

COMPREHENSIVE HOME FORM

PROPERTY COVERAGES

Describes the insurance for "Your" property. It also includes Additional Living Expenses and/or Fair Rental Value in certain circumstances.

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IMPORTANT

This Policy contains various exclusions and limitations that eliminate or restrict coverage. Please read it carefully. Insurance cannot be a source of profit. Its design is 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.

“Digital Assets” means electronic files for which a fee has been paid that are downloaded and stored on home electronic equipment, computers or mobile phones. “Digital assets” does not include downloaded files pertaining to “Your” business.

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

“Homeowner” means an owner of a freehold dwelling.

“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;
- (10) windstorm or hail; or
- (11) transportation meaning loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to property in a vacation or home trailer which “You” own.

“Student” means any student insured by this Policy, who is temporarily living away from home for the purpose of attending a school, college or university. The student must be dependent on the named insured or his or her spouse for support and in order for coverage on this Policy to extend to him/her.

“Surface Water” 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.

“Volunteer” means any person who donates time to an organization for a charitable purpose or in direct service to the general public or the community.

“Water” means the chemical element defined as H₂O 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 waste water.

**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 removing debris of the property insured by this Policy as a result of an insured peril. When the damage to the property plus the cost of cleaning and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged building(s) will be available to cover debris removal expenses.

If "You" must remove insured property from "Your" "Premises" to protect it from loss or damage, it is insured by this Policy for 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

"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 "Your" "Dwelling" or private structures on the "Premises".

Building Fixtures and Fittings

"You" may apply up to 10% of the amount of insurance on "Your" "Dwelling" to insure building fixtures and fittings temporarily removed from the "Premises" for repair or seasonal storage.

Tear Out

If any walls, ceilings or other parts of insured buildings or structures must be torn apart before water damage, covered by this Policy can be repaired "We" will pay the cost of such work and its restoration. The cost of tearing out and replacing property to repair damage related to outdoor swimming pools or public "Water Mains" is not insured.

Outdoor Trees, Shrubs, Plants and Lawns

"You" may apply up to 10% in all, of the amount of insurance on "Your" "Dwelling", to trees, shrubs, plants and lawns on "Your" "Premises". "We" will not pay more than \$1,000 for any one tree, shrub, plant or lawn including debris removal expenses. "We" insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts, as described under "Specified Perils".

"We" do not insure items grown for commercial purposes.

COVERAGE B – DETACHED PRIVATE STRUCTURES

"We" insure structures or buildings on "Your" "Premises" separated from the "Dwelling" by a clear space but not insured under Coverage A. If they are connected to the "Dwelling" by a fence, utility line or similar connection only, they are considered to be detached structures.

Actual Cash Value Exception

Any building or structure that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or business purposes, whether it is in use, unoccupied, or "Vacant" is insured for Actual Cash Value only as described and defined in the Basis of Claim Payment section of this Policy (unless stated otherwise on the "Declaration Page").

COVERAGE C – PERSONAL PROPERTY

The description of personal property is as follows:

- (1) **ON PREMISES:** "We" insure the contents of "Your" "Dwelling" and other personal property "You" own, wear or use while on "Your" "Premises", which is usual to the ownership or maintenance of a dwelling.

If "You" wish, "We" will include uninsured personal property of others while it is on that portion of "Your" "Premises" which "You" occupy but "We" do not insure property of tenants, roomers or boarders who are not related to "You".

- (2) **OFF PREMISES:** "We" insure "Your" personal property while it is temporarily away from "Your" "Premises", anywhere in the world. This includes personal property newly acquired by "You" and in "Your" possession when there has not been an opportunity to take such property to "Your" "Premises".
 - (a) Personal property normally kept at any other location "You" own is not insured.

- (b) Personal property stored in a warehouse is only insured for thirty (30) days unless the loss or damage is caused by the peril of theft. To extend coverage in storage for a further period "We" must be notified in writing and endorse "Your" Policy as required.
- (c) If "You" wish, "We" will include personal property belonging to others while it is in "Your" possession or belonging to a "Residence Employee" traveling for "You".
- (d) Personal property used by any "Student", insured by this Policy, for an amount up to \$10,000, while temporarily living away from home.
- (e) Personal property belonging to others which is in "Your" possession while "You" are acting as a "Volunteer", for an amount up to \$1,000.
- (f) Personal property that "You" are moving to a new principal residence within Canada is insured while in transit and while at "Your" new principal residence for up to thirty (30) consecutive days beginning the day "You" start "Your" move. The amount of insurance will be divided in the proportion that the value of the property at each "Premises" and in transit bears to the value of all "Your" personal property, at the time of loss.

