

Homeowner Comprehensive Coverage



We're the folks you want to talk to.

Anthony Insurance has been bringing outstanding financial protection to our clients since 1954. Since then we have grown to become one of the largest, integrated insurance providers in Atlantic Canada.

Through the quality of the products we offer, our goal is to bring you peace of mind by protecting your financial security from the risks of everyday life.

Anthony Insurance is proud to provide this policy through Novex Insurance Company. Novex Insurance Company is a member of the Intact Financial Corporation group of companies, Canada's largest home, auto and business insurance provider, which protects millions of customers across the country. By choosing Novex Insurance Company you have the support of a company dedicated to protecting the things you care about.

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Novex Insurance Company

A GUIDE TO USING YOUR POLICY

Your Insurance Policy has been written in clear language to help you understand better the insurance protection you have purchased.

This page is only a guide and you should always consult your Policy which is a legal contract between you and your insurance company.

When you read your Policy you will find that it contains four main sections:

1. The first deals with the insurance on your own property such as your home, furniture and other personal possessions;
2. The second deals with the insurance you have purchased to cover your responsibility for injury to other people or damage to their property;
3. The third section deals with other coverages;
4. The fourth section deals with the conditions that apply to the policy.

In order to have a better understanding of what your policy provides, you should take the following steps:

Section 1 deals with protection on your own property:

1. Check under the Coverages heading to find out what things are covered and if there are any special limits on those objects;
2. Check under the Insured Perils heading to find out if the event causing loss or damage is insured;
3. Check under the heading, Loss or Damage Not Insured;
4. Check the Coverage Summary page and Schedule of Articles Insured for amounts of insurance;
5. Check the Statutory and Policy Conditions, Endorsements and any other documents attached to your policy.

Section 2 deals with your responsibility to other people, such as a person falling and being injured on your property or damage to someone else's property.

Your protection under Coverage E applies when you are legally liable and includes a provision for your defence costs. Under Coverage F and G the policy provides a voluntary payment for another person's medical expenses or property damage even though you may not be legally liable.

Section 3 deals with other coverages. These coverages apply only if stated on the Coverage Summary page.

In order to have a better understanding of the protection you have purchased against such claims you should take the following steps:

1. Check Definitions;
2. Check under the various Coverage headings;
3. Check Special Limitations applicable to Section 2 for such things as: watercraft, motorized vehicles, business and business property;
4. Check Loss or Damage Not Insured under Section 2;
5. Check conditions applicable to Section 2;
6. Check Insurance Under More than One Policy, if that applies;
7. Check the Coverage Summary page and Schedule of Articles Insured for the amounts of insurance;
8. Check the endorsements and other coverages if any.

Reminder: This is only a guide and not part of your Policy. The agreement between you and your company is fully set out in the Policy.

HOMEOWNERS COMPREHENSIVE COVERAGE

TABLE OF CONTENTS	PAGE
A Guide to Using Your Policy	2
AGREEMENT	4
SECTION 1 - PROPERTY COVERAGE	4
Definitions	4
COVERAGE A - DWELLING BUILDING	4
• Building Fixtures and Fittings	4
• Tear Out	4
COVERAGE B - DETACHED PRIVATE STRUCTURES.....	5
COVERAGE C - PERSONAL PROPERTY	5
• Special Limits of Insurance.....	5
COVERAGE D - ADDITIONAL LIVING EXPENSES	5
• Additional Living Expenses.....	5
• Fair Rental Value	5
• Prohibited Access by Civil Authority.....	5
ADDITIONAL COVERAGES.....	5
• Debris Removal.....	5
• Protection of Property From Loss.....	5
• Fire Department Service Charge.....	5
• Outdoor Trees, Shrubs, Plants, and Lawns	5
• Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money	6
• Inflation Protection	6
• Mass Evacuation Additional Living Expense Extension	6
• Automatic Removal Permit	6
• Lock Replacement	6
• Home Freezer Insurance.....	6
• Arson or Theft Conviction Reward.....	6
INSURED PERILS.....	6
EXCLUSIONS - LOSS OR DAMAGE NOT INSURED.....	6
BASIS OF CLAIM SETTLEMENT.....	7
• Deductible.....	7
• Coverage A – Dwelling Building and	7
• Coverage B – Detached Private Structures	7
• Coverage C – Unscheduled Personal Property	7
SECTION 2 - LIABILITY COVERAGE	8
Definitions	8
COVERAGE E - PERSONAL LIABILITY.....	8
• Defence, Settlement, Supplementary Payments	8
COVERAGE F - VOLUNTARY MEDICAL PAYMENTS	9
COVERAGE G - VOLUNTARY PROPERTY DAMAGE	9
VOLUNTARY COMPENSATION FOR RESIDENCE EMPLOYEES.....	9
SPECIAL LIMITATIONS	10
• Watercraft.....	10
• Motorized Vehicles.....	10
• Trailers.....	10
• Business or Business Property.....	10
EXCLUSIONS - LOSS OR DAMAGE NOT INSURED.....	11
CONDITIONS	11
SECTION 3 - OPTIONAL COVERAGES	11
RESIDENCE GLASS ENDORSEMENT.....	11
GUARANTEED REPLACEMENT COST PRINCIPAL DWELLING	11
BUILDING BYLAWS ENDORSEMENT	12
EARTHQUAKE ENDORSEMENT.....	12
FIRE AND EXTENDED COVERAGE FORM	12
SEASONAL RESIDENCE OPTIONAL BURGLARY AND ROBBERY ENDORSEMENT	15
SEASONAL RESIDENCE OPTIONAL VANDALISM AND MALICIOUS ACTS ENDORSEMENT	16
PERSONAL ARTICLES FLOATER	16
BOAT AND MOTOR FLOATER	17
SECTION 4 - POLICY CONDITIONS	18
PROVINCIAL STATUTORY CONDITIONS	18
GENERAL CONDITIONS.....	19

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

The Coverage Summary page summarizes the coverages and amounts of insurance we have agreed to provide and the period for which they are provided. This policy consists of four Sections:

SECTION 1 describes the insurance for your property.
SECTION 2 describes the insurance for your legal liability to others because of bodily injury and property damage.
SECTION 3 describes optional coverages you may require to complete your insurance protection on property you own.
SECTION 4 is the Policy Conditions.

SECTION 1 – PROPERTY COVERAGE

DEFINITIONS

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.

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

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 any emergency.

Data means representations of information or concepts in any form.

Data Problem means:

- erasure, destruction, corruption, misappropriation, and/or misinterpretation of data;
- error in creating, amending, entering, deleting or using data, or
- inability to receive, transmit or use data.

Domestic Water Container means a device or apparatus for personal use on the premises for containing, heating, chilling or dispensing water. It does not include plumbing, heating, cooling or sprinkler systems.

Drain means a fixture or device located within or on the insured dwelling or additional buildings on your premises, connected to the waste water and/or sewer drainage piping system, for the purpose of removing water or sewage from the dwelling. This does not include weeping tile or a perimeter drainage system.

Dwelling means the building described on the Coverage Summary page occupied by you as a private residence.

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

Fungi means, but is not limited to, any form or type of mold, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "Fungi" or "Spores" or resultant mycotoxins, allergens or pathogens.

Homeowner means an owner of a freehold dwelling.

Policy Limit means the sum of the amounts shown on your Coverage Summary page for the Dwelling Building, Additional Buildings, Personal Property and Loss of Use of Your Dwelling.

Premises means the dwelling, private detached structures and the land contained within the lot lines on which the dwelling is situated.

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.

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 similar nature for you. This does not include persons while performing duties in connection with your business or independent contractors.

Spores means, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "Fungi".

Sump means a sump pit, well or basin, lined with concrete or other liner, located within your dwelling or additional buildings on your premises, connected to a mechanical or gravity fed evacuation pump system, for the purpose of collecting and removing water. A sump pit, well or basin not equipped with a mechanical pump or gravity fed evacuation system is not a sump.

Tenant means one who rents property from another for dwelling purposes.

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.

