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Prestige

Home Insurance Options for your Distinctive Lifestyle Needs



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Saskatchewan



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Prestige Home Insurance

Insurance for Homeowners

Your Homeowners insurance policy is made up of a Cover Page and this booklet. This booklet explains your coverages. Your Cover Page shows what we agree to insure, the coverage we provide and the amount of protection. It also shows the premium you have agreed to pay. All amounts of protection are shown and all losses are payable in Canadian dollars.

Your Homeowners insurance policy covers your dwelling(s), outbuilding(s), belongings and personal liability. Other property may be insured if you choose.

This policy booklet is in 3 parts:

Part 1 – Dwelling, Outbuildings and Belongings

- explains coverage for property you own or use.

Part 2 – Personal Liability

- explains coverage for your liability due to your personal actions that involve bodily injury or property damage to someone else.

Part 3 – Statutory Conditions

- these are conditions we must tell you about by law.

All claims will be settled directly with the person(s) named on your Cover Page. Only the person(s) named on your Cover Page may make a claim against this policy and may take legal action against us.

Claims presented for loss or damage by any person(s) covered under this policy shall be considered to be made by all named or unnamed insured person(s) jointly. Action(s) of any person either individually or jointly shall be considered action(s) by all for the purpose of investigation and settlement of losses.

The key to your policy is its Cover Page. It shows the type and amount of your coverage. It gives the location of property you are insuring and it describes certain types of property you are insuring. Your coverage starts at 12:01 A.M. standard time on the **Effective Date**. It ends at 12:01 A.M. standard time on the **Expiry Date**. The Cover Page shows both of these dates. This is your **policy term**.

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

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

Definitions

Actual Cash Value means the cost to replace or repair your property considering depreciation which includes such things as its age, condition, resale value, obsolescence, and normal life expectancy at the time of loss. The value of property usually falls as it ages. Thus, actual cash value is normally lower than the cost to replace your property at today's prices.

Amount of Protection means the maximum amount we will pay for an insured loss in any one occurrence or incident. Different amounts apply to different coverages and these amounts are shown on the Cover Page.

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

Business Premises means premises on which a business is conducted.

Business Property means property pertaining to a business, trade, profession or occupation.

Data means information, including programs, recorded on electronic media usable in data processing operations.

Data Problem means:

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

Dwelling means the building at the location described on the Cover Page, occupied by you as a private residence.

Fungi means, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxicogenic, 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, underground streams and percolating water.

Identity Theft means the act of knowingly acquiring, transferring or using key pieces of a persons identity, without lawful authority, which represents a violation of any federal, provincial, territorial or local law.

Identity Theft Occurrence means any act or series of acts of identity theft by a person or group of persons.

Insured means the person(s) named on your Cover Page and the following unnamed person(s) living in the same dwelling:

- the spouse of the person(s) named on the Cover Page. Spouse also means either of 2 persons of the same or opposite sex who have been continuously living together in a conjugal relationship and have so lived together for a period of 2 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.
- the relatives of any of the above.
- anyone in the care of any of the above.

We also mean the following person(s):

- any unmarried student(s) attending school and residing away from your dwelling who is dependent on the Named Insured or his or her spouse for support and maintenance.
- any spouse, mother, father, grandmother, grandfather or child of the person(s) named on the Cover Page, while residing away from your dwelling in an approved nursing or care home.

Insured Peril means a cause of loss or damage insured under the type of coverage shown on your Cover Page for that specific property.

Jet Propulsion Personal Watercraft means any motorized sea vehicle, jet ski or other motorized water device designed as a self-propelled unit used on water. They can be designed to carry the operator only or to carry the operator and one or more passengers. Where we use the term personal watercraft unit it means a jet propulsion personal watercraft as defined herein.

Pollutant(s) means any solid, liquid, gaseous or thermal irritant or contaminants, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Principal Residence means the sole or primary location at which you live.