Property Not Included As Personal Property

"We" do not insure loss or damage to motorized vehicles, trailers and aircraft or their equipment (except for motorized wheelchairs and motorized scooters for the handicapped having more than 2 wheels, "Personal Transporters", motorized lawn mowers, garden-type tractors up to 30 kW [40HP] and their attachments, other motorized gardening equipment, snow blowers, watercraft or 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.

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) jewellery, watches, gems, fur garments and garments trimmed with fur, up to \$10,000 in all;
- (2) collectables, meaning specifically, sports cards, sports memorabilia, and comic book collections up to \$2,500 in all;
- (3) philatelic property (such as stamp collections) up to \$2,000 in all;
- (4) numismatic property (such as coin collections and bank note collections) up to \$1,000 in all; and
- (5) silverware, meaning silverware, silver-plated ware, gold ware, gold-plated ware and pewter-ware for up to \$15,000 in all.

The above limits do not apply to any claim caused by a "Specified Perils".

"We" insure:

- (6) each bicycle, their equipment and accessories up to \$2,000 in all;
- (7) antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
- (8) books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$6,000 in all; other business property, including samples and goods held for sale, is not insured;
- (9) computer software, including "Digital Assets" for personal use up to \$5,000 in all. "We" do not insure the cost of gathering or assembling information or "Data";
- (10) harness, saddles, tack and other similar equipment usual to the ownership of pet animals for pleasure purposes up to \$3,000 in all;
- (11) money including cash cards (meaning cards designed to store a cash value by electronic means for use as a mode of payment, without a personal identification number and without direct access to a bank or other account) or bullion up to \$1,000 in all;
- (12) motorized lawn mowers, other motorized gardening equipment and motorized golf carts, including attachments and accessories up to \$20,000 in all for any one occurrence;
- (13) property at any fairground, exhibition or exposition for the purpose of exhibition up to \$2,000 in all;
- (14) 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 \$5,000 in all;
- (15) spare automobile parts up to \$3,000 in all;
- (16) watercraft, their furnishings, equipment, accessories and motors up to \$3,000 in all;
- (17) fences, gateways and gates, and driveway construction materials up to \$25,000 in all;
- (18) utility trailers up to \$1,000 in all; and
- (19) "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 up to \$20,000 in all, for any one occurrence.

COVERAGE D – ADDITIONAL LIVING EXPENSE

The amount of insurance for Coverage D – Additional Living Expense 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, as a result of damage by an insured peril, "Your" "Dwelling" is unfit for occupancy or "You" have to move out while repairs are being made, "We" insure any necessary increase in living expenses, including moving expenses incurred by "You", so that "Your" household can maintain its normal standard of living. Payment shall be for 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, as a result of damage by 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.
- (3) **Prohibited Access.** If a "Civil Authority" prohibits access to "Your" "Dwelling":
 - (a) as a direct result of damage to neighbouring premises by an insured peril under this Policy, "We" insure any resulting additional living expense and fair rental value loss for a period not exceeding thirty (30) days; or
 - (b) by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, "We" insure any resulting necessary and reasonable increase in living expense incurred by "You" for the period access is prohibited. "You" are insured for a period not exceeding thirty (30) days from the date of the order of evacuation or \$3,000, whichever is the lesser.

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

- (a) flood, meaning waves, tides, tidal waves, tsunamis and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
- (b) earthquake; or
- (c) any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

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

EXTENSIONS OF COVERAGE

Bylaws Insurance

If there is a loss insured by this Policy, "We" will pay up to a maximum of \$20,000 for the additional cost of demolition, construction or repair which is required to comply with any law regulating demolition, construction or repair of dwellings.

"We" will not pay more than the minimum amount required to comply with an enforceable law.

Change of Temperature

"We" insure "Your" personal property damaged by change of temperature resulting from physical damage to "Your" "Dwelling" or equipment by an insured peril. This only applies to personal property kept in the "Dwelling".

Conviction Reward

"We" will pay \$1,000 each, for information which leads to a conviction of any person(s):

- (1) who robs, steals or burglarizes "Your" insured personal property; or
- (2) for arson in connection with a fire loss to property insured by this Policy.

