, municipal or quasi-criminal law.

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

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

**“Premises”** means the dwelling and land contained within the lot lines on which the dwelling is situated.

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

- (1) fire;
- (2) lightning;
- (3) explosion;
- (4) smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the “Premises”;
- (5) falling objects which strike the exterior of a 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 “Water Main”;
  - (b) the sudden and accidental escape of water from within a heating, plumbing, sprinkler or air conditioning system or “Domestic Water Container”, which is located inside “Your” “Dwelling”;
  - (c) the sudden and accidental escape of water from a “Domestic Water Container” located outside “Your” “Dwelling” but such damage is not covered when the escape of water is caused by freezing; or
  - (d) water which enters “Your” “Dwelling” through an opening which has been created suddenly and accidentally by an insured peril; or
- (10) windstorm or hail.

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

**“Under Construction”** means any construction from the foundation, or alteration or repairs to the “Dwelling” which results in piercing of an exterior wall, below grade or above, or roof for more than 24 hours, or which necessitates “Your” temporary relocation.

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

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

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

### COVERAGES

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

If "You" must remove insured property from the "Premises" to protect it from loss or damage, it is insured by this Policy for thirty (30) days or until "Your" Policy term ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of loss.

### COVERAGE A – DWELLING BUILDING

When shown on the "Declaration Page", "We" insure:

- (1) the "Dwelling" and attached structures;
- (2) permanently installed outdoor equipment on the "Premises";
- (3) outdoor swimming pool and attached equipment on the "Premises"; and
- (4) materials and supplies located on or adjacent to the "Premises" intended for use in construction, alteration or repair of the "Dwelling" or private structures on the "Premises".

### Optional Coverage Extensions – Dwelling Building

The following extensions are available without increasing the amount of insurance shown on the "Declaration Page". "You" may apply up to 10% of the amount of insurance on the "Dwelling" to insure each of the following:

- (1) **Building Fixtures and Fittings** temporarily removed from the "Premises" for repair or seasonal storage.
- (2) **Detached Private Structures** – structures or buildings separated from the "Dwelling" by a clear space, on the "Premises" but not insured under the building. If they are connected to the "Dwelling" by a fence, utility line or similar connection only, they are considered to be detached structures. If "You" have more than one detached structure, the amount of insurance will be divided in the proportions that the value of each structure has to the value of all such structures at the time of loss.
- (3) **Prohibited Access** – if a "Civil Authority" prohibits access to the "Dwelling" as a direct result of damage to neighbouring premises by an insured peril under this Form, "We" insure any resulting fair rental value loss for a period not exceeding two weeks.

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

### COVERAGE B – PERSONAL PROPERTY

When shown on the "Declaration Page", "We" insure the contents of the "Dwelling" and other personal property "You" own, wear or use while on the "Premises" which is usual to the ownership or maintenance of a "Dwelling".

If "You" do not own the "Dwelling", "We" also insure "Dwelling" improvements and betterments made by "You" or acquired at "Your" expense.

"We" do not insure loss or damage to motorized vehicles, trailers and aircraft or their equipment (except for motorized wheelchairs, and motorized scooters for the handicapped having more than 2 wheels, "Personal Transporters", motorized lawn mowers, garden-type tractors up to 30 kW [40 HP] and their attachments, other motorized gardening equipment, snow blowers, watercraft and motorized golf carts). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. Subject to Special Limits applicable to some personal property.

### Optional Coverage Extensions – Personal Property

The following extensions are available without increasing the amount of insurance on the "Declaration Page". "You" may apply up to 10% of the amount of insurance on "Your" personal property to insure each of the following:

- (1) **Uninsured Personal Property of Others** while it is on that portion of the "Premises" which "You" occupy but "We" do not insure property of tenants, roomers or boarders who are not related to "You".
- (2) **Personal Property Away from Premises** – "Your" personal property, excluding watercraft, while temporarily away from the "Premises" anywhere in Canada or in the United States of America. "We" do not insure personal property normally kept at any other location "You" own, nor do "We" insure personal property stored in a warehouse.
- (3) **Additional Living Expense** – Any necessary increase in living expenses, including moving expenses incurred by "You", so that "Your" household can maintain its normal standard of living, if an insured peril makes the "Dwelling" unfit for occupancy, or "You" have to move out while repairs are being made. Payment shall be for the reasonable time required to repair or rebuild the "Dwelling" or, if "You" permanently relocate, the reasonable time

required by "Your" household to settle elsewhere.