Replacement Cost means the cost to repair or replace property with material of similar kind and quality at today's prices without deduction for depreciation.

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

Rupture means damage to a plumbing, heating, fire sprinkler or air conditioning system within your dwelling caused by sudden and accidental bursting, tearing apart, cracking, burning, or bulging of the system, due to the pressure of or lack of water or steam.

Secondary Residence means a dwelling that you occupy that is not your principal residence. This dwelling cannot be unoccupied for more than 60 consecutive days at any time during the policy term.

Spore(s) means, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any fungi.

Surface Waters means water on the surface of the ground where water does not usually accumulate in ordinary circumstances.

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 dwelling is not occupied and, regardless of the presence of furnishings:

- all occupants have moved out with no intention of returning and no new occupant has taken up residence; or
- no occupant has yet taken up residence, however, a newly acquired dwelling which is to be your principal residence, will not be deemed vacant for the first 30 days from the date of title registration to you.
- the dwelling will not be deemed to be vacant or subject to vacancy restrictions or exclusions up to the first 90 consecutive days following the death of the Insured or until the expiry date of the policy, whichever comes first.

By **occupant** we mean only those persons defined under **Insured**.

Water Escape means accidental discharge or overflow of water or steam from a plumbing, heating, fire sprinkler or air conditioning system, household appliance, aquarium, waterbed, a swimming pool or hot tub or their equipment, or a public watermain.

Watermain means a pipe forming a part of a water distribution system that conveys consumable water but not waste water.

We, us or our means SGI CANADA.

You or your refers to **Insured** – see definition.

Part 1 – Your Dwelling, Outbuildings and Belongings

Your Premises

Means your dwelling and the grounds and outbuildings associated with it that you own and live on, at the location shown on your Cover Page. We cover the following property for the amount of protection shown on your Cover Page.

Your Dwelling

Means your dwelling and attached additions including equipment and structures that are permanently in place as part of your dwelling and its grounds except those used in whole or in part for any business or farming purpose. This includes such things as fences, storm windows, satellite antennae, swimming pools, and their attached equipment. These things are covered even while away from your dwelling for a short time due to repair or seasonal storage.

We cover building materials that you are going to use as part of your dwelling:

- a) located on your premises, or
- b) which you acquire and transport to your premises.

Permission is granted to make alterations, additions and repairs to your dwelling.

Your Outbuildings

(This does not apply to buildings located on an insured farm premises with the exception of garden sheds and gazebos as limited under Property with Specific Amounts of Protection.)

Means any building located on the grounds and separated from the dwelling. They are separate buildings even if they are attached to the dwelling by a fence, utility line or similar connection. This includes such things as garages, garden sheds, gazebos, and swimming pool enclosures.

We cover building materials you are going to use as part of your outbuildings:

- a) located on your premises; or
- b) which you acquire and transport to your premises.

We will also cover boathouses, docks and boat lifts, which are located at the same resort area as your dwelling.

We will not cover outbuildings that are used in whole or in part for any business, residential occupancy, or farming purpose. You may rent them to someone else, as long as they are not used in whole or in part for any business, residential occupancy or farming purpose.

Permission is granted to make alterations, additions and repairs to your outbuilding.

Your Belongings

Means personal property that you own or use, kept at your premises. Coverage is extended to include the following:

- belongings that are away from your premises temporarily, other than belongings in storage. Belongings in storage shall mean belongings not in current use and kept at a location away from your premises.
- belongings in storage in an occupied private dwelling.
- belongings stored in a commercial storage facility designed for that purpose.