This coverage may increase the amount otherwise applicable. However, the \$1,000 limit will not be increased regardless of the number of persons providing information. No deductible applies to this coverage.

Credit Card, Automated Teller Card, Library Card, Video Card, Forgery and Counterfeit Money

The maximum "We" will pay under this coverage during the term of this Policy is \$10,000 or the amount shown on the "Declaration Page" for:

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

"We" do not cover loss caused by the use of "Your" credit or debit cards, automated teller card, library card or video cards by a resident of "Your" household or by a person to whom the card has been entrusted, or loss arising out of "Your" business pursuits. No deductible applies to this coverage.

Emergency Services Forced Entry

"We" will pay up to \$5,000 in all for loss or damage caused to the "Dwelling" or detached private structure(s) when the fire, police or ambulance service has to force entry to the building(s) because of an emergency or perceived emergency involving "You" or "Your" family. No deductible applies to this coverage.

Extended Warranty Coverage

This coverage doubles the original manufacturer's warranty up to a maximum of one (1) 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.

Fire Department Charges

"We" will reimburse "You" for fire department charges incurred for attending "Premises" insured under this Policy to save or protect insured property from loss or damage, or further loss or damage insured against by this Policy. No deductible applies to this coverage.

Food Freezer

"We" will pay for loss or damage to food that spoiled while contained in "Your" food freezer located within "Your" "Dwelling", caused by the accidental interruption of electrical power occurring on or off "Your" "Premises", or by mechanical breakdown of

the freezer unit. This coverage includes damage to the freezer when it is due to the insured food spoilage and also reasonable expenses incurred by "You" to save and preserve the food from spoilage while "Your" freezer is being repaired.

"We" do not insure loss or damage:

- (1) due to deliberate manual disconnection of the electrical power supply on "Your" "Premises";
- (2) due to inherent vice and/or natural spoilage; or
- (3) due to "Your" failure to take all reasonable steps to prevent further loss or damage to the insured property.

No deductible applies to this coverage.

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 twelve (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.

Lock Replacement

"We" will pay up to \$1,000 to replace or re-key, at "Our" option, the locks on "Your" principal residence if the keys are stolen. No deductible applies to this coverage.

Pollution Damage – Insured Premises

If a sudden and unintentional event occurs during the Policy term resulting in pollution or contamination of property of the insured “Premises”, which is required to be reported to any provincial authority, “We” will pay up to \$50,000, in any one Policy year, subject to the Policy deductible, for costs to remove and restore property of the insured “Premises”.

Safety Deposit Box

“We” insure “Your” personal property up to a maximum of \$25,000, for loss or damage caused by an insured peril, while contained in a safety deposit box located in a vault at a bank, trust or safe deposit company. The Special Limits on personal property do not apply to this coverage.

Tombstones, Monuments and Headstones

Up to \$2,000 in all may be applied to tombstones, monuments or headstones of “Your” deceased parent, spouse or children located at any public or church cemetery in the Province of Ontario. “We” insure these items for “Specified Perils” only.

Water Escape

This extension of coverage only applies to those locations that show Water Escape coverage on the “Declaration Page”. Coverage is limited to the amount shown on the “Declaration Page” and is subject to the Policy deductible.

“You” are insured for sudden and accidental direct physical loss or damage to the “Dwelling”, detached private structures and personal property as listed on the “Declaration Page” which resulted from a “Single Occurrence” and is caused by:

- (1) “Flood”; or
- (2) “Sewer, Septic tank, Drain, or Sump Back Up”.

Exclusions

This endorsement does not cover loss or damage caused directly or indirectly:

- (1) occurring while the “Dwelling” is “Vacant” or “Under Construction”, irrespective of any permission for vacancy or construction elsewhere in this Policy;
- (2) in whole or in part, by waves, tides, tidal waves, storm surge, tsunamis or seiches, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
- (3) by “Flood” to insured property:
 - (a) located within 100 metres of the shoreline of a body of water or the bank of a river or other flowing water with a bankfull width of 5 metres or more. However, this exclusion does not apply if building(s) or structure(s) at grade have an elevation of at least 7 metres above the natural bank of the river or other flowing water; or
 - (b) seeping of water through the foundation.

Definitions

“Flood” means water that accumulates upon or submerges land resulting from the unusual and rapid accumulation of water from any source, including the breaking out or the overflow of any body of water or watercourse, whether natural or artificial.