Vacant means the occupant(s) has/have moved out and the building is devoid of most furnishings and effects. A newly constructed dwelling is vacant after it is completed and before the occupant(s) move(s) in. Furthermore the dwelling is also vacant when the occupant(s) move(s) out and before any new occupant(s) move(s) in.

We or us means the company providing this insurance.

Work from Home – means work of an office nature undertaken by you, as an employee, remotely from your residence rather than from an office of your employer, whether on a full time or occasional basis.

You and your means the person(s) named as Insured on the Coverage Summary page and, while living in the same household:

- his or her spouse;
- the relatives of either; and
- any person under 21 in their care.

Spouse means: a person who is married to and living with another person, or a person who has been living in a de facto union with another person of the opposite or the same sex and has been publicly represented as a spouse for at least three years or, in the following cases, for at least one year:

- a child has been born or is to be born of their union;
- they have adopted a child together; or
- one of them has adopted a child of the other.

COVERAGE A -DWELLING BUILDING

We insure:

1. the dwelling and attached structures;
2. permanently installed outdoor equipment on the premises;
3. outdoor domestic water containers and attached equipment on the premises;
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. We insure against the peril of theft only when your dwelling is completed and ready to be occupied.

Building Fixtures and Fittings

You may apply up to 20% 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 so that water damage covered by this policy can be repaired, we will pay the cost of repairing that which had to be torn apart.

The cost of tearing out and replacing property to repair damage to outdoor domestic water containers, public water mains or sewers, outdoor swimming pools, hot tubs or similar appliances are not included in this extension.

COVERAGE B - DETACHED PRIVATE STRUCTURES

We insure structures or buildings separated from the dwelling by a clear space, on your premises 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.

COVERAGE C - PERSONAL PROPERTY

We insure your personal property while it is anywhere in the world except while at any other location you own.

If you wish, we will include uninsured personal property owned by 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 insure the personal property of any student insured by this policy, who is temporarily living away from home for the purposes of attending a school, college or university for an amount not exceeding \$20,000. The student must be dependant on the Named Insured or his or her spouse for support and maintenance and must intend to return to the principal residence upon completion of the school year in order for this coverage to apply.

We do not insure loss or damage to motorized vehicles, aircraft or their equipment (except for watercraft, motorized lawn mowers, motorized wheelchairs, other gardening equipment or snow blowers). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft.

We insure your personal property for an amount of up to 20% of the amount of insurance on your personal property while situated at any other residence that you own, other than the principal residence.

Personal property stored in a warehouse is only insured for thirty (30) days unless the loss or damage is caused by theft. This coverage is subject to a limit of \$5000. To extend coverage while personal property is in storage for a further period, we must be notified in writing and endorse your policy as required.

Special Limits Of Insurance

We insure:

1. books, tools and instruments pertaining to a business, profession or occupation only while on your premises up to \$7500 in all. Other business property including samples and goods held for sale is not insured;
2. securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports and tickets, up to \$5,000 in all;
3. money or bullion up to \$1000 in all;
4. watercraft, including their trailers, furnishings, equipment and outboard motors up to \$2,000 in all;
5. animals, birds or fish up to \$1,000 in all, but excluding loss by theft or mysterious disappearance;
6. computer software up to \$1,000 in all. We do not cover the cost of gathering or assembling information or data or writing a programme. Business records are not covered;
7. garden type tractors including attachments and accessories up to \$5,000 in all.

The following Special Limits of Insurance apply if the items described below are lost, misplaced, or stolen:

1. jewelery, watches, furs, precious and semi-precious stones up to \$10,000 in all, but not more than \$2,500 per single item;
2. numismatic property (such as coin collections) up to \$1,000 in all;
3. collections of sport cards and comic books up to \$500 in all;
4. stamps and philatelic property up to \$1,000 in all;

5. bicycles, their equipment and accessories up to \$500 in all for each bicycle;
6. silverware, silverplated ware, goldware, goldplated ware and pewterware up to \$20,000 in all.

COVERAGE D - ADDITIONAL LIVING EXPENSE

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.

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 of insured damage 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.

Fair Rental Value

If an insured peril makes that part of your dwelling, detached buildings or 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 rebuild that part of the dwelling or detached buildings or 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 buildings or structures rented or held for rental is unfit for occupancy.

Prohibited Access by Civil Authority

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

We do not insure loss or damage or additional expense caused by the cancellation of a lease or agreement.

ADDITIONAL COVERAGES

Debris Removal

We will pay the reasonable expense incurred by you in the removal of debris of covered property, provided coverage is afforded for the peril causing the loss. Where the amount of loss covered under this Policy exceeds the limit of Coverage A, this Policy will provide up to an additional amount of insurance of 5% of Coverage A for debris removal.

Protection of Property from Loss

We will reimburse you for reasonable expenses incurred by you for necessary repairs to protect property from further damage after a loss or to remove property from your premises when endangered by an insured peril. We will cover for direct loss from any insured cause, property which is removed from your premises to protect it from loss or further damage after a loss. This coverage applies for a period of ninety (90) days, but does not increase the Limit of Liability applying to the property being repaired or removed.

Fire Department Service Charge

We will pay your liability assumed by contract or agreement for charges incurred when a Fire Department answers a call to protect your property from a peril insured against.

This coverage is not subject to a deductible.

Outdoor Trees, Shrubs, Plants and Lawns

We cover outdoor trees, shrubs, plants and lawns you own on your principal residence premises for up to 5% of Coverage A, Dwelling Building. However, we will not pay more than \$1,000 for any one tree, shrub, plant or lawn including debris removal.

Coverage is for loss or damage caused by fire, lightning, explosion, impact by aircraft or land vehicle, riot, vandalism and malicious acts.

We do not insure any property grown for business purposes.

Credit Card, Fund Transfer Card, Forgery and Counterfeit Money

We will pay up to a limit of liability of \$5,000 for:

- (a) your legal obligation to pay because of the theft or unauthorized use of credit cards issued to you or registered in your name;
- (b) loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to you or registered in your name.

We do not cover use by a resident of your household, a person who has been entrusted with the credit card or fund transfer card, or any person if you have not complied with all terms and conditions under which the credit card or fund transfer card is issued;

- (c) loss to you caused by forgery or alteration of any cheque or negotiable instrument; and
- (d) loss to you through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered one loss. We do not cover your loss arising out of any business activity or the dishonesty of any insured.

Defense:

- (a) we may make any investigation and settle any claim or suit that we decide is appropriate;
- (b) if a claim is made or a suit is brought against you for liability under the Credit Card or Fund Transfer Card coverage, we may provide a defence at our expense by counsel of our choice;
- (c) we have the option to defend, at our expense, you or your bank against any suit for the enforcement of payment under the Forgery coverage;
- (d) our obligation to defend any claim ends when the amount we pay for loss equals our limit of liability.

Inflation Protection

If there is a loss insured under Section 1, we will automatically increase the amounts of insurance shown on the Coverage Summary page, under Section 1, by amounts which are solely attributable to the inflation increase set by us:

- since the inception date of this policy; or
- the latest renewal date; or
- from the date of the most recent change to the amounts of insurance shown on the Coverage Summary page, whichever is the latest.

On the renewal date of your policy, if required, we will automatically increase the amounts of insurance shown on the Coverage Summary page, under Section 1, by amounts which are solely attributable to the inflation increase set by us since the inception date of this policy or the latest renewal date.

Mass Evacuation Additional Living Expense Extension

We will pay any necessary and reasonable increase in living expense incurred by you while access to your dwelling is prohibited by order of civil authority, but only when such order is given for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America.

You are insured for a period not exceeding two weeks from the date of the order of evacuation and up to a limit of \$2,500.

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

- (a) flood;
- (b) earthquake;
- (c) war, invasion act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
- (d) nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material.

Automatic Removal Permit

We insure your personal property while you are moving from the premises shown on the policy to a dwelling anywhere in Canada. If you have personal

property in more than one location including property in transit, the amount of insurance will be divided in the proportions that the value of property in each location has to the value of all your personal property at the time of loss.