- belongings in storage away from your premises for up to 30 consecutive days, if stored elsewhere than in an occupied private dwelling or commercial storage facility designed for that purpose. We will extend this 30 day coverage if you tell us of placing your belongings into storage and this is shown on your Cover Page. This will involve an extra premium charge.
- furs, boats, their equipment and accessories, outboard motors, and jet propulsion personal watercraft, including unlicensed boat trailers during seasonal storage away from your premises.
- golf carts kept year round at a golf course.
- belongings of each unmarried student, as defined under Insured, while going to school and residing away from your dwelling.
- belongings of an unnamed person, as defined under Insured, while residing away from your dwelling in an approved nursing or care home.
- belongings while you move them to a new principal residence in Canada. This coverage lasts for 60 days from the day you start the move and covers losses occurring:
 - at your premises shown on your Cover Page,
 - in transit,
 - at your new premises.

There are some limits on the kind of belongings we will cover and the amounts blanket coverage will pay. They are shown in the sections entitled **Property with Specific Amounts of Protection** and **Property and Causes of Loss We Do Not Cover** contained within this wording booklet.

Any belongings we cover as Special Belongings or which are specifically insured elsewhere are not covered here.

Specified Perils

For the purposes of this insurance contract, **Specified Perils** will be defined as follows:

- 1) **Fire or Lightning.**
- 2) **Explosion or Implosion.**
- 3) **Smoke.** By this we mean damage due to sudden and unusual failure of a heating or cooking unit in or on the premises. This could include such things as a furnace, stove or fireplace.
- 4) **Falling Objects** that hit the outside of an insured building or structure.
- 5) **Impact by Aircraft, Spacecraft or Land Vehicles.**
- 6) **Riot.**
- 7) **Vandalism or Malicious Acts.** We do not cover loss or damage:
 - directly or indirectly caused by theft or attempted theft.
 - while your dwelling is under construction or vacant regardless if permission for construction or vacancy was given elsewhere.
 - caused by you or anyone living in your household.
 - caused by any tenant, tenant's guests, tenant's employees, or members of their households.
- 8) **Water Escape and Rupture.** If you are away from your premises for more than 10 consecutive days during the normal heating season, you must do 1 of 3 things. You must shut off the water supply and drain all pipes, attached fixtures, and appliances; **or** arrange to have a reliable person come in daily to check the heating; **or** have your dwelling electronically monitored 24 hours per day by a company that monitors and responds to a low temperature signal. If you do not, we will not cover loss or damage caused by freezing, or resulting water damage.

We do not cover loss or damage to your dwelling or belongings if your dwelling has been vacant for more than 30 consecutive days or while your dwelling is under construction.

We do not cover loss or damage caused by freezing to any part of a plumbing, heating, fire sprinkler, or air conditioning system, or household appliance that is not in a heated building, or any resulting water damage.

We do not cover damage caused:

- by rust, corrosion or deterioration.
 - by seepage or continuous or repeated leakage.
 - by back up, discharge or escape or overflow of water or sewage from a sewer, sump, septic tank, or eavestrough or downspout connected to your sewer.
- 9) **Windstorm or Hail.** The interior of a building and belongings inside are also covered, but only if the damage happens immediately after wind or hail first makes an opening in the building. This peril does not cover loss or damage caused by waves, flood, high water, ice, rain, snow or sleet, whether driven by wind or not.
- 10) **Electricity.** Means sudden and accidental loss or damage caused by artificially generated electrical current.
- 11) **Transportation.** We cover loss or damage to belongings and building fixtures and fittings while they are being transported if caused by an accident to the transporting vehicle.

Insured Perils – Comprehensive Perils – (Cover Code C)

You are insured against all risks of direct physical loss or damage to dwellings, outbuildings and belongings subject to the terms, exclusions, conditions and limitations shown in this booklet. Shown below are some perils or causes of loss that we exclude. If these are the cause of loss or damage, we will not cover such loss or damage.

