

# A Guide To Your *Residential Policy*

Thank you for choosing **SouthEastern Mutual Insurance Company** as your residential insurance provider. When it comes to responding quickly and efficiently to your home insurance needs, we will meet, or exceed, all of your expectations.

Your Residential Policy allows you to familiarize yourself with your coverage. Please read this booklet carefully.

*For any further information or questions about our Res • Pac policy feel free to call a dedicated, professional SouthEastern Mutual sales agent in your area.*



663 Pinewood Road, Riverview, NB E1B 5R6

Tel: (506)386.9002 Fax:(506)386.3325

Toll Free- 1-800-561-7223

[www.semutual.nb.ca](http://www.semutual.nb.ca)

# Table of Contents

Insuring Agreement.....	3
-------------------------	---

## **Section I - Property Coverages**.....4

Definitions .....	4
Insured Perils - 1101 .....	5
COVERAGE A - Dwelling Building .....	5
COVERAGE B - Building Extensions .....	5
COVERAGE C - Personal Property.....	6
COVERAGE D - Personal Property Extensions.....	6
Extensions of Coverage .....	7
Special Limits of Insurance .....	7
Loss or Damage Not Insured .....	8
Basis of Claim Payment .....	9

## **Section II - Comprehensive Personal Liability Coverage**.....10

Definitions .....	10
COVERAGES .....	11
COVERAGE E - Legal Liability .....	11
Defense, Settlement, Supplementary Payments .....	12
COVERAGE F - Voluntary Medical Payments .....	12
COVERAGE G - Voluntary Payment for Damage to Property....	13
Special Limitations.....	14
Loss or Damage Not Insured .....	15
Conditions .....	16

## **Section III - Optional Coverages**.....17

OPTIONAL EXTENDED COVERAGES - 1102.....	17
Replacement Cost on Personal Property Endorsement-RCE .....	19
Glass Breakage Endorsement - GBE.....	19
Theft Including Damage Caused by Attempted Theft Endorsement - TE.....	19
Optional Loss Settlement Clause Endorsement - OLSCE.....	20
Vandalism and Malicious Damage Coverage - VE .....	20
Burglary and Robbery Coverage - BE .....	21

## **Section IV - Policy Conditions**.....22

Statutory Conditions.....	22
Special Conditions .....	25
Additional Conditions .....	25
Liberalization Clause.....	26

## INSURING AGREEMENT

We provide the insurance described in this policy in return for payment of the premium and subject to the terms, conditions and limits as set out in the Coverage Summary page.

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

*This form consists of four sections:*

**SECTION I** describes the insurance for your property.

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

**SECTION III** describes the insurance for the Optional Coverages you may buy.

**SECTION IV** describes Policy Conditions.

We shall be liable only for the coverages as indicated on the Coverage Summary page.

In the event that any of the property insured be lost, destroyed or damaged by an insured peril, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding, whichever is the least of:

- (a) the actual cash value of the property at the time of loss, destruction or damage;
- (b) the interest of the Insured in the property;
- (c) the limit of insurance provided by this policy in respect of the property lost, destroyed or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

### IMPORTANT

*This policy contains various exclusions and limitations which eliminate or restrict coverage. Please read it carefully.*

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

## SECTION I – PROPERTY COVERAGES

### DEFINITIONS

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

**“Civil Authority”** means any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under a Federal, Provincial or Territorial legislation with respect to the protection of persons and property in the event of an emergency.

**“Coverage Summary Page”** means the Coverage Summary Page and/or the Declarations.

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

**“Dwelling”** means the building described on the Coverage Summary Page occupied as a private residence.

**“Fungi”** includes but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any “fungi” or “spore(s)” or resultant mycotoxins, allergens, or pathogens.

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

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

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

**“Spore(s)”** includes but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any “fungi”.

**“Vacant”** means the occupant(s) has/have moved out with no intent to return. 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.

**“Watermain”** means a pipe forming part of a water distribution system, which conveys consumable water but not waste water.

**“We”** and **“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 husband or wife, the relatives of either or any person under 21 in their care. Husband and wife includes a man and a woman who are living together as husband and wife and have so lived together continuously for a period of three years or, if a child was born of their union, for a period of one year. Only the person(s) named on the Coverage Summary Page may take legal action against us.