Your personal property, while you are moving, will be covered only for a period of 30 days commencing on the date you started moving or until your policy term ends, whichever occurs first.

Lock Replacement

We will pay up to \$500 for the replacement of locks on your residence if the keys are stolen. We will pay 50% of the cost, up to \$500, for the replacement of locks to your dwelling, if such replacement is the result of the Insured's key(s) being lost. You must notify us within 72 hours of the discovery of the keys being lost.

This coverage is not subject to a deductible.

Home Freezer Insurance

We will pay for frozen food contained in your freezer on the Principal Residence premises if there is direct loss or damage from failure of the freezer's refrigeration machinery due to mechanical breakdown or power interruption. You must agree to take all reasonable steps to save and preserve the food contents of your freezer. We will pay the actual cash value of the lost or damaged frozen foods at the current market prices at date of loss. We will not pay for any expenses you incur in the replacement or original acquisition of the frozen foods.

Arson or Theft Conviction Reward

We will pay up to \$1,000 to any person, excluding law enforcement officers or agencies, for information which leads to a conviction for either arson or theft in connection with loss or damage to property insured by this policy. This coverage may increase the amount payable under the policy. However, the \$1,000 limit is the maximum we will pay regardless of the number of persons providing the information.

This coverage is not subject to a deductible.

INSURED PERILS

You are insured against all risks of direct physical loss or damage to the property described in Coverage A, B, C and D except for the following exclusions and conditions.

EXCLUSIONS – LOSS OR DAMAGE NOT INSURED

We do not insure:

1. buildings or structures used in whole or in part for farming purposes; or business purposes, except work from home, unless declared on the Coverage Summary page;
2. business property pertaining to a business actually conducted on the residence premises, or business property away from the residence premises;
3. any property illegally acquired, kept, or transported;
4. marring or scratching of any property or breakage of any fragile or brittle articles unless caused by fire, theft or attempted theft, lightning, explosion, smoke, falling object, impact by aircraft or land vehicle, riot, vandalism or malicious acts, freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance, rupture of heating, plumbing, sprinkler or air conditioning system, or by escape of water from such a system, or from a domestic water container or equipment attached, or from a public watermain;
5. wear and tear, deterioration, defect or mechanical breakdown, rust or corrosion, extremes of temperature;
6. settling, expansion, contraction, moving, bulging, buckling or cracking of pavements, patios, foundations, walls, floors, roofs or ceilings except resulting damage to building glass;
7. sporting equipment where the loss or damage is due to its use;
8. the cost of making good faulty material or workmanship.

We do not insure loss or damage:

9. occurring after your dwelling has, to your knowledge been vacant, for more than thirty (30) consecutive days;

10. caused 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 directly from fire, lightning or explosion of natural, coal or manufactured gas;
11. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
12. resulting from any 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;
13. caused by vermin or insects except loss or damage to building glass;
14. caused by wet or dry rot, fungi or spores, condensation, acid rain or contamination;
15. caused by smoke from agricultural smudging or industrial operation;
16. caused by snowslide, earthquake, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only the resulting loss or damage;
17. caused by settling, expansion, contraction, moving, bulging, buckling or cracking, except resulting building glass breakage;
18. caused by theft or attempted theft by any tenant or members of a tenant's household or employees of the tenant;
19. 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;
20. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is vacant even if permission for vacancy has been given by us;
21. caused by water unless 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 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. However, such damage is not covered when the escape of water is caused by freezing;
 - d) 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 insure loss or damage:

- i. caused by freezing during the usual heating season:
 - within an unheated portion of your dwelling; or
 - if you have been away from your premises for more than four (4) consecutive days, unless you had arranged for a competent person to enter your dwelling daily to ensure that heating was being maintained or if you had shut off the water supply and had drained all the pipes and appliances, in which case you would still be insured;
- ii. caused by continuous or repeated seepage or leakage of water;
- iii. caused by the backing up or escape of water from a sewer, storm drain, drain, sump or septic tank;
- iv. caused by ground water or rising of the water table;
- v. caused by surface waters including flood, unless the water escapes from a watermain or from a domestic water container located outside your dwelling;
- vi. to a watermain;
- vii. to a system or appliance, swimming pool, hot tub, whirlpool, bath or similar enclosure or equipment attached to a public watermain, caused by water escape, rupture or freezing;
- viii. occurring while the building is under construction, vacant, or unoccupied, even if we have given permission;
22. resulting directly from power interruption, meaning the interruption of power or other utility service when the interruption takes place away from the premises. If a peril insured against ensues on the premises, we will pay only for loss caused by the ensuing peril;
23. to buildings or structures or personal property contained in them, used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from or containing marijuana or any other substance falling within Schedule (Section 2) of the Controlled Drugs and Substances Act Narcotic Control Regulations.

Nor do we insure:

24. data;
25. 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, leakage from fire protective equipment, water damage, this exclusion shall not apply to such resulting loss or damage;
26. loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage except for ensuing loss or damage which results directly from fire or explosion, as described in Specified Perils.

BASIS OF CLAIM 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 any one occurrence.

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

Deductible

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

When the same incident applies to both Novex home and Novex automobile insurance contracts, the highest deductible is the only one applicable.

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

Except as provided under Loss Settlement below we are not liable beyond the actual cash value of the Property at the time any loss or damage occurs.

Coverage A – Dwelling Building and Coverage B – Detached Private Structures

Loss Settlement

If you repair or replace the damaged or destroyed building on the same location with a building of the same occupancy and comparable size and structure with materials of similar quality within a reasonable time after the damage, we will pay up to the cost of repairs or replacement, whichever is less, without deduction for depreciation. In the event you are underinsured, 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, not exceeding the actual cost incurred. (If your Coverage Summary indicates Guaranteed Replacement Cost Building, please refer to the Guaranteed Replacement Cost Building wording under Section 3 – Optional Coverages.)

In determining the cost of repairs or replacement we will not pay or include the increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of the buildings and their related services. (If your Coverage Summary indicates By-Law Endorsement, please refer to the By-Law Endorsement wording under Section 3 – Optional Coverages.)

If loss or damage is not replaced or repaired within a reasonable time, we will pay the Actual Cash Value of the loss or damage at the date of the occurrence.

Coverage C – Unscheduled Personal Property (Replacement Cost)

Loss Settlement

Covered property losses under Coverage C are settled as follows:

We will pay the lesser of:

1. the cost of repair; or
2. the cost of new articles of similar kind, quality and usefulness without any deduction for depreciation; or
3. the limit of insurance for Coverage C.

We will not pay more than the Actual Cash Value of the loss or damage:

1. if repair or replacement is not effected as soon as reasonably possible;
2. for property no longer in use for its originally intended purpose;
3. for fine arts, antiques, paintings, and similar articles which by their inherent nature cannot be replaced by a comparable article.

All of the limitations, exclusions and conditions of the policy apply to Loss Settlements.

SECTION 2 – LIABILITY COVERAGE

DEFINITIONS

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

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

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

Data in this section has the same meaning as in Section 1.

Fungi in this section has the same meaning as in Section 1.

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

Premises means all premises where the person(s) named as Insured on the Coverage Summary page, or their spouse, maintains a residence, including seasonal and other residences, provided such premises are specifically described on the Coverage Summary page. This does not include business property or farms.

It also includes:

1. premises where you are residing temporarily or which you are using temporarily, as long as you are not:
 - a) the owner of the premises;
 - b) the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days;
2. premises in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
 - a) 30 consecutive days;
 - b) the date the policy expires or is terminated;
 - c) the date upon which specific liability insurance is arranged for such premises;
3. individual or family cemetery plots or burial vaults;
4. vacant land in Canada you own or rent, other than farm land;
5. land in Canada where you or an independent contractor is building a one, two or three family residence to be occupied by you.

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

Residence Employee in this Section has the same meaning as in Section 1.

Spores in this section has the same meaning as in Section 1

Terrorism in this section has the same meaning as in Section 1.

We or **us** means the company providing this insurance.