We do not cover loss or damage:

- a) caused by flood, surface water, waves, tidal waves, overflow of streams or other bodies of water, spray, ice, waterborne ice, shoreline ice build-up, or waterborne objects whether any of the former are driven by wind or not. We will, however, cover loss or damage if it is due to a sudden and unexpected escape of water from a swimming pool or attached equipment, fire fighting activities, or a public watermain. We will cover watercraft due to sudden and unexpected flood, surface water and waves.
- b) caused by water below ground level including that which exerts pressure on or flows, seeps or leaks through any opening in a sidewalk, driveway, foundation, wall, window, door, or floor. We will however, cover the loss or damage if it was due to a sudden and unexpected escape of water from a swimming pool or it's attached equipment, fire fighting activities, or a public watermain.
- c) due to theft or attempted theft, vandalism or malicious acts:
 - i) to property from that part of your premises rented by you to others caused by any tenant, tenant's guests or tenant's employees or members of their household.
 - ii) caused by you or anyone living in your household.
- d) due to theft, attempted theft, vandalism or malicious acts while your dwelling is under construction or vacant, even if we have given permission for construction or vacancy.
- e) caused by escape of water or steam from a plumbing, heating, fire sprinkler or air conditioning system, household appliance, swimming pool or hot tub or their attached equipment, or a public watermain occurring after your dwelling has been vacant for more than 30 consecutive days or while your dwelling is under construction.
- f) caused by sudden and accidental bursting, tearing apart, cracking, burning, or bulging due to the pressure of or the lack of water or steam in a plumbing, heating, fire sprinkler or air conditioning system or an appliance for heating water occurring while your dwelling has

been vacant for more than 30 consecutive days or while your dwelling is under construction.

- g) caused by freezing or resulting water escape from a plumbing, heating, fire sprinkler, or air conditioning system, or household appliance during the normal heating season and you are away from your premises for more than 10 consecutive days. In order to have this coverage, you must do 1 of 3 things. You must shut off the water supply and drain all pipes, attached fixtures, and appliances; **or** arrange to have a reliable person come in daily to check the heating; **or** have your dwelling electronically monitored 24 hours per day by a company that monitors and responds to a low temperature signal. We will not cover loss or damage, if your dwelling has been vacant for more than 30 consecutive days or while your dwelling is under construction.
- h) caused by seepage or continuous or repeated leakage of water or steam from a plumbing, heating, fire sprinkler or air conditioning system, household appliance, a swimming pool or hot tub or their attached equipment, or a public watermain.
- i) caused by rupture or freezing to an outdoor swimming pool or hot tub and the attached equipment of either, any part of a plumbing, heating, fire sprinkler, or air conditioning system, or household appliance not in a heated building or to a public watermain.
- j) caused by dampness of atmosphere, extremes of temperature, condensation, wet or dry rot, mould, contamination, acid rain, inherent vice, unknown flaw and defect.
- k) caused by vermin including skunks, rodents, raccoons, moths, insects, and domesticated animals including birds.
- l) caused by wear and tear, rust, corrosion, or deterioration.
- m) caused by smoke from agricultural or industrial operations.
- n) to sporting equipment due to the use of it.
- o) to retaining walls not constituting part of an insured building, unless caused by a **Specified Peril**.
- p) caused by cracking of ceilings or walls.
- q) due to marring or scratching of any property or breakage of any fragile or brittle article unless caused by a **Specified Peril**, theft, or attempted theft.
- r) caused by accidental discharge or seepage or continuous or repeated leakage of sewage or water from a sewer, sump, septic tank or eavestrough or downspout connected to a sewer. We do not cover loss or damage caused by back up, discharge or escape or overflow of water or sewage from public sewers or drains outside your dwelling.
- s) to glass while your dwelling or outbuilding is under construction or vacant even if we have given permission for construction or vacancy.
- t) caused by mechanical breakdown, except as covered under **Added Features – Home Systems Protection**.

We do not cover the following 3 things if they happen at the same time as an excluded peril or cause of loss above or elsewhere in this policy or contribute with an excluded peril or cause of loss to produce a loss:

- weather conditions; or
- acts or decisions of any person, civic authorities, or government authorities; or
- faulty, inadequate, or defective planning, design, material, construction, or maintenance of public utilities or public structures.