## INSURED PERILS – 1101

You are insured against direct loss or damage caused by fire, lightning, or explosion of natural coal or manufactured gas.

### COVERAGE A – DWELLING BUILDING

*We insure:*

1. The dwelling and attached structures.
2. Permanently installed outdoor equipment on the premises.
3. Outdoor swimming pool and attached equipment on the premises.
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.

### COVERAGE B – BUILDING EXTENSIONS

The following extensions are available without increasing the amount of insurance shown 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 Private Structures** – structures or buildings separated from the dwelling by a clear space, on the premises but not insured under the building. If they are connected to the dwelling by a fence, utility line or similar connection only, they are considered to be detached structures. If you have more than one detached structure, the amount of insurance will be divided in the proportions that the value of each structure has to the value of all such structures at the time of loss.
3. **Fair Rental Value** – If an Insured Peril makes that part of the dwelling or detached private structures rented to others or held for rental by you unfit for occupancy, payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.

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

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

## COVERAGE C – 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, however, personal property kept or stored in a detached outbuilding carries a “Special Limit of Insurance”.

We do not insure loss or damage to motorized vehicles, trailers and aircraft or their equipment (except for motorized wheelchairs, 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.

If you do not own the dwelling, we also insure dwelling improvements and betterments made by you or acquired at your expense.

## COVERAGE D – PERSONAL PROPERTY EXTENSIONS

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 or boarders who are not related to you.
2. **Personal Property Away From Premises** – your personal property, excluding watercraft, while temporarily away from the premises anywhere in Canada or in the United States of America. We do not insure personal property normally kept at any other location you own, nor do we insure personal property stored in a warehouse.
3. **Additional Living Expenses** – 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 under this form, we insure any resulting Additional Living Expense loss for a period not exceeding two weeks.

## EXTENSIONS OF COVERAGE

The following extensions of coverage, subject to the policy exclusions, shall not increase the limit of liability applying under this policy to the property damaged or destroyed.

1. **Removal.** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this policy that extends the amount of the Insurer's liability for any loss already incurred shall, for seven days only, or for the unexpired term of the policy if less than seven days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.
2. **Debris Removal.** The Insurer will indemnify the Insured for expenses incurred in the removal from the Insured's premises of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this policy.

The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this policy but which has been blown by windstorm upon the locations specified herein.

Debris removal expense shall not be considered in the determination of actual cash value for purposes of applying the Optional Loss Settlement Clause, if the policy is endorsed to include the Optional Loss Settlement Clause.

## SPECIAL LIMITS OF INSURANCE

*We insure:*

1. Books, tools and instruments pertaining to a business, profession or occupation for an amount up to \$1,000 in all, but only while on your premises. Other business property, including samples and goods held for sale, is not insured.
2. Garden type tractors including attachments and accessories up to \$5,000 in all.
3. Watercraft, their furnishings, equipment, accessories and motors up to \$1000 in all.
4. Computer software up to \$1000 in all. We do not insure the cost of gathering or assembling information or data.
5. Securities up to \$1000 in all.
6. Money or bullion up to \$200 in all.
7. Personal property contained in a detached outbuilding up to 25% of the amount of insurance shown on the coverage summary page for personal property.
8. Collections not otherwise specified up to \$1,000 in all.

*If burglary, robbery or theft coverage has been purchased, the following special limits of insurance apply if the items described below are stolen:*

9. Jewellery, watches, gems, fur garments and garments trimmed with fur up to \$2,000 in all.
10. Numismatic property (such as coin collections) up to \$500 in all.
11. Manuscripts, stamps and philatelic property (such as stamp collections) up to \$1,000 in all.
12. Silverware, meaning silverware, silver-plated ware, goldware, gold-plated ware and pewterware up to \$5,000 in all.
13. Guns up to \$2,000 in all.
14. Tapes, discs, records or other media, while in or on motor vehicles, watercraft, or aircraft, up to \$200 in all.
15. Up to \$750 for each bicycle, including its equipment and accessories.