Work from Home – means work of an office nature undertaken by you, as an employee, remotely from your residence rather than from an office of your employer, whether on a full time or occasional basis.

You and **your** in this Section have the same meaning as in Section 1. 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. any person while performing duties as your residence employee;
3. your legal representative having temporary custody of the insured premises, if you die while insured by this policy, for legal liability arising out of the insured premises;
4. any person who is insured by this policy at the time of your death and who continues residing on the insured premises.

COVERAGES

This insurance applies only to accidents or occurrences which take place during the term of this policy.

The amounts of insurance are shown on the Coverage Summary page. Each person insured is a separate Insured but this does not increase the limit of insurance.

COVERAGE E - PERSONAL LIABILITY

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

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

1. your personal actions anywhere in the world;
2. your ownership, use or occupancy of the premises defined in Section 2.

The amount of insurance shown on the Coverage Summary page is the maximum amount we will pay for all compensatory damages in respect of one accident or occurrence regardless of the number of claims made or the number of insureds against whom claims are made or actions are brought.

Defence costs and supplementary expense payments as described under **Defence, Settlement, Supplementary Payments** are in addition to the amount of insurance shown on the Coverage Summary page.

We do not insure claims made against you arising from:

1. liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force;
2. damage to property owned by an insured;
3. damage to property used, occupied, leased or rented by or in the care, custody or control of an insured except for unintentional property damage to premises owned by others, or their contents, which you are using, renting or have in your custody or control caused by fire, explosion, water damage or smoke. Smoke means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit or fireplace in or on the premises. Water Damage has the same meaning as in Section 1;
4. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
5. bodily injury to you or to any person residing in your household other than a residence employee;
6. the personal actions of a named insured who does not reside on the premises described on the Coverage Summary page;
7. punitive or exemplary damages, meaning that part of an award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you.

There are other exclusions that apply to all Coverages under Section 2. Please refer to **"Exclusions – Loss or Damage Not Insured"**.

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 judgment on that part of the judgment which is within the amount of insurance of Coverage E;
4. premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the amount of insurance, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this policy;
6. reasonable expenses including actual loss of income up to \$100 per day, which you incur at our request.

COVERAGE F -VOLUNTARY MEDICAL PAYMENTS

We will pay reasonable medical expenses incurred within one 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 if 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 on the Coverage Summary page is the maximum amount we will pay for each person in respect of one accident or occurrence.

We will not pay:

- (a) expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract;
- (b) your medical expenses or those of persons residing with you, other than residence employees;
- (c) medical expenses of any person covered by any worker's 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 or other records.

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

COVERAGE G - VOLUNTARY PROPERTY DAMAGE

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** and **your** in Section 2 of this policy, 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;
2. for property you or your tenants own or rent;
3. which are insured under Section 1;
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 on the Coverage Summary page.

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.

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

foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.

DEFINITIONS

Words used in this endorsement have the same meaning as the definitions in Section 2 of the policy.

Employee means your residence employee and any person claiming or acting on his behalf.

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.

SCHEDULE OF BENEFITS

Loss of Life

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

1. to those wholly dependent upon him, 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;
2. actual funeral expenses up to \$500.

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.

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.

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.

	No. of Weeks
1. Arm	
(a) at or above elbow.....	100
or	
(b) below elbow	80
or	
2. Hand at wrist.....	80
or	
3. (i) Thumb*	
(a) at or above the second phalangeal joint.....	25
or	
(b) below the second phalangeal joint	25

or	
(c) below the second phalangeal joint, involving a portion of the second phalange.....	8
(ii) Index Finger	
(a) at or above the second phalangeal joint.....	25
or	
(b) at or above the third phalangeal joint	18
or	
(c) below the third phalangeal joint, involving a portion of the third phalange.....	12
(iii) Any other Finger	
(a) at or above the second phalangeal joint.....	15
or	
(b) at or above the third phalangeal joint	8
or	
(c) below the third phalangeal joint, involving a portion of the third phalange	5
4. Leg	
(a) at or above knee.....	100
or	
(b) below knee	75
or	
5. Foot at ankle	75
or	
6. (i) Great Toe**	
(a) at or above the second phalangeal joint.....	15
or	
(b) below the second phalangeal joint, involving a portion of the second phalange.....	8
(ii) Any other Toe**	
(a) at or above the second phalangeal joint.....	10
or	
(b) at or above the third phalangeal joint	5
or	
(c) below the third phalangeal joint, involving a portion of the third phalange.....	3
7. (i) One eye	50
or	
(ii) Both eyes.....	100
8. (i) Hearing of one ear	25
or	
(ii) Hearing of both ears.....	100

NOTE: For a combination of two or more of the items marked *, we will not pay for more than 80 times the weekly indemnity.

NOTE: For a combination of two or more of the items marked **, we will not pay more than 35 times the weekly Indemnity.

Medical Expense

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

SPECIAL LIMITATIONS

Watercraft

Watercraft You Own. You are insured against claims arising out of your ownership, use or operation of watercraft equipped with an outboard motor or motors of not more than 12kW (16 HP) 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 listed on the Coverage Summary page. 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 but not beyond the expiry date of this policy. You must advise us of the new acquisition within that 30 day period for coverage to continue.

Watercraft You Do Not Own. You are insured against claims arising out of your use or operation of watercraft which you do not own, but not for damage to the watercraft itself.

Watercraft Uses Not Insured. We do not insure the use or operation of any watercraft, whether owned by you or not, while it is:

1. used for carrying passengers for compensation;
2. rented to others;
3. used in any race or speed test.

Motorized Vehicles

Vehicles You Own. You are insured against claims arising out of your ownership, use or operation of the following:

1. self-propelled lawn mowers, snowblowers, garden type tractors of not more than 25 H.P., or implements used or operated mainly on your property, provided they are not used for compensation or hire;
2. motorized golf carts while in use on a golf course;
3. motorized wheelchairs and their trailers.

Vehicles You Do Not Own. You are insured against claims 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 use off public roads;
2. you are not using it for business or organized racing;
3. the vehicle is being used or operated with the owner's consent;
4. the vehicle is not owned by anyone included in the definition of **You** and **Your** in Section 2 of the policy.

You are not insured for damage to the vehicle itself.

Trailers

You are insured against claims 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 or Business Property

You are insured against claims arising out of:

1. your work as a teacher, provided the claim does not involve physical disciplinary action to a student or injury to a fellow employee;
2. your work for someone else as a sales representative, collector, messenger or clerk, provided that the claim does not involve injury to a fellow employee;
3. 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 two roomers, roommates or boarders;
4. the rental of space in your residence to others for incidental office, school or studio occupancy;
5. the rental to others, or holding for rent, of not more than three car spaces or stalls in garages or stables;
6. activities during the course of your trade, profession or occupation which are ordinarily incidental to non-business pursuits;
7. the temporary or part-time business pursuits of an insured person under the age of 21 years.
8. the use of your premises to work from home

Claims arising from the following business pursuits are insured only if the properties or operations are declared on the Coverage Summary page:

1. the rental of residential buildings containing not more than six dwelling units;
2. the use of part of your residence by you for incidental office, school or studio occupancy.

EXCLUSIONS - LOSS OR DAMAGE NOT INSURED

You are not insured for claims arising from:

1. war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. bodily injury or property damage which is also insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of Insurers regardless of exhaustion of such policy limits or its termination;
3. your business or any business use of your premises, except work from home as specified in this policy;
4. the rendering or failure to render any professional service;
5. bodily injury or property damage caused by any 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;
6. the ownership, use or operation of any aircraft or premises used as an airport or landing strip, and all necessary or incidental operations;
7. the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this policy;
8. the transmission of communicable or sexually transmitted disease by any person insured by this policy;
9. liability imposed upon or assumed by you under any workers' compensation statute;
10. any type of discrimination including discrimination due to sex, age or marital status, colour, race, creed or national origin;
11. a) erasure, destruction, corruption, misappropriation, misinterpretation of data;
 - b) erroneously creating, amending, entering, deleting or using data, including any loss of use arising from either a) or b);
 - c) the distribution or display of data by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of data;
12. a) sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or
 - b) failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.