Specified Perils referred to previously are: fire, lightning, explosion or implosion, smoke, falling objects, impact by aircraft, spacecraft or land vehicles, riot, vandalism or malicious acts, water escape, rupture, windstorm or hail, electricity, transportation; as defined.

There are other causes of loss we will not cover under this policy. These are shown under **Property and Causes of Loss We Do Not Cover**.

Added Features Of Your Part 1 Coverage

We provide **added features** along with your regular coverage at no extra cost. These may be special types of coverage available to you, or they may be special uses of your regular coverage. We have noted those features that add to your amount of protection. Otherwise the coverages described are part of the amount of protection shown on your Cover Page.

Additional Baby Sitting Expense

If your dwelling is rendered unliveable we will pay up to \$50 in total per day for a period of 10 days to reimburse you for any additional babysitting costs you may incur. These costs must be incurred following the loss and during the period of claims settlement. We will pay for children below the age of 14 years. This coverage adds to your total amount of protection. This coverage is not subject to a deductible.

Arson Conviction Reward

We will pay \$5,000 for information which leads to a conviction for arson in connection with a fire loss to property insured by this policy. The amount we pay adds to your total amount of protection. The \$5,000 limit will not be increased regardless of the number of persons providing information. This coverage is not subject to a deductible.

Automatic Acquisitions

Any belongings that are insurable under this policy that you acquire after the effective date of this policy are automatically covered subject to the terms of this policy. This includes items you purchase while away on vacation.

Automatic Residence Coverage

When you purchase a new dwelling in Canada to replace your dwelling shown on the Cover Page and notify us within 45 days of the title registration to you, we will cover both dwellings for a period of 45 days before or after that registration. This coverage no longer applies after the policy expiry date or after someone else has legal title to the dwelling. The amount we pay adds to your total amount of protection. We will not pay more than the amount shown on the Cover Page for each dwelling.

Belongings of Guests and Residence Employees

You may use up to 15% of your belongings protection for belongings of your residence employees or non-paying guests. These belongings must be at your premises or in the care of residence employees carrying out duties of their employment away from your premises. The loss must be due to a peril for which your own belongings are insured. Your guests or residence employees must not have any coverage on their belongings. All claims will be settled directly with you.

Collapse

We cover direct physical loss or damage due to the collapse of a foundation, wall, floor, or roof of your dwelling or outbuildings caused by any of these 3 things:

- a peril insured by this policy.
- the weight of contents, equipment, or people.
- the weight of rain, ice, snow, or sleet on the roof.

Collapse means the complete failure or breaking down of a foundation, wall, floor or roof of your dwelling or outbuilding.

We do not cover loss or damage caused by collapse while your dwelling or outbuilding is vacant or under construction even if we have given permission for vacancy or construction.

Credit, Debit, or Electronic Funds Transfer Cards, Cheques, and Counterfeit Money Coverage

This coverage adds to your total amount of protection. This coverage is not subject to a deductible. The loss must take place during the policy term, but you are covered even if you do not discover the loss for up to a year after the policy term ends.

We will pay for:

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

We do not insure:

- a) Losses caused by your dishonesty;
- b) Losses arising out of your business pursuits;
- c) Losses caused by the use of your credit, debit or automated teller card by a resident or residence employee of your household, or by a person to whom you have entrusted the card.

If you are sued for the payment of a credit card charge or cheque that has been forged or altered. We will pay for your reasonable legal expenses. You must have our permission to defend yourself against the suit.

We will pay up to \$25,000 in total for all losses in any 1 policy term, even if the losses involve more than 1 card, cheque forgery, law suit, or piece of counterfeit money, or involve multiple purchases, transactions, or occurrences.

Debris Removal

You may have us pay to remove debris of insured property from your premises, if your insured property has been damaged or destroyed by an insured peril.

We will also pay for removal of property of others, excluding trees, shrubs and plants, blown on to your premises by windstorm, if your insured property is damaged or destroyed by an insured peril.