### **LOSS OR DAMAGE NOT INSURED**

*We do not insure:*

1. loss or damage occurring after the dwelling has, to your knowledge, been vacant for more than 30 consecutive days;
2. loss or damage 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;
3. loss or damage caused by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
4. buildings or structures used in whole or in part for business or farming purposes unless declared on the Coverage Summary Page;
5. losses or increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
6. loss or damage 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. loss of or damage to personal property while undergoing a process involving the application of heat, but resulting damage to other property is insured;
8. any property illegally acquired, kept, stored or transported, or property subject to forfeiture;
9. loss of or damage to books of account and evidences of debt or title;
10. loss of or damage to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
11. lawns and outdoor trees, shrubs and plants;
12. loss or damage to any rented dwelling caused directly or indirectly by vandalism and/or malicious acts by tenants of insured;
13. property at any fairground, exhibition or exposition for the purpose of exhibition;
14. caused by snowslide, earthquake, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;



15. this policy does not insure loss or damage to buildings and/or structures, and their contents, used in whole or in part for cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any other substance falling within the schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property;
16. caused by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants, except damage to the dwelling or personal property caused by the sudden and accidental escape of fuel oil from a permanently installed domestic fuel tank including any attached equipment, apparatus or piping;
17. We do not insure against loss or damage resulting from, contributed to or caused directly or indirectly: by any "fungi" or "spore(s)" unless such "fungi" or "spore(s)" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by the applicable policy wording.

### **BASIS OF CLAIM PAYMENT**

We will pay for insured loss or damage, on an Actual Cash Value basis, up to your financial interest in the property, but not exceeding the applicable amount(s) of insurance shown on the Coverage Summary Page, for any loss or damage arising out of one occurrence.

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

#### **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.

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

#### **Personal Property**

We will pay the Actual Cash Value of the damage up to the applicable amount of insurance, unless otherwise stated.

#### **Actual Cash Value**

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

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

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

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

#### **Permission Granted**

- (a) to make alterations, additions and repairs to the building(s);
- (b) to keep and use coal oil, fuel oil, liquefied petroleum gas, gasoline, benzine, naphtha or other similar materials provided that gasoline and naphtha shall be contained in properly stoppered approved containers and limited to two gallons in total.

#### **Reinstatement**

Any loss hereunder shall not reduce the amount of this policy.

## SECTION II - COMPREHENSIVE PERSONAL LIABILITY COVERAGE

### DEFINITIONS (Applicable to Section II)

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

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without the owner's permission;
2. a residence employee while performing their duties for you;
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.

"We" and "us" in this Section have the same meaning as in Section 1.

"**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.

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

"**Data**" means representations of information or concepts, in any form.

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

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

"**Premises**" in this Section means all premises where the person(s) named as insured on the Coverage Summary Page, or his or her spouse, maintains a residence. It also includes:

1. other residential premises specified on the Coverage Summary Page, except business property and farms;
2. individual or family cemetery plots or burial vaults;
3. vacant land you own or rent, excluding farm land;
4. land where an independent contractor is building a one or two-family residence to be occupied by you;
5. premises you are using or where you are temporarily residing if you do not own such premises.

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

## 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 - LEGAL LIABILITY

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

The amount of insurance is the maximum amount we will pay, under one or more Sections of Coverage E, for all compensatory damages in respect of one accident or occurrence other than as provided under Defense, Settlement, Supplementary Payments.

*You are insured for claims made against you arising from:*

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

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

- (a) the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is shown in this policy;
  - (b) damage to property you own, use, occupy or lease;
  - (c) damage to property in your care, custody or control;
  - (d) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
  - (e) bodily injury to you or to any person residing in your household other than a residence employee.
2. **Premises Liability** - legal liability arising out of your ownership, use or occupancy of the premises defined in Section II. This insurance also applies if you assume, by a written contract, the legal liability of other persons in relation to your premises.

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

- (a) damage to property you own, use, occupy or lease;
  - (b) damage to property in your care, custody or control;
  - (c) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
  - (d) bodily injury to you or to any person residing in your household other than a residence employee.
3. **Tenants Legal Liability** - legal liability for property damage to premises, or their contents, which you are using, renting or have in your custody or control caused by:
    - (a) fire;
    - (b) explosion;
    - (c) smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises, but not smoke from fireplaces;
    - (d) water escape from a heating, plumbing, sprinkler or air conditioning system or household appliance.