Nor do we insure:

13. any claim that arises directly or indirectly, in whole or in part, out of Terrorism or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the claim.

This insurance shall also not apply to:

14. a) Bodily Injury, Property Damage, personal injury or Medical Payments or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of a Fungi or Spores however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or other wise deal with or dispose of Fungi or Spores; or
 - b) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with a) above; or
 - c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a) or b) above.

CONDITIONS

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 obligation or incur expenses, other than first aid expenses necessary at the time of the 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 judgment 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, 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.

NOTICE: Any 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. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

SECTION 3 – OPTIONAL COVERAGES

RESIDENCE GLASS ENDORSEMENT

(Applicable to Principal Residence only)

If the Coverage Summary page indicates "Residence Glass Endorsement" the following shall apply.

The insurance provided under Coverage A – Building insured under this policy is hereby extended to include Glass Breakage. The term "Glass Breakage" means direct loss of or damage to glass constituting a part of the building(s) insured, including glass in storm doors and storm windows.

Deductible. We are liable only for the amount by which the loss or damage covered by this endorsement exceeds the sum of \$50 in any one occurrence. There is no liability under this endorsement for loss or damage:

1. otherwise recoverable under the policy to which this endorsement is attached;
2. occurring while a building in which the insured glass is located is vacant, irrespective of any permission elsewhere in this policy;
3. occurring while a building in which the insured glass is located is in the course of construction, irrespective of any permission elsewhere in this policy;
4. caused by a criminal or willful act or omission of the insured or of any person whose property is insured under the policy to which this endorsement is attached.

GUARANTEED REPLACEMENT COST

(Applicable to Dwelling Building only)

If Guaranteed Replacement Cost is shown on the Coverage Summary page we will pay the cost of repairs or replacement even if it is more than the amount of insurance for Coverage A, provided:

- a) the amount of insurance for Coverage A shown on the Coverage Summary page on the inception date of the policy, or the most recent renewal date or the increased amount under the inflation protection coverage on the date the increase took effect was not less than 100% of the cost to replace the private dwelling building, as determined by a valuation guide acceptable to us;
- b) the amount of insurance applicable to Coverage A has not been reduced below the amount determined by the valuation guide; and
- c) you notified us, within 90 days of the start of the work, if any improvement, extension or addition has been made to your dwelling.

If you decide not to repair or replace the Dwelling Building, we will pay the actual cash value of the damage at the date of the occurrence.

In determining the cost of repairs or replacement, we will use the repair or replacement cost of a comparable structure of similar size and quality of the damaged or destroyed building using present day construction methods and material but we will not pay or include any increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of building and their related services.

This Coverage does not apply to Coverage B – Detached Private Structures

BUILDING BYLAWS ENDORSEMENT (Applicable to Dwelling Building only)

If By-Law Endorsement is shown on the Coverage Summary page the following shall apply:

In determining the cost of repairs or replacement we will not pay more than an additional 15% of the amount of insurance shown for Coverage A for any increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of the building and its related services.

We will not pay any increased costs to repair or replace Detached Private Structures due to the operation of any law regulating the zoning, demolition, repair or construction of such buildings and their related services.

EARTHQUAKE ENDORSEMENT (Applicable to the Principal Residence Premises only)

If Earthquake Endorsement is shown on the Coverage Summary page the following shall apply:

Additional Definitions

Earthquake includes snowslide, landslide, volcanic eruption and other earth movements occurring at the same time as, and directly resulting from, an earthquake.

Single Earthquake means all earthquake shocks which occur within 168 consecutive hours during the policy period.

Insured Perils

We insure your Dwelling Building, Detached Private Structures, Personal Property and Additional Living Expense against direct physical loss or damage caused by earthquake shock at the location of your dwelling.

Loss or Damage Not Insured

We do not insure loss or damage caused directly or indirectly by:

1. tidal waves, surface waters or waterborne objects, whether or not attributable to earthquake;
2. windstorm, hail or coincidental rain or snow damage to your personal property within a building or to the interior of a building, unless the earthquake first creates an opening in the building;
3. earthquake shocks occurring before this form is effective or after its expiration.

Deductible

We are responsible only for the amount by which all insured loss or damage caused by any single earthquake exceeds the amount of the deductible shown on the Coverage Summary Page for this coverage. If the deductible is shown as a percentage, the deductible amount is the total amount of insurance for the coverages listed above, multiplied by that percentage.

FIRE AND EXTENDED COVERAGE FORM

AGREEMENT

If the Coverage Summary page indicates an amount for Fire and Extended Coverage we provide the insurance described under this coverage in return for payment of the premium and subject to the terms and conditions set out.

DEFINITIONS

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.

Civil Authority referred to in this extension 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 any emergency.

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

Condominium Unit Owner means an owner of a dwelling unit forming part of property owned by a condominium or strata corporation.

Data means representations of information or concepts in any form.

Data Problem means:

- erasure, destruction, corruption, misappropriation, and/or misinterpretation of data;
- error in creating, amending, entering, deleting or using data, or
- inability to receive, transmit or use data.

Domestic Water Container means a device or apparatus for personal use on the premises for containing, heating, chilling or dispensing water. It does not include plumbing, heating, cooling or sprinkler systems.

Drain means a fixture or device located within or on the insured dwelling or additional buildings on your premises, connected to the waste water and/or sewer drainage piping system, for the purpose of removing water or sewage from the dwelling. This does not include weeping tile or a perimeter drainage system.

Dwelling means the building, or the portion of the building described on the Coverage Summary page occupied as a private residence. Flood includes, but is not limited to, waves, tide, tidal wave, tsunami, dam break, seiche, or the rising of, the breaking out or the overflow of, any body of water or watercourse, whether natural or man-made.

Fungi means, but is not limited to, any form or type of mold, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "Fungi" or "Spores" or resultant mycotoxins, allergens or pathogens.

Homeowner means an owner of a freehold dwelling.

Policy Limit means the sum of the amounts shown on your Coverage Summary page for the Dwelling Building, Additional Buildings, Personal Property and Loss of Use of Your Dwelling.

Premises in the case of a homeowner, means the dwelling, private detached structures and the land contained within the lot lines on which the dwelling is situated.

Premises in the case of a Condominium Unit Owner, means the dwelling or unit and includes garages, outbuildings, lockers, storage rooms and private approaches reserved for the unit use or occupancy only and must be situated within the lot lines of the building(s) in which the unit is contained.

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.

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 similar nature for you. This does not include persons while performing duties in connection with your business or independent contractors.

Spores means, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "Fungi".

Sump means a sump pit, well or basin, lined with concrete or other liner, located within your dwelling or additional buildings on your premises, connected to a mechanical or gravity fed evacuation pump system, for the purpose of collecting and removing water. A sump pit, well or basin not equipped with a mechanical pump or gravity fed evacuation system is not a sump.

Tenant means one who rents property from another for dwelling purposes.

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.

Unit means the condominium unit, strata lot or exclusive portion described in the condominium declaration or co-ownership declaration occupied as a private dwelling.

Vacant means the occupant(s) has/have moved out and the building is devoid of most furnishings and effects. A newly constructed dwelling is vacant after it is completed and before the occupant(s) move(s) in. Furthermore the dwelling is also vacant when the occupant(s) move(s) out and before any new occupant(s) move(s) in.

We or us means the company providing this insurance.

You and your means the person(s) named as Insured on the Coverage Summary page and, while living in the same household:

- his or her spouse;
- the relatives of either; and
- any person under 21 in their care.

Spouse means: a person who is married to and living with another person, or a person who has been living in a de facto union with another person of the opposite or the same sex and has been publicly represented as a spouse for at least three years or, in the following cases, for at least one year:

- a child has been born or is to be born of their union;
- they have adopted a child together; or
- one of them has adopted a child of the other.

COVERAGES

The amounts of insurance are shown on the Coverage Summary page. These amounts include the cost of cleaning and removal of debris 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 seven (7) 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.

