

RESIDENTIAL SHORT-TERM RENTAL EXTENSION

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED WITHIN THIS ENDORSEMENT AND THE FORMS OF THIS POLICY.

DEFINITIONS

Wherever used in this endorsement:

- (1) "Primary Residence" means the property shown on the "Declaration Page" where "you" reside during the majority of the Policy term.
- (2) "Rental Network Company" means an independent corporation, partnership, sole proprietorship, association or other entity or individual, not owned in whole or in part by "you", which operates a "rental network" for the sole purpose of prearranging "short-term rental" lodging.
- (3) "Rental Network" means an online enabled application, digital platform, software, website or system operated by a rental network company for the sole purpose of enabling individuals to list, find and rent "short term rental" lodging.
- (4) "Rental Premises" means the "primary residence" or "secondary residence" that is being operated as a "short-term rental".
- (5) "Secondary Residence" means the property listed on the "Declaration Page" that is owned by "you" and is not the "principal residence".
- (6) "Short-Term Rental" means the rental of all or a portion of "your" "primary residence" or "secondary residence" on a temporary basis, multiple times, to different individuals during a single Policy term and the arrangement for the rental is managed by "you" through a "rental network".
- (7) "Short-Term Tenant(s)" means the individual(s) occupying "your" rental premises or a portion of "your" rental premises under a "short-term rental".

COVERAGE AGREEMENT

For coverage to apply, the Residential Short-Term Rental Extension endorsement must show on the "Declaration Page" of "your" Residential Insurance Policy.

When "your" "dwelling" is being occupied as a "short-term rental", "you" are covered for direct physical loss or damage by sudden and unexpected occurrences of insured perils as described and limited in the residential form to which this endorsement is attached.

WHAT IS NOT COVERED

This endorsement does not cover loss or damage for:

- (1) glass breakage caused by any "short term tenant(s)", or an employee or member of the short-term tenant's household while the premises insured is being used as a "short-term rental", regardless of coverage in the residential form this endorsement attaches.

ADDITIONAL COVERAGE

- (1) Theft including Damage Caused by Attempted Theft
"We" will pay for loss or damage to insured property in that part of the "rental premises" rented to a "short-term tenant(s)" caused by theft or attempted theft by a "short-term tenant(s)" or an employee or member of the "short-term tenant's" household. Minimum \$2,500 deductible applies.
- (2) Vandalism or Malicious Acts
"We" will pay for loss or damage to insured property in that part of the "rental premises" rented to a "short-term tenant(s)" caused by vandalism or malicious acts by a "short-term tenant(s)" or an employee or member of the short-term tenant's household. Minimum \$2,500 deductible applies.
- (3) Intentional or Criminal Act or Failure to Act
"We" will pay for loss or damage to insured property in that part of the "rental premises" rented to a "short-term tenant(s)" caused by an intentional or criminal act or failure to act by a "short-term tenant(s)" or employee or member of the short-term tenant's household. Minimum \$2,500 deductible applies.

- (4) Uninsured Personal Property of Short-Term Tenant(s)
"We" will pay up to a total of \$1,500 for direct physical loss or damage to uninsured personal property of a "short-term tenant(s)" while the personal property is located at your "rental premises" in any single occurrence caused by fire, lightning, explosion or windstorm.
- (5) Additional Living Expenses – Fair Rental Value
In addition to the limit of Coverage D – Additional Living Expenses of the residential form this endorsement attaches, "we" will provide an additional limit of \$10,000 to cover loss of rental income from pre-booked guests when the "short-term rental" is unfit for occupancy due to damage caused by an insured peril to your "rental premises".

BASIS OF CLAIM PAYMENT

- (1) Damage Deposit Paid
"We" are responsible only for the amount by which any loss, damage or claim covered by this endorsement exceeds any damage deposit paid to "you" or to any other entity.
- (2) Deductible
Any loss or damage caused by theft or attempted theft, vandalism or malicious acts, and intentional or criminal act or failure to act, committed by any "short term tenant(s)", employee or member of the short-term tenant's household will be subject to a minimum deductible of \$2,500.
For all other types of insured losses "we" will pay only that portion of the loss that exceeds the deductible shown on the "Declaration Page".
- (3) Insurance under more than one (1) 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.

SPECIAL CONDITIONS

- (1) Regulations
For coverage to be applicable, all legislation, bylaws and municipal regulations must be adhered to.
- (2) Minimum Retained Premium
The premium charged is deemed to be the minimum retained premium for this endorsement and will not be refunded.

Unless stated in this form, all conditions, definitions, exclusions and provisions in "your" Residential Insurance Policy apply.