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

4. **Employers' Liability** - legal liability for bodily injury to residence employees arising out of and in the course of their employment by you. You are not insured for claims made against you resulting from the ownership, use or operation of aircraft while being operated or maintained by your employee. You are not insured for liability imposed upon or assumed by you under any workers' compensation statute.

## **DEFENSE, 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 law suit 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, except loss of earnings, 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 though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses. Medical expenses for residence employees are insured.

The amount as 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 expenses covered by any medical, dental, surgical or hospitalization plan or law or under any other insurance contract.

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

We will not pay medical expenses of any person covered by any workers' compensation statute.

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

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

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

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

## **COVERAGE G**

### **VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY**

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by anyone included in the definition of "you" or "your" in Section II 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, except those for which coverage is provided by this policy;
2. for property you or your tenants own or rent;
3. which are insured under Section I;
4. caused by the loss of use, disappearance or theft of property.

### **Basis of Payment**

*We will pay whichever is the least of the following:*

1. the actual cash value of the property at the time of loss;
2. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
3. limits as indicated for Coverage G 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.*

## SPECIAL LIMITATIONS

### Watercraft

**Watercraft You Own:** You are insured against claims arising out of your ownership, use or operation of watercraft provided the watercraft does not exceed 8 metres (26 feet) in length or is equipped with an outboard motor or motors of not more than 12kW (16 HP) in total when used with or on a single watercraft, or has an inboard or an inboard-outboard motor of not more than 38 kW (50 HP). If you own any motors or watercraft larger than those stated above, you are insured only if they are shown 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 thirty days only from the date of their acquisition.

**Watercraft You Do Not Own:** You are insured against claims arising out of your use or operation of watercraft which you do not own, provided:

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

*You are not insured for damage to the watercraft itself.*

**Motorized Vehicles You Own:** You are insured against claims arising out of your ownership, use or operation of the following, including their trailers and attachments:

1. self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 19kW (25 HP), or implements used or operated mainly on your property, provided they are not used for compensation or hire;
2. motorized golf carts while used or operated on your premises or on a golf course;
3. motorized wheelchairs;
4. while on the insured premises, recreational vehicles if they are designed for use off public roads and are not required to be registered under any government authority.

**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 required to be registered under any government authority and it 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" or "your" in Section II of this 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 and Business Property:** You are insured against claims arising out of:

1. 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;
2. the occasional rental of your residence to others;
3. rental to others of a one or two family dwelling usually occupied in part by you as a residence, provided that no family unit includes more than two roomers or boarders per family;
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 considered to be non-business activities;
7. the temporary or part-time business pursuits of an insured person under the age of twenty-one years.

Claims arising from any other business pursuit or operation are insured only if liability coverage for it is shown on the Coverage Summary page.

### **LOSS OR DAMAGE NOT INSURED**

*You are not insured for claims arising from:*

1. war, invasion, act of a 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 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 ownership, use or operation of any watercraft during participation in any race or speed contest other than a sailboat;
9. the transmission of communicable disease by any person insured by this policy;
10. the erasure, destruction, corruption, misappropriation or misinterpretation of "data";
11. erroneously creating, amending, entering, deleting or using "data".

## 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 action if we ask you;
2. immediately send us everything received in writing concerning the claim including legal documents.

**Unauthorized Settlements - Coverage E:** You shall not, except at your cost, voluntarily make any payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of accident.

**Action Against Us - Coverage E:** You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until the amount of your obligation to pay has been finally determined, either by 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.