Debris removal expenses shall not be considered for the purpose of applying any co-insurance.

Declaration of Emergency Endorsement (Extension of Termination or Expiry Date)

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an **Emergency** is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The **Emergency** must have a direct effect or impact on:
 - a) the Insured, the insured site or insured property located in the declared emergency area; or
 - b) the operations of the Insurer or its agent/broker located in the declared emergency area.
2. a) Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the **Emergency** is terminated plus the lesser of:
 - i) 30 days; or
 - ii) the number of days equal to the total time the **Emergency** order was in effect.
- b) If this policy is due to expire during an **Emergency**, it will continue in force until the **Emergency** is terminated plus the lesser of:
 - i) 30 days; or
 - ii) the number of days equal to the total time the **Emergency** order was in effect.

3. In no event shall the total term of the extension exceed 120 consecutive days.

The Insured agrees to pay the *pro rata* premium earned for the additional time the Insurer remains on risk as a result of the above.

4. Definitions:

Emergency is defined as the first statutory declaration of an emergency:

- a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- b) as provided for by the relevant governing legislation if different from a) but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

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

Emergency Entry Property Damage

Coverage is automatically provided to repair damage to your dwelling (permanent or temporary residence) if damaged as a result of forcible entry by police, ambulance, fire department, or other persons to save and preserve life. This coverage adds to your total amount of protection. This coverage is not subject to a deductible.

Estate Coverage

Coverage restrictions due to vacancy will not apply within the first 90 days (or expiry date of the policy, whichever comes first) from the date your dwelling becomes vacant or unoccupied due to the death of an Insured.

Upon expiration of this coverage Part 1 General Conditions for vacancy will apply.

Fraud Conviction Reward

We will pay up to \$5,000 for information that leads to a conviction of fraud in connection with an insured loss to property insured by this policy. The amount we pay adds to your total amount of protection. The \$5,000 limit will not be increased regardless of the number of persons providing information.

This coverage is not subject to a deductible.

Home Systems Protection

We will pay up to the amount of protection shown for Home Systems Protection, except as specified for Spoilage below, for loss, damage or expense arising from any 1 accident under this coverage. **One accident** means if an initial accident causes other accidents, all will be considered 1 accident. All accidents that are the result of the same event will be considered 1 accident. Coverage applies only at the location shown.

We will cover the following:

Damage to Covered Equipment. We will pay for direct physical damage to covered equipment that is the result of an accident that occurs on the premises.

Accident means sudden and accidental:

- a) mechanical or electrical breakdown;
- b) tearing apart, cracking, burning or bulging of a steam or hot water heating system, or an air conditioning system; that results in direct physical damage to covered equipment.

Covered equipment means dwellings, outbuildings and belongings:

- a) that generates, transmits or utilizes energy; or
- b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

Covered equipment may utilize conventional design and technology or new or newly commercialized design and technology.

None of the following is covered equipment:

- a) supporting structure, cabinet or compartment;
- b) insulating material associated with covered equipment;
- c) water piping other than boiler feedwater piping, boiler condensate return piping or water piping connected to a heating or air conditioning system;
- d) wastewater piping or piping forming a part of a fire protective sprinkler or irrigation system;
- e) buried or encased piping or buried vessels, however, interior buried or encased piping connected to a heating or air conditioning system is covered equipment;
- f) software or electronic data;
- g) riding lawn mowers or tractors.

1. Spoilage

With respect to your refrigerated property we will pay:

- a) for physical damage due to spoilage that is the result of an accident;
- b) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage as the result of an accident.

We will pay up to \$500 under this Spoilage coverage.

2. Increased Living Expenses and Lost Rental Income

Coverage for Increased Living Expenses and Lost Rental Income is extended to this Home Systems Protection coverage.

3. Expediting Expenses

With respect to your covered equipment that is damaged as the result of an accident, we will pay the reasonable cost to:

- a) make temporary repairs; and
- b) expedite permanent repairs or permanent replacement.