Dwelling Building

We insure:

1. the dwelling and attached structures;
2. permanently installed outdoor equipment on the premises;
3. outdoor domestic water containers and attached equipment on the premises;
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.

The following extensions are available without increasing the amount of insurance on the Coverage Summary 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 Buildings or Structures** 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.

Applicable to Rented Dwelling or Unit Only:

3. **Fair Rental Value**
If an Insured Peril makes that part of the dwelling or detached buildings or

structures rented to others or held for rental by you unfit for occupancy, payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached buildings or 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 buildings or structures rented or held for rental is unfit for occupancy.

If a civil authority prohibits access to the dwelling as a direct result of damage to neighbouring premises by an Insured Peril, we insure any resulting Fair Rental Value loss for a period not exceeding two weeks. We do not insure the loss or damage or additional expense caused by the cancellation of a lease or agreement.

Personal Property

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 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 watercraft, motorized lawn mowers, other gardening equipment or snow blowers). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft.

Optional Coverage Extensions - Personal Property

The following extensions are available without increasing the amount of insurance on the Coverage Summary 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 roomers, roommates or boarders who are not related to you.

Applicable to Rented or Secondary Dwelling or Unit only:

2. **Personal Property Away from Premises** — We insure your personal property up to \$1,500, excluding watercraft, while it is temporarily away from your premises anywhere in Canada or in the continental United States of America.
3. **Personal Property Temporarily Removed** to any other location you own is not insured nor is your property insured while stored in a warehouse.

Additional Living Expenses — 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. 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.

If a civil authority prohibits access to the dwelling as a direct result of damage to neighbouring premises by an Insured Peril, we insure any resulting Additional Living Expense loss for a period not exceeding two weeks.

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

Special Limits of Insurance:

We insure:

1. books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$7500 in all, but only while on your premises. Other business property, including samples and goods held for sale, is not insured;
2. watercraft, their furnishings, equipment, accessories and motors up to \$200 in all.

For the above described personal property the limitations shown apply to losses exceeding the deductible shown on the Coverage Summary page.

Loss Assessment Coverage (Applicable to a Condominium Owner only)

If you are a condominium unit owner, we will pay for an additional amount of up to \$10,000 or such higher amount shown on the Coverage Summary page of your share of any special assessment if:

- (1) the assessment is valid under the Condominium Corporation governing rules, and
- (2) it is made necessary by direct loss to the collectively owned Condominium property caused by an Insured Peril in this Policy.

We do not pay for that part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation.

Improvements and Betterments (Applicable to a Condominium Owner only)

If you are a condominium unit owner, we also insure improvements and betterments made by you or acquired at your expense, for an additional amount of up to \$20,000 including:

- (1) any building, structure or outdoor domestic water containers on the premises;
- (2) materials and supplies on the premises for use in such improvements and betterments.

Unit Additional Protection (Applicable to a Condominium Owner only)

If you are a condominium unit owner, we will pay for an additional amount of up to \$10,000 or such higher amount shown on the Coverage Summary page to insure your unit itself, excluding your improvements and betterments to it, if the Condominium Corporation has no insurance, its insurance is inadequate, or it is not effective.

You may apply up to 10% of this insurance to insure building fixtures and fittings pertaining to your unit while temporarily removed from the premises for repair or seasonal storage.

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, including smoke from a fireplace, but does not include smoke from industrial operations or from agricultural smudging.
4. **Falling Objects.** This peril does not include loss to the inside of a building or property contained in the building unless the exterior of the building is first struck by a falling object. Damage resulting from snowslide, landslide or any other earth movement is not insured. Damage to the falling object itself is not included.
5. **Impact by Aircraft or Land Vehicle.** Animals are not insured under this peril.
6. **Riot.**
7. **Water Escape.** This peril means loss or damage resulting 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 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. However, such damage is not covered when the escape of water is caused by freezing;

but we do not insure loss or damage:

- i. caused by freezing during the usual heating season:
 - within an unheated portion of your dwelling; or
 - if you have been away from your premises for more than four (4) consecutive days, unless you had arranged for a competent person to enter your dwelling daily to ensure that heating was being maintained or if you had shut off the water supply and had drained all the pipes and appliances, in which case you would still be insured;
- ii. caused by continuous or repeated seepage or leakage of water;
- iii. caused by the backing up or escape of water from a sewer, storm drain, drain, sump or septic tank;

- iv. caused by ground water or rising of the water table;
- v. caused by surface waters including flood, unless the water escapes from a watermain or from a domestic water container located outside your dwelling;
- vi. to a watermain;
- vii. to a system or appliance, swimming pool, hot tub, whirlpool, bath or similar enclosure or equipment attached or a public watermain, caused by water escape, rupture or freezing; viii. occurring while the building is under construction, vacant, or unoccupied, even if we have given permission.

8. **Windstorm or Hail.** This peril does not include loss or damage to your personal property, improvements and betterments within a building, or 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 is insured up to \$500 if they were inside a fully enclosed building at the time of loss. Canoes and rowboats are also insured while in the open, up to \$500.

This peril does not include damage:

- (a) to fences;
- (b) to outdoor radio, TV antennae;
- (c) due to weight, pressure, backup or melting of ice or snow, waves, floods, whether driven by wind or not.

9. Vandalism or Malicious Acts: Applicable to Rental Dwelling Only

We do not insure loss or damage:

- (a) occurring while a building insured is vacant or under construction even if permission for vacancy or construction has been given by us;
- (b) to glass constituting part of the building;
- (c) caused by theft or attempted theft;
- (d) caused by you.

EXCLUSIONS - LOSS OR DAMAGE NOT INSURED

We do not insure loss or damage:

1. occurring after the dwelling has, to your knowledge, been vacant 30 consecutive days;
2. caused 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 directly from fire, lightning or explosion of natural, coal or manufactured gas;
3. caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
4. to buildings or structures used in whole or in part for farming purposes; or business purposes, except work from home, unless declared on the Coverage Summary page;
5. resulting from the increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
6. resulting from any 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;
7. to personal property while undergoing a process involving the application of heat, but resulting damage to other property is insured;
8. loss or damage caused by wet or dry rot, fungi or spores, condensation, acid rain or contamination;
9. to any property illegally acquired, kept or transported;
10. to books of account and evidences of debt or title; Dwelling Building and Detached Private Structures
11. to any property lawfully seized or confiscated or subject to forfeiture unless such property is destroyed to prevent the spread of fire;
12. to money, bullion and securities;
13. to lawns and outdoor trees, shrubs and plants;
14. to electrical devices or appliances caused by electrical currents other than lightning unless fire or explosion follows. And then only for the resulting damage;
15. to buildings or structures or personal property contained in them, used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from or containing marijuana or any other substance falling within Schedule (Section 2) of the Controlled Drugs and Substances Act Narcotic Control Regulations.

Nor do we insure:

16. data;
17. 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, leakage from fire protective equipment, water damage, this exclusion shall not apply to such resulting loss or damage;
18. loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage except for ensuing loss or damage which results directly from fire or explosion.

BASIS OF CLAIM PAYMENT

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

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

Deductible

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

When the same incident applies to both Novex home and Novex automobile insurance contracts, the highest deductible is the only one applicable.

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

Except as provided under Loss Settlement below we are not liable beyond the actual cash value of the Property at the time any loss or damage occurs.

Dwelling Building and Detached Private Structures

Loss Settlement

If you repair or replace the damaged or destroyed building on the same location with a building of the same occupancy and comparable size and structure with materials of similar quality within a reasonable time after the damage, we will pay up to the cost of repairs or replacement, whichever is less, without deduction for depreciation. In the event you are underinsured, 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, not exceeding the actual cost incurred.

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

If loss or damage is not replaced or repaired within a reasonable time, we will pay the actual cash value of the loss or damage at the date of the occurrence.

Improvements and Betterments

If you are a Condominium Unit Owner and within a reasonable time after damage, you replace or repair loss or damage to your improvements and betterments with materials of similar quality, we will pay for the actual costs 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 at the date of the occurrence.