- (4) **Prohibited Access** – If a "Civil authority" prohibits access to the "Dwelling" as a direct result of damage to neighbouring premises by an Insured Peril under this Form, "we" insure any resulting additional living expense loss for a period not exceeding two weeks.

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

### **Special Limits of Insurance:**

The following Special Limits of Insurance apply after the Policy deductible without increasing the amount of insurance shown on the "Declaration Page" for personal property.

"We" insure:

- (1) animals, birds and other pets normally kept in "Your" "Dwelling", up to \$1,500 in all;
- (2) antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
- (3) books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$1,000 in all, but only while on "Your" "Premises". Other business property, including samples and goods held for sale, is not insured;
- (4) computer software for personal use up to \$2,500 in all. "We" do not insure the cost of gathering or assembling information or "Data";
- (5) harness, saddles, tack and other similar equipment usual to the ownership of pet animals for pleasure purposes up to \$2,000 in all;
- (6) money, bullion or cash cards up to \$200 in all;
- (7) motorized lawn mowers, other motorized gardening equipment and motorized golf carts, including attachments and accessories up to \$5,000 in all for any one occurrence;
- (8) property at any fairground, exhibition or exposition for the purpose of exhibition up to \$2,000 in all;
- (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 to claim a benefit up to \$1,000 in all;
- (10) watercraft, their furnishings, equipment, accessories and motors up to \$1,000 in all; and
- (11) "Personal transporters" up to \$3,500 for any one "Personal Transporter" or unattached piece of equipment.

The following Special Limits apply, without a Policy deductible and without increasing the amount of insurance as shown on the "Declaration Page" for personal property.

- (1) Computer (software) – while traveling for your personal use only, computer software (programs, excluding the cost of gathering or assembling information or "Data") up to \$10,000 in all. Coverage applies while such property is at any temporary location or in transit anywhere in the world.
- (2) Hearing aids coverage up to \$2,000 in all, in any one event for scratching, marring, abrasion or chipping.
- (3) Home modification for physical limitations following an insured loss, whether pre-existing or not, increases the eligible rebuilding cost, up to \$20,000 in all, for building improvements/betterments, which are solely attributable to "Your" physical limitations.
- (4) Luggage (while travelling) while such property is at any temporary location or in transit anywhere in the world.
- (5) Motorized wheelchairs, motorized scooters for the handicapped and motorized golf carts original power source and power train not modified or customized up to \$20,000 in all, for any one occurrence.
- (6) Vision aids (Glasses) up to \$2,000 in all, for any one event for scratching, marring, abrasion or chipping.
- (7) Personal property owned by "You" or "Your" parent or family member who is dependent on "You" for support and maintenance or resides in a long term or health care facility or nursing home for an amount of \$20,000 in all, for any one occurrence.

### **OPTIONAL EXTENSIONS OF COVERAGE – BURGLARY, ROBBERY OR THEFT**

If shown on the "Declaration Page" as being included, the following perils and limitations apply:

- (1) **Burglary.** This peril means theft of insured property from the "Premises" following illegal and forcible entry or exit, leaving visible marks at the point of forced entry or exit. "We" will pay up to \$1,000 of the amount of insurance on "Your" personal property for damage to the building caused by burglary.
- (2) **Robbery.** This peril means theft by violence or threat of violence to any person.
- (3) **Theft.** This peril means the wrongful abstraction of insured property with the intent of depriving the rightful owner of the insured property. This peril includes direct loss or damage caused by attempted theft.

#### **Limitations**

These perils do not include loss or damage:

- (1) to animals, birds or other pets;
- (2) occurring while the building is "Under Construction" or "Vacant" even if permission for construction or vacancy has been given by "Us"; or
- (3) caused by any tenant, employee or member of the tenant's household if the part of the "Dwelling" containing the property insured normally occupied by "You" is rented to others.