## SECTION III

### OPTIONAL COVERAGES

**The following coverage(s) apply only if specified on the Coverage Summary Page.**

#### OPTIONAL EXTENDED COVERAGES – 1102

If the Coverage Summary Page indicates Extended Coverage, you are insured against direct physical loss or damage caused by the following perils as described and limited:

1. **EXPLOSION.** This peril does not include water hammer.
2. **SMOKE.** This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises, but not smoke from fireplaces.
3. **FALLING OBJECT.** This peril means a falling object which strikes the exterior of a building but not objects which strike the building because of snowslide, landslide or any other earth movement.
4. **IMPACT BY AIRCRAFT OR LAND VEHICLE.**
5. **RIOT.**
6. **VANDALISM OR MALICIOUS ACTS.**

*This peril does not include loss or damage:*

- (a) occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us;
  - (b) to summer or seasonal dwelling or its contents owned by you;
  - (c) caused by you;
  - (d) caused by theft or attempted theft.
7. **WATER ESCAPE, RUPTURE, FREEZING.**

*This peril means:*

- (a) sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, swimming pool or equipment attached and public watermains;
- (b) sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam or the lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water;
- (c) freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance within a building heated during the usual heating season.

*This peril does not include damage:*

- (a) caused by continuous or repeated seepage or leakage;
- (b) caused by backing up or escape of water from a sewer, sump or septic tank;
- (c) to the system or appliance caused by rust or corrosion;
- (d) to public watermains, outdoor swimming pools or equipment attached;
- (e) occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;

- (f) caused by freezing which occurs during the usual heating season if the inhabitant has been away from the premises more than four consecutive days. However, if arrangements had been made for a competent person to enter the dwelling daily to ensure that heating was being maintained or if the inhabitant had shut off the water supply and had drained all the pipes and appliances, you would still be insured.

A plumbing system under this peril does not include sewers, sumps, septic tanks, eaves troughs or downspouts. We will replace or repair any parts of the building that must be removed or torn apart before any insured damage can be repaired, except damage related to an outdoor swimming pool or equipment attached, or public watermains.

7. **WINDSTORM OR HAIL.** This peril does not include loss or damage to your personal property within a building or to the interior of a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.

*This peril does not include damage:*

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

8. **TRANSPORTATION.** This peril means loss or damage caused by collision upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier.

*This peril means loss or damage to:*

- (a) your personal property while it is temporarily removed from your premises;
- (b) building fixtures and fittings when they are temporarily removed from your premises for repair or seasonal storage.

*This peril does not include loss or damage to:*

- (a) property in a vacation or home trailer which you own;
- (b) any watercraft, their furnishings, equipment or motors.

9. **ESCAPE OF FUEL OIL.** We cover loss or damage to the dwelling and personal property caused by the sudden and accidental escape of fuel from a permanently installed domestic fuel tank, on the insured premises, or from an apparatus and pipes which are part of a heating unit for the insured dwelling.

10. **ELECTRICITY.** We cover sudden and accidental loss or damage to your dwelling and personal property caused by artificially generated electricity.

**This extension is subject to the policy deductible and the limit shown on the Coverage Summary Page. All other terms, conditions and exclusions of the policy to which this endorsement applies remain unchanged.**

## **REPLACEMENT COST ON PERSONAL PROPERTY ENDORSEMENT – RCE**

If Replacement Cost on Personal Property is shown on the Coverage Summary Page, and if there is a loss insured by Personal Property, we agree to pay on the basis of replacement cost provided that:

- (a) the property at the time of loss was useable for its original purpose;
- (b) you have repaired or replaced the property promptly.

Otherwise, the basis of claim payment in the policy will apply as if this endorsement had not been effect.

**“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.

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

## **GLASS BREAKAGE ENDORSEMENT - GBE**

If Glass Breakage is shown on the Coverage Summary Page, glass that forms part of your dwelling or private structures on your premises, including glass in storm windows and doors, is insured against accidental breakage.

This peril does not include loss or damage occurring while a building is under construction or vacant even if permission for construction or vacancy has been given by us.

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

## **THEFT, INCLUDING DAMAGE CAUSED BY ATTEMPTED THEFT ENDORSEMENT - TE**

Theft is included if shown on the Coverage Summary Page.

*This peril does not include loss or damage:*

- (a) which happens at any other dwelling which you own, rent or occupy, except while you are temporarily living there;
- (b) to property in or on any motor vehicle or trailer away from your premises, unless there is forcible entry into the vehicle while all its doors, windows and other openings are closed and locked;
- (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;
- (d) to 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;
- (e) to animals, birds or fish;
- (f) resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud.