Personal Property

Loss Settlement

We will pay the actual cash value of the damage up to the applicable amount of insurance.

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

All the statutory and general conditions of the policy also apply to this form.

SEASONAL RESIDENCE OPTIONAL BURGLARY AND ROBBERY ENDORSEMENT

If we list this endorsement on the Coverage Summary page, the following perils and limitations apply:

BURGLARY

This peril means theft of insured personal 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 \$500 of the amount of insurance on your personal property for damage to the building caused by burglary.

This peril does not include loss or damage:

- (a) to animals, birds or fish;
- (b) occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us;

Vacant means the occupant(s) has/have moved out and the building is devoid of most furnishings and effects. A newly constructed dwelling is vacant after it is completed and before the occupant(s) move(s) in. Furthermore the dwelling is also vacant when the occupant(s) move(s) out and before any new occupant(s) move(s) in.
- (c) 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.

ROBBERY

This peril means theft by violence or threat of violence to any person.

This peril does not include loss or damage:

- (a) to animals, birds or fish;
- (b) occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us;

Vacant means the occupant(s) has/have moved out and the building is devoid of most furnishings and effects. A newly constructed dwelling is vacant after it is completed and before the occupant(s) move(s) in. Furthermore the dwelling is also vacant when the occupant(s) move(s) out and before any new occupant(s) move(s) in.
- (c) 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 or robbery.

We insure:

1. securities up to \$1,000 in all;
2. money or bullion, gold other than goldware, silver other than silverware and platinum up to \$200 in all;
3. jewellery, watches, gems, fur garments and garments trimmed with fur up to \$1,000 in all;
4. numismatic property (such as coin collections) up to \$200 in all;
5. manuscripts, stamps and philatelic property (such as stamp collections) up to \$500 in all;
6. silverware, meaning silverware, silverplated ware, goldware, goldplated ware and pewterware up to \$2,000 in all;
7. collection of sport cards and comic books, up to \$500 in all;
8. bicycles, their equipment and accessories, up to \$500 in all for each bicycle.

All other terms of the Fire and Extended Coverage Form apply to this extension of coverage.

SEASONAL RESIDENCE OPTIONAL VANDALISM AND MALICIOUS ACTS ENDORSEMENT

If we list this endorsement on the Coverage Summary page, we insure loss or damage caused by vandalism or malicious acts.

Loss or Damage Not Insured

We do not insure:

1. loss or damage occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us;
Vacant means the occupant(s) has/have moved out and the building is devoid of most furnishings and effects. A newly constructed dwelling is vacant after it is completed and before the occupant(s) move(s) in. Furthermore the dwelling is also vacant when the occupant(s) move(s) out and before any new occupant(s) move(s) in.
2. loss or damage to glass constituting part of the building;
3. loss of or damage to property insured caused by theft or attempted theft.

All other terms of the Fire and Extended Coverage Form apply to this extension of coverage.

PERSONAL ARTICLES FLOATER

If we list this endorsement on the Coverage Summary page, we insure your scheduled property described under this endorsement against all risks of direct physical loss or damage, subject to the terms and conditions below.

DEFINITIONS

Antennae includes satellite receivers.

Data has the same meaning as in Section 1.

Computer Equipment means the entire processing unit and auxiliary equipment including, but not limited to terminals, keyboards, printers, disk and tape drives, cassette tape recorders and word processing equipment.

Media means materials on which data is electronically recorded such as, but not limited to, magnetic tapes, diskettes, disk packs and cassettes.

Personal Computer System means Equipment, Media and Data.

Video Equipment includes video cameras, video cassette recorders, video display monitors, video games and similar property.

You, Your and We have the same meaning as in Section 1.

Basis of Claim Payment

We will pay up to the MAXIMUM AMOUNT OF INSURANCE shown for each individual scheduled personal article item described under the Personal Articles Floater.

If the property described in an item with a "V" appearing beside it is a total loss and cannot be replaced with an item of similar kind, quality and usefulness, we will pay the amount of insurance stated for that item.

Loss or Damage Not Insured

We do not insure:

1. any property illegally acquired, kept, stored or transported, or property subject to forfeiture, or seized or confiscated for breach of any law or by order of any public authority;
2. any musical instrument played for a fee unless we have given our written permission;
3. any property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire.

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

4. wear and tear, deterioration, defect or mechanical breakdown, rust or corrosion, extremes of temperature, marring or scratching;
5. birds, vermin, rodents or insects;

6. any process or work being performed on the scheduled articles where the damage results from such process or work;
7. caused 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 directly from fire, lightning or explosion of natural, coal or manufactured gas;
8. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
9. electrical currents, other than lightning, which damage electrical devices or appliances. If, however, a fire results, we will pay for the fire damage;
10. any 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;
11. wet or dry rot, fungi or spores, condensation, acid rain or contamination.

Nor do we insure:

12. data;
13. 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, leakage from fire protective equipment, water damage, this exclusion shall not apply to such resulting loss or damage;
14. loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage except for ensuing loss or damage which results directly from fire or explosion.

Special Conditions

If the property insured on the Coverage Summary Page is:

1. **Antennae and Video Equipment:** The following item is added to **Loss or Damage Not Insured:**

We do not insure:
any property owned by you which is rented or leased to others.

Installation Warranty: It is warranted by you that the property has been installed and erected by a qualified dealer, distributor or manufacturer, or by a person qualified to do such work, and in accordance with any law, by-law or regulation governing such installation.

2. **Fine Arts (including China):** the article(s) listed on the Coverage Summary page are insured:
 1. at the location(s) specified;
 2. while in transit between the locations specified;
 3. at any other location in Canada or the continental United States of America for not more than 10% of the total amount of insurance under this section. We will not cover your Fine Arts while located at fairgrounds or at national or international expositions.

Further, **Loss or Damage Not Insured** is extended to include:

We do not insure:
breakage of fragile articles unless caused by fire, earthquake, explosion, falling object striking the exterior of a building, flood, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by accident to land vehicle, watercraft or aircraft or by theft or attempted theft.

Special Condition - If the Personal Articles Floater shows breakage coverage included, the breakage exclusion does not apply for each individual scheduled article so described.

3. **Personal Computers:** The following items are added to **Loss or Damage Not Insured:**

We do not insure:

- a) any property owned by you which is rented or leased to others;
- b) the cost of gathering or assembling information or data;
- c) accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts;
- d) media failure or malfunction or breakdown of the computer or

- computer equipment; or programming error or by incorrect instructions, causing loss of data, unless fire or explosion follows, and only for the resulting damage;
- e) electric or magnetic injury, disturbance, or erasure of electronic recordings except by lightning.

Personal Computer Data and Media -The MAXIMUM AMOUNT OF INSURANCE for all personal computer equipment, described under the Personal Articles Floater, is increased by 20% but only to cover direct loss or damage to unscheduled COMPUTER DATA and MEDIA.

Newly Acquired Articles is deleted and replaced with:

If you acquire any additional equipment, media or data, we will automatically insure these under this endorsement, provided you notify us within 30 days. We will not pay more than \$5,000 under this extension for equipment nor more than \$1,000 for media or data.

4. Sports Equipment: The following item is added to **Loss or Damage Not Insured:**

We do not insure:
loss or damage caused by or resulting from breakage while in use.

5. Stamp, Coin, Money and Philatelic Collections: we will pay for loss or damage to your collection in the proportion that the amount of insurance on your collection bears to its cash market value at the time of loss. We will not pay more than \$250 on any single article of your collection. A single article means any one stamp, coin or other individual article or pair, strip, block, series, sheet, cover, frame, card or the like. This condition does not apply to articles listed on the Coverage Summary page.

6. Tools: The following items are added to **Loss or Damage Not Insured:**

We do not insure against:

- a) loss or damage by theft resulting from infidelity or any dishonest act of the insured, the insured's employees or agents or any person or persons to whom the insured property is entrusted (bailees for hire excepted);
- b) any mysterious disappearances;
- c) loss or damage sustained while the property insured is being worked upon and directly resulting there from unless fire or explosion ensues and then only for loss or damage caused by such ensuing fire or explosion;
- d) loss or damage resulting from loss of use.