“Single Occurrence” means all events that occur within any 72 consecutive hours commencing during the term of this Policy. The single occurrence must have occurred on or after the effective date of the addition of water escape coverage. The expiration of this Policy will not reduce the 72 consecutive hour period.

“Sewer, Septic Tank, Drain, or Sump Back Up” means sudden and accidental “Leakage” or escape of water from a sewer, drain, sump, septic tank or sump pit within the insured “Dwelling” and detached private structures.

INSURED PERILS

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

EXCLUSIONS

Property Excluded

“We” do not insure the loss of or damage to:

- (1) “Your” insured property when “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 or 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) outdoor trees, shrubs, plants or lawns except as provided under Coverage A – Dwelling Building;

- (6) books of account and evidences of debt or title except as provided under Special Limits of insurance;
- (7) 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;
- (8) animals, birds or other pets unless the loss or damage is caused by a "Specified Peril" other than impact by aircraft or land vehicle;
- (9) sporting equipment where the loss or damage is due to its use;
- (10) property at any fairground, exhibition or exposition for the purpose of exhibition except as provided under Special Limits of insurance;
- (11) retaining walls not constituting part of any insured building except for fire, lightning, impact by aircraft or land vehicle or vandalism and malicious acts.

Perils Excluded

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

- (1) by or resulting from contamination or pollution or the release, discharge or dispersal of contaminants or "Pollutants", except damage caused by the sudden and accidental escape of fuel from a permanently installed "Domestic Fuel Tank" (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured "Dwelling" or detached private structure as provided under the Extensions of Coverage;
- (2) 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;
- (3) by wear, tear, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, "Fungi" or "Spore(s)", or contamination;
- (4) by scratching, marring, abrasion or chipping of any property or breakage of any fragile or brittle articles unless caused by a "Specified Peril", accident to a land vehicle, watercraft or aircraft, or theft or attempted theft;
- (5) by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
- (6) 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;
- (7) due to the cost involved to correct faulty material or workmanship, or design;
- (8) by settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
- (9) by smoke from agricultural smudging or industrial operations;
- (10) by buildup of smoke. Smoke damage must be sudden and accidental;
- (11) by any earth movement including, but not limited to, earthquake, landslide, snowslide, or iceslide. If any of these results in fire or explosion, "We" will pay only for the resulting loss or damage;
- (12) by collapse of:
 - (a) outside property such as awnings, fences, or trellises unless resulting from structural collapse of foundations, walls, floors or roof of a building;
 - (b) patios, driveways, walks or retaining walls, outdoor radio and/or television antennae, towers, satellite receivers and their attachments;
- (13) by water unless the loss or damage directly resulted from:
 - (a) the sudden and accidental escape of water from within a "Water Main", swimming pool, hot tub or equipment attached;
 - (b) the sudden and accidental escape of water or steam from within a heating, sprinkler, air conditioning or plumbing system, "Domestic Water Container" or waterbed 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 insured 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 peril not otherwise excluded;
 - (e) water from the accumulation of ice or snow on the roof or eaves trough, which enters the "Dwelling" through the roof;

But "We" do not cover loss or damage:

 - (a) caused by continuous or repeated "Seepage" or "Leakage" of water;
 - (b) caused by the backing up 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 Water", unless the water escapes from a "Water Main" or from a "Domestic Water Container" located outside "Your" "Dwelling";
- (e) caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
- (f) to "Water Mains" or system or "Domestic Water Container" and equipment attached from which the water escaped;
- (g) occurring while the "Dwelling" is "Under Construction" or "Vacant", even if permission for construction or vacancy has been given by "Us";
- (h) 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";
- (14) caused by change of temperature unless the loss or damage:
 - (a) is to personal property kept in "Your" "Dwelling"; and
 - (b) is the result of physical damage to "Your" "Dwelling" or equipment caused by a peril not otherwise excluded;
- (15) 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"; or
- (16) from the part of the "Dwelling" rented to others, caused by theft or attempted theft by any tenant, tenant's employee, or members of a tenant's household.

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. Any loss or damage shall not reduce the amounts of insurance provided by this Policy (except as limited under pollution coverage).

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

Deductible

In any one occurrence, "We" are responsible only for the amount by which the insured loss or damage caused by any of the insured perils exceeds the amount of the deductible shown on the "Declaration Page". However, the deductible shall not apply to any loss which exceeds \$25,000 in any one occurrence.