#### Special Limits of Insurance

The following Special Limits of Insurance apply if loss or damage is caused by burglary, robbery or theft:

- (1) audio or visual cassettes or compact discs up to \$500 in all, while in a motorized vehicle or watercraft;
- (2) each bicycle, their equipment and accessories, up to \$1,000 in all;
- (3) jewellery, watches, gems, fur garments and garments trimmed with fur, up to \$2,000 in all;
- (4) money, bullion or cash cards up to \$200 in all;
- (5) collectables, meaning specifically, sports cards, sports memorabilia and comic book collections, up to \$500 in all;
- (6) philatelic property (such as stamp collections) up to \$500 in all;
- (7) numismatic property (such as coin collections and bank note collections) up to \$200 in all;
- (8) securities, books of account, deeds, evidences of debt or title, letters of credit, notes other than bank notes, manuscripts, passports, tickets and documents or other evidence to establish ownership or the right to claim a benefit up to \$1,000 in all;
- (9) silverware, meaning silverware, silver-plated ware, gold ware, gold-plated ware and pewter-ware up to \$5,000 in all; and
- (10) watercraft, their furnishings, equipment, accessories and motors up to \$1,000 in all;

### **OTHER EXTENSIONS OF COVERAGE**

#### **Extended Warranty Coverage**

This coverage doubles the original manufacturer's warranty up to a maximum of one year for normal household purchases of items for use in connection with the "Dwelling" insured by this Policy subject to the exclusions and conditions below. The extended warranty applies only to parts and/or labour costs resulting from mechanical breakdown or failure of the covered item. "We" will not pay more than the original purchase price to repair or replace the item subject to a maximum payable of \$10,000 in any one event. No deductible applies to this coverage.

#### Exclusions:

This coverage does not apply to:

- (1) used items;
- (2) to any motorized vehicles, aircraft, watercraft, trailers, snow blowers, lawnmowers or garden tractors or to their equipment or accessories; and
- (3) any deductible in the manufacturer's warranty.

#### Conditions:

- (1) "You" must present a copy of the receipt and the original manufacturer's warranty for the item within ninety (90) days of the event for which a claim is being made.
- (2) The event must take place during the Policy period.
- (3) Any other insurance, warranty or extended warranty applies before this coverage takes effect.

#### **Identity Theft**

"We" will pay up to \$25,000 in all, during the term of this Policy, for the following costs and expenses incurred by "You" due to an "Identity Theft Occurrence". No deductible applies to this coverage.

- (1) Costs associated with registered mail to business, law enforcement agencies, financial institutions, and credit agencies and similar credit grantors.
- (2) Fees for the re-application of declined loan(s), because of incorrect or erroneous information.
- (3) Costs or expenses (including mileage, associated parking costs, taxicab fees or public transit fees) incurred for notarizing affidavits for financial institutions, credit agencies, credit grantors or similar lenders.
- (4) Costs or expenses (including mileage, associated parking costs, taxicab fees or public transit fees) incurred for notarizing affidavits for law enforcement agencies.
- (5) Long distance telephone expenses to discuss an actual "Identity Theft Occurrence" to business, law enforcement agencies, financial institutions, credit agencies and similar credit grantors.
- (6) Earnings lost resulting from necessary time away from "Your" employment for the purposes of completing affidavits and meeting with credit agencies, similar credit grantors, law enforcement departments, financial institutions, merchants and legal counsel, up to \$300 per day to a maximum of \$5,000, for each "Identity Theft Occurrence".

- (7) Costs, fees or expenses associated with the replacing of Canadian or Provincial Government issued documents because of an "Identity Theft Occurrence".
- (8) Legal fees incurred directly as a result of an "Identity Theft Occurrence", with prior notice to "Us", for:
  - (a) The removal of any criminal or civil judgments wrongly entered against "You".
  - (b) Challenging the information in "Your" consumer credit report.
  - (c) The defense of lawsuits brought against "You" by business or their collection agencies.
- (9) "We" will reimburse "You" for the reasonable cost of obtaining two (2) credit reports after reporting to "Us" an "Identity Theft Occurrence". Coverage is for a period of 12 months, starting from the date of reporting the occurrence. Coverage will continue should this Policy expire.

#### Requirements after Loss

"You" are required to contact your local law enforcement agency and report the "Identity Theft Occurrence".