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

## **OPTIONAL LOSS SETTLEMENT CLAUSE ENDORSEMENT - OLSCE**

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

If Optional Loss Settlement Clause is shown on Coverage Summary Page, and if you repair or replace the damaged or destroyed building on the same location with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage, you may choose as the basis of loss settlement either #1 or #2 below; otherwise, settlement will be as in #2.

1. The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case we will pay in the proportion that the applicable amount of insurance bears to 80% of the replacement cost of the damaged building at the date of damage, but not exceeding the actual cost incurred.
2. The Actual Cash Value of the damage at the date of occurrence. In determining the cost of repairs or replacement under #1 or the amount payable under #2 above, 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 buildings and their related services.

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

## **VANDALISM AND MALICIOUS DAMAGE COVERAGE - VE**

### **Insuring Agreement**

If the Coverage Summary Page shows that Vandalism and Malicious Damage Coverage applies, coverage is extended to include loss or damage caused directly by Vandalism or Malicious Mischief subject to the following terms and conditions.

### **Loss or Damage not Insured**

*We do not insure loss or damage:*

1. to glass constituting part of a building;
2. to property insured contained in a building directly or indirectly caused by theft or attempted theft;
3. occurring while the building insured or containing property insured is in the course of construction whether or not any permission is granted elsewhere in this policy to complete construction;
4. caused by you, any members of your household, or your employees, or by any tenant, employee or member of the tenant's household.

### **Additional Condition**

The **“Special Limits Of Insurance”** in Section I of this policy shall apply to loss or damage insured under this endorsement.

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

## BURGLARY AND ROBBERY COVERAGE – BE

### Insuring Agreement

If the Coverage Summary Page shows that Burglary and Robbery Coverage applies at the location specified, the following perils and limitations apply:

#### Burglary

This peril means the taking of 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 household pets;
- (b) occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us;
- (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 the taking of personal property following the use of violence or threat of violence to any person.

*This peril does not include loss or damage:*

- (a) to household pets;
- (b) occurring while the building is under construction or vacant even if permission for construction or vacancy has been given by us;
- (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.

#### Additional Condition

The "Special Limits of Insurance" in Section I of this policy shall apply to loss or damage under this coverage endorsement.

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

## SECTION IV POLICY

### CONDITIONS

#### STATUTORY CONDITIONS (required by law)

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

**Property of Others – 2.** 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.

**Change of Interest – 3.** 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.

**Material Change – 4.** 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 a payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

#### **Termination – 5.**

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.

## **Requirements After the Loss – 6.**

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, cost, 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 sub-paragraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

**Fraud – 7.** 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.

**Who May Give Notice and Proof – 8.** 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.

## **Salvage – 9.**

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.

**Entry, Control, Abandonment – 10.** 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.

**Appraisal – 11.** 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.

**When Loss Payable – 12.** The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

**Replacement – 13.**

1. The Insurer, instead of making 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 that 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.

**Action – 14.** 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.

**Notice – 15.** 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.



## SPECIAL CONDITIONS

With respect to Section II – Liability Coverage, including Voluntary Compensation for Residence Employees Endorsement when added, Statutory Conditions 1, 3, 4, 5 and 15 only apply. Otherwise, all of the Conditions set forth under the titles Statutory Conditions and Additional Conditions apply with respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Forms or Endorsements included herein or attached.

## ADDITIONAL CONDITIONS

**Notice to Authorities – 1.** Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

**No Benefit to Bailee – 2.** It is warranted by the Insured that this insurance shall in no wise inure directly or indirectly to the benefit of any carrier or other bailee.

**Pair and Set – 3.** In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of 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.

**Parts – 4.** 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.

**Sue and Labour – 5.** 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.

**Basis of Settlement – 6.** 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 then cost to repair or replace the same with material of like kind and quality.

**Subrogation – 7.** 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. Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

## LIBERALIZATION CLAUSE

If, after the issuance of this policy and before its expiration, there be adopted and published for use in this Province by the Insurance Company any forms, endorsements or rules by which the Insurance provided by this policy could be extended or broadened without additional premium charge, either by endorsement or substitution of form, then, as to loss occurring after the effective date of such adoption and publication, such extended or broadened insurance shall inure to the benefit of the Insured hereunder as though such endorsement or substitution of form had been made.

This policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No term or condition of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