If one occurrence could lead to the application of more than one deductible, only the largest deductible will apply.

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

Dwelling Building and Detached Private Structures

If "You" repair or replace the damaged or destroyed building on the same location, with 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.

Detached Private Structure Exception

For any building or structure that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or business purposes, whether it is in use, unoccupied, or "Vacant", the basis of loss settlement will be as in **(B)** above (unless stated otherwise on the "Declaration Page").

Guaranteed Rebuilding Cost – Dwelling Building

If this coverage is shown on the “Declaration Page”, “You” may choose as the basis of loss settlement for the building(s) designated with this coverage either **(A)** or **(B)** below; otherwise settlement will be as in **(B)**.

- (A)** “We” will pay the full cost of repairs or replacement even if it exceeds the amount of insurance stated on the “Declaration Page” for the “Dwelling” building.
- (B)** If “You” decide not to repair or replace, “We” will pay the Actual Cash Value of the damage to the “Dwelling” building up to the applicable amount of insurance stated on the “Declaration Page”.

This coverage is available as long as the following conditions are met:

- (1) the building is insured to 100% of its Replacement Cost. This cost will be established by the use of an industry recognized evaluation calculator;
- (2) “You” agree to accept each annual adjustment in the coverage limits of liability and pay the additional premium;
- (3) “You” notify “Us” within thirty (30) days of the start of any additions or other physical changes to the “Dwelling” building(s) which may increase the Replacement Cost of the structure by 5% or more, and to pay any resulting additional premium;
- (4) “You” decide to repair or replace the damaged or destroyed “Dwelling” building on the same site with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage; and
- (5) this extension does not apply to “Dwelling” buildings while “Under Construction”.

Guaranteed Replacement Cost does not apply to losses or increased costs of repair or replacement due to the operation of any law or subordinate authority, including but not limited to any by-law, decree, executive order, guidelines, ordinance, policy, regulation, rule, ruling, building code requirement, or requirements of law, governmental or other public authority regulating the zoning, demolition, repair, construction or reconstruction of buildings and their related services, other than that coverage provided under bylaws insurance Extension of Coverage.

This coverage is void if “You” fail to comply with the above noted conditions.

Personal Property (On Premises or Off Premises) – Replacement Cost

- (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 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.

“You” may choose payment on the basis of Actual Cash Value initially. If “You” later decide to replace any destroyed or stolen property “You” may make an additional claim for the difference between the Actual Cash Value and Replacement Cost basis within one-hundred and eighty (180) days after the date of loss.

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.

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.

Combined Limit

This clause only applies if it is specified on the "Declaration Page".

If the amount of insurance stated on the "Declaration Page" for any property coverage (Dwelling Building, Detached Private Structures, Personal Property or Additional Living Expense) is inadequate to satisfy "Your" loss, "You" may apply the unused amounts of insurance remaining under property coverages until the total amounts of insurance under these coverages become exhausted.

The sum of the limits of insurance for Dwelling Building, Detached Private Structures, Personal Property or Additional Living Expense is the combined limit.

"You" must comply with the following conditions:

- (1) the "Dwelling" building and all detached private structures are insured to 100% of its rebuilding cost. This cost will be established by the use of an industry recognized evaluation calculator;
- (2) "You" agree to accept each annual adjustment in the coverage limits of liability as recommended by "Us" and pay the additional premium;
- (3) "You" notify "Us" within thirty (30) days of the start of any additions or other physical changes to the building(s), which may increase the rebuilding cost of the structure by 5% or more, and pay any resulting additional premium; and
- (4) the building is promptly built on the same site.

If "You" do not comply with the above conditions the combined limit settlement basis will not apply. The applicable Policy limits stated on the "Declaration Page" for Dwelling Building, Detached Private Structures, Personal Property or Additional Living Expense will apply.

If Limited Guaranteed Rebuilding Cost endorsement or Guaranteed Rebuilding Cost is shown as included on the "Declaration Page" and in the event of an insured loss to the "Dwelling" building, the limit shown for "Dwelling" building is subtracted from the combined limit and the loss on the "Dwelling" building is settled in accordance with the Limited Guaranteed Rebuilding Cost Endorsement or Guaranteed Rebuilding Cost clause. Additional loss on Detached Private Structures, Personal Property and/or Additional Living Expense will be paid up to the remaining portion of the combined limit.

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

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