#### Exclusions

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

- (1) "Your" own use of "Your" identity;
- (2) "Your" intentional misuse of "Your" identity;
- (3) fraudulent, dishonest, criminal or intentional misuse of "Your" identity by "You", or any person acting with "You", by any resident of "Your" household or "Your" authorized representative, whether acting alone or in collusion with others; or
- (4) "Your" commercial or business pursuits.

Nor do "We" insure:

- (1) any losses covered by the use of "Your" credit card, automated teller card (debit card) or any other card or forgery and counterfeit money; or
- (2) any losses covered by credit card insurance, bank insurance or other coverage available to "You".

This coverage will be secondary with other insurance being primary and will apply once "Your" other insurance is exhausted.

#### Inflation Protection

"We" will automatically increase the amount(s) of insurance shown on the "Declaration Page" under this Form by amounts which are solely attributable to the inflation increase since the inception date of this Policy, the latest renewal or anniversary date or from the date of the most recent change to the amount(s) of insurance shown on the "Declaration Page", whichever is the latest.

#### INSURED PERILS

"You" are insured against direct loss or damage caused by the following perils as described and limited:

- (1) **Fire or Lightning.**
- (2) **Explosion.** This peril does not include water hammer.
- (3) **Smoke.** This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the "Premises", but not smoke from fireplaces.
- (4) **Falling Object.** This peril means a falling object, which strikes the exterior of the "Dwelling" or building, but not objects which strike because of snowslide, iceslide, landslide or any other earth movement.
- (5) **Impact by Aircraft or Land Vehicle.** Animals, birds or other pets are not insured under this peril.
- (6) **Riot.**
- (7) **Vandalism or Malicious Acts.**  
This peril does not include loss or damage:
  - (a) occurring while the building is "Under Construction" or "Vacant" even if permission for construction or vacancy has been given by "Us";
  - (b) caused by "You"; or
  - (c) caused by theft or attempted theft.
- (8) **Water Escape, Rupture, Freezing.** This peril means:
  - (a) the sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, water bed, swimming pool or equipment attached and public "Water Mains";
  - (b) the sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam, or lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water;
  - (c) freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance within a building heated during the usual heating season; and

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

"We" do not cover loss or damage:

- (a) caused by continuous or repeated "Seepage" or "Leakage" of water;
- (b) caused by the backing up of or escape of water from a sewer or drain, sump or septic tank, eaves trough or downspout;
- (c) caused by "Ground Water" or rising of the water table;
- (d) caused by "Surface Waters", unless the water escapes from a "Water Main" or swimming pool;
- (e) to "Water Mains" or outdoor plumbing systems and equipment attached (including but not limited to swimming pools, hot tubs or spas) caused by freezing, water or rupture;
- (f) to the system or appliance caused by rust or corrosion;
- (g) to the system or appliance from which the water escaped;
- (h) occurring while the "Dwelling" is "Under Construction" or "Vacant" even if permission for construction or vacancy has been given by "Us";
- (i) caused by freezing during the usual heating season:
  - i. within a normally heated portion of "Your" "Dwelling" if the heat has been intentionally turned off by "You" or at "Your" direction; or
  - ii. within a normally unheated portion of "Your" "Dwelling".

(9) **Windstorm or Hail.** This peril does not include loss or damage to "Your" personal property within a building or to the interior of a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.

Any watercraft "You" own are insured up to \$1,000 if they were inside a fully enclosed building at the time of loss. Canoes and rowboats are also covered while in the open.

This peril does not include damage:

- (a) to outdoor radio and/or TV antennae, towers, satellite receivers and their attachments; or
- (b) due to weight or pressure of ice or snow, waves, floods, tsunamis, land subsidence, whether driven by wind or not.

(10) **Glass Breakage.** "We" insure glass that forms part of "Your" "Dwelling" or detached private structures on "Your" "Premises", including glass in storm windows and doors, against accidental breakage.

This peril does not include loss or damage occurring while a building is "Under Construction" or "Vacant" even if permission for construction or vacancy has been given by "Us".