Newly Acquired Articles

If you acquire any additional articles of the type for which coverage is already provided under the Personal Articles Floater, we will automatically insure these under this coverage provided you notify us within 30 days. We will not pay more than \$5,000 under this extension.

Any loss or damage shall not reduce the amount of insurance provided by this coverage. 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 of acquisition.

All the statutory and general conditions of the policy also apply to this coverage.

BOAT AND MOTOR FLOATER

If we list this endorsement on the Coverage Summary page we insure your scheduled property described under this endorsement against all risks of direct physical loss or damage, subject to the terms and conditions below.

The words **You**, **Your** and **We** have the same meaning as in Section 1 of the policy.

Basis of Claim Payment

We will pay the Actual Cash Value of insured loss or damage up to your financial interest in the property but not exceeding the applicable amount(s) of

insurance for loss or damage arising out of one occurrence.

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.

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

You are insured within the territorial limits of Canada and the continental United States of America.

Deductible: We are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of the deductible shown on the Coverage Summary page for this endorsement in any one occurrence.

Loss or Damage Not Insured

We do not insure any watercraft, motors, trailers or equipment:

- 1. illegally acquired, kept, stored or transported, or property subject to forfeiture, or seized or confiscated unless the property is destroyed to prevent the spread of fire;
- 2. which is used for carrying people or property for compensation or which is chartered, leased or used for any commercial purpose;
- 3. which is used in any illegal trade or transportation or while being operated in any official race or speed test;
- 4. used outside the territorial limits described.

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

- 5. wear and tear, gradual deterioration (including damage by marine life), mechanical defects or breakdown, scratching, denting, chipping, electrolysis, rust, corrosion, dampness or dryness of atmosphere or weathering;
- 6. birds, vermin, rodents or insects;
- 7. any process of refinishing, renovating, repairing, servicing or maintenance, but if a fire or explosion results, we will pay for the loss or damage due to such fire or explosion;
- 8. electrical currents, other than lightning, but if a fire or explosion results, we will pay for the loss or damage due to such fire or explosion;
- 9. ice, freezing or extremes of temperature;
- 10. any 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;
- 11. infidelity of others who borrow or use the property insured;
- 12. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- 13. caused 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 directly from fire, lightning or explosion of natural, coal or manufactured gas;
- 14. wet or dry rot, fungi or spores, condensation, acid rain or contamination.

Nor do we insure:

- 15. data;
- 16. 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, leakage from fire protective equipment, water damage, this exclusion shall not apply to such resulting loss or damage;
- 17. loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage except for ensuing loss or damage which results directly from fire or explosion.

Special Conditions

Newly Acquired Equipment: If you acquire any additional watercraft, outboard motors, trailers or miscellaneous equipment while this coverage is in effect, we will automatically insure it provided you tell us within 30 days of acquisition. We will adjust your premium on a pro rata basis from the date of the acqui-

sition. Under this extension, we will not pay more than \$5,000 for the loss or damage of any boating equipment you acquire.

Co-Insurance Clause: The Insurer shall be liable in the event of loss or damage for no greater proportion thereof than the amount insured hereunder bears to the actual cash value of the property insured at the time such loss or damage occurs. If this Rider covers two or more items, this condition applies to each item separately.

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

All the statutory and general conditions of the policy also apply to this coverage.

SECTION 4 – POLICY CONDITIONS

Conditions Applicable To The Various Coverages Provided

Herein

All of the Conditions set out under **STATUTORY CONDITIONS**

in the Policy apply with respect to insurance provided under ALL OTHER FORMS except as they are modified or supplemented

by the Forms or Endorsements attached. No term or condition of this Policy shall be deemed to have been waived by us in whole or in part unless the waiver is clearly stated in writing, signed by a person authorized for that purpose. Neither we nor you shall be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under this Policy.

PROVINCIAL STATUTORY CONDITIONS

These Statutory Conditions, as set forth in the Insurance Act, apply to the insurance provided by this policy except that only Conditions 1, 3, 4, 5 and 15 apply to your Personal Liability Insurance.

STATUTORY CONDITIONS

1. Misrepresentation

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.

2. Property

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

3. Change of Interest

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.

4. Material Change

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. Termination

(1) This contract may be terminated:

(a) by the Insurer giving to the Insured fifteen days notice of termination by registered mail or five days written notice of termination personally delivered;

(b) by the Insured at any time on request.

(2) Where this contract is terminated by the Insurer,

(a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and

(b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.

(3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

(4) The refund may be made by money, postal or express company money order or cheque payable at par.

(5) The fifteen days mentioned in clause (a) of subcondition

(1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. Requirements after Loss

(1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11.

(a) forthwith give notice thereof in writing to the Insurer,

(b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,

(i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of 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 willful act or neglect or the procurement, means or connivance of the Insured,

(iv) showing the amount of other insurances and the names of other insurers,

(v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,

(vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,

(vii) showing the place where the property insured was at the time of loss;

(c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;

(d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.

(2) The evidence furnished under clauses (c) and (d) of subparagraph (1) of this condition shall not be considered proof of loss within the meaning of conditions 12 and 13.

7. Fraud

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

8. Who May Give Notice and Proof

Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

9. Salvage

- (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph (1) of this condition according to the respective interests of the parties.

10. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

11. Appraisal

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefore is made in writing and until after proof of loss has been delivered.

12. When Loss Payable

The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

- (1) The Insurer, instead of making a payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss.
- (2) In the event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. Action

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs. The period of limitation in Manitoba and the Yukon Territory is two years.

15. Notice

Any 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. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

GENERAL CONDITIONS

i. 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, our policy will pay its rateable proportion of the loss or claim.

ii. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy to receive payment. Payment for loss will be made within 60 days after we reach agreement with you, or the entry of a final judgment, or the filing of an appraisal award with us.

iii. Death

If any person named in the Coverage Summary or the spouse, if a resident of the same household, dies;

- a) we insure the legal representative of the deceased but only with

respect to the premises and property of the deceased covered under the policy at the time of the death;

b) insured includes:

- (1) any member of your household who is an insured person at the time of your death, but only while a resident of the residence premises; and
- (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

iv. Wood Warranty \$2,500 Deductible (this applies if it is shown on the Coverage Summary page)

It is warranted that in consideration of the premium charged for this policy, that your building or buildings as described and insured under this Policy do not contain or use for heating or other purposes a wood or coal burning appliance. A fireplace which does not contain an insert shall not for the purposes of this warranty be considered as a wood or coal burning appliance.

It is further warranted that in the event of loss or damage to your property caused by or contributed by a wood or coal burning appliance located in your building or buildings as described that the deductible as shown in the Coverage Summary shall be \$2,500 and not as previously shown.

v. Notice to Authorities

Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereat, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

vi. No Benefit to Bailee

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.

vii. Loss to a Pair or Set

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

viii. 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.

ix. Sue and Labour

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

x. Basis of Settlement

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would cost to repair or replace the same with material of like kind and quality.

xi. Subrogation

The Insurer, upon making any payment or assuming liability therefore under this policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively. If you are a Condominium Unit Owner, 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.

xii. Liberalization Clause

If we adopt any revision, which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

xiii. Waiver or Change of Policy Provisions

A waiver or change of any provision of this policy must be made, in writing, by us to be valid. Our request for an appraisal or examination shall not waive any of our rights.

xiv. Conformity with Provincial Statutes

Any provision of this policy which, on its effective date, is in conflict with the statutes of the province in which the named insured maintains his principal residence of such date, is hereby amended to conform to the requirements of such statutes.

xv. Duties After Loss

After a loss which may be insured under Section 1 of this policy, you shall as often as we reasonably require:

- a) submit to examinations under oaths; and
- b) produce employees, members of your household or others for examination under oath to the extent it is within your power to do so.