## LOSS OR DAMAGE NOT INSURED

"We" do not insure:

- (1) loss or damage occurring after "Your" "Dwelling" has, to "Your" knowledge, been "Vacant", even if partially or fully furnished, for more than thirty (30) consecutive days;
- (2) any property illegally acquired, kept, stored, transported, or property subject to forfeiture;
- (3) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (4) property because of voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretense;
- (5) books of account and evidences of debt or title except as provided under Special Limits of Insurance;
- (6) 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;
- (7) outdoor trees, shrubs, plants and lawns;
- (8) losses or increased costs of repair or replacement due to operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services, other than that coverage provided under Bylaws Insurance;
- (9) retaining walls not constituting part of any insured building;
- (10) property at any fairground, exhibition or exposition for the purpose of exhibition except as provided under Special Limits of Insurance; or
- (11) buildings or structures that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or business purposes, whether it is in use, unoccupied, or "Vacant" unless declared on the "Declaration Page".

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

- (12) by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any

- law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results from fire, lightning or explosion of natural, coal or manufactured gas;
- (13) by or resulting from contamination or pollution, or the release, discharge, or dispersal of contaminants or "Pollutants";
  - (14) by snowslide, earthquake, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;
  - (15) by wear, tear, scratching, marring, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, "Fungi" or "spore(s)" or contamination;
  - (16) resulting from any intentional or criminal act or failure to act by "You", "Your" employees or anyone to whom the damaged or lost property is entrusted;
  - (17) by birds, moths, rodents (such as squirrels and rats), insects or vermin (such as raccoons and skunks) or household pets;
  - (18) any intentional or criminal act or failure to act by:
    - (a) any person insured by this Policy;
    - (b) any other person at the direction of any person insured by this Policy;
  - (19) by mysterious disappearance; or
  - (20) due to the cost involved to correct faulty material, workmanship or design.

### **Data Exclusion**

This Policy does not insure:

- (1) "Data"; or
- (2) loss or damage resulting from, contributed to or caused directly or indirectly by "Data problem".

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

### **BASIS OF CLAIM PAYMENT**

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

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

### **Deductible**

In any one occurrence, "We" are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible shown on the "Declaration Page" in any one occurrence.

### **Dwelling Building and Detached Private Structures**

If "You" repair or replace the damaged or destroyed building on the same location, with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage, "You" may choose as the basis of loss settlement either **(A)** or **(B)** below; otherwise, settlement will be as in **(B)**.

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

### **Personal Property - Optional Replacement Cost**

This coverage is applicable only if shown as covered on the "Declaration Page", if not, "We" will pay the Actual Cash Value of the damage to personal property up to the applicable amount of insurance.

If there is a loss to personal property, "We" agree to pay on the basis of Replacement Cost provided that:

- (1) For electronic media "We" will pay the cost of reproduction from duplicates or from originals of the previous generation of the media. "We" will not pay the cost of gathering or assembling information or "Data" for reproduction.
- (2) For other 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 the records.
- (3) "We" will pay on the basis of Replacement Cost for all other personal property except;
  - (a) articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings, and statuary;
  - (b) articles for which their age or history substantially contributes to their value, such as memorabilia,



- souvenirs, and collector's items;
  - (c) property that has not been maintained in good or workable condition;
  - (d) property that is no longer used for its originally intended purpose;
- for which "We" will pay only on the basis of Actual Cash Value.

### **Replacement Cost**

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

- (1) repairing the property with materials of similar kind and quality; or
- (2) new articles of similar kind, quality and usefulness; without deduction for depreciation.

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

"We" will pay on the basis of Replacement Cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise "We" will pay on the basis of Actual Cash Value.

For personal property described under Special Limits of Insurance "We" will not pay more than the applicable limit under either the Replacement Cost or Actual Cash Value basis.

### **Co-insurance Clause**

"You" shall maintain insurance concurrent with this Policy on the property insured under this Policy, to the extent of at least 80% of the value of the property hereby insured and that failing to do so, "You" shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time bears to the amount of insurance required to be maintained by this clause.

### **Actual Cash Value**

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

### **Amounts Not Reduced**

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

### **Insurance Under More Than One Policy**

If "You" have insurance on specifically described property, "Our" Policy will be considered excess insurance and "We" will not pay any loss or claim until the amount of such other insurance is used up.

In all other cases, "We" will pay "Our" rateable proportion of the loss or claim under this Policy.