4. Exclusions

We will not pay under this coverage for:

- a) loss, damage or expense caused by or resulting from electrical power surge or brown out, whether or not caused by lightning.
- b) any property that is not covered equipment except for refrigerated property to the extent it is covered under Spoilage.
- c) loss, damage or expense caused by or resulting from any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving data or media of any kind. But if an accident results, we will pay for the resulting loss, damage or expense.
- d) loss, damage or expense caused by or resulting from wear and tear, deterioration, or rust or other corrosion. However, any ensuing loss to covered equipment is covered.
- e) loss, damage or expense caused by or resulting from any of the following, whether the excluded cause of loss occurs on or off the premises:
 - i) fire (including fire resulting from an accident); or water or other means used to extinguish a fire;
 - ii) explosion;
 - iii) lightning; windstorm or hail; smoke; impact by aircraft, spacecraft or land vehicle; riot; glass breakage; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse;

- iv) vandalism or malicious acts or theft;
- v) flood, surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, spray, ice, waterborne ice, shoreline ice build-up, or waterborne objects whether any of the former are driven by wind or not; mudslide or mudflow; or water or sewage that backs up or overflows from a sewer, drain, septic tank or sump, and any other water damage including water damage resulting from an accident; or
- vi) any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action.

5. Deductible

We will pay only that part of the loss that exceeds \$1,000. No other deductible applies to this coverage.

6. Environmental, Safety and Efficiency Improvements

If covered equipment requires replacement due to an accident, we will pay your additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which actual cash value applies and does not increase any of the applicable limits.

7. Loss Settlement

Losses under this coverage will be settled as follows:

- a) our payment for damaged covered property will be the smallest of:
 - i) the applicable limit of liability;
 - ii) the cost to repair the damaged property;
 - iii) the cost to replace the damaged property with like kind, quality and capacity on the same premises; or
 - iv) the necessary amount actually spent to repair or replace the damaged property.
- b) except as described in Environmental, Safety and Efficiency Improvements above, you are responsible for the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- c) if you do not repair or replace the damaged property within 24 months after the date of the accident, then we will pay only the smaller of:
 - i) the cost it would have taken to repair at the time of the accident; or
 - ii) the actual cash value at the time of the accident.

Ice Damming Snow Removal

If you incur an ice damming claim during the term of this policy we will pay up to \$1,000 to remove excess snow from the roof of your dwelling in order to mitigate the potential for further loss or damage from ice damming. We will do this only once during your policy term. This coverage is not subject to a deductible.

Identity Theft Coverage

We will pay for identity theft expenses up to the amount of protection shown on your Cover Page for each occurrence. These expenses are defined as the costs associated with the restoration of your identity. The policy deductible will apply.

The identity theft occurrence must take place during the policy term. You are covered even if you do not discover the occurrence for up to a year after the policy term ends or after cancellation of the policy.

We will pay:

- a) the costs for obtaining up to 2 credit reports or profiles, notarizing affidavits and/or similar documents for law enforcement agencies, credit agencies and financial institutions or similar credit grantors;
- b) the cost to replace Canadian Government issued identification documentation, passports, driver's licence and birth certificates;
- c) the reasonable cost of certified mail, telephone expenses, and facsimile transmissions to businesses, law enforcement agencies, credit agencies and financial institutions or similar credit grantors;
- d) the fees associated with re-applying for loans due to the rejection of your original application as the lender(s) received incorrect information;
- e) up to 50% of the Amount of Protection shown on your Cover Page for this coverage for wages or salary lost by you. This includes time off work to complete fraud affidavits, or to meet with merchants, legal counsel, law enforcement agencies, credit agencies, and financial institutions or similar credit grantors;
- f) the reasonable legal fees incurred for:
 - (i) your defense for any claims(s) or any suit(s) made against you by any business or their collection agencies;
 - (ii) the removal of any criminal or civil judgments wrongly entered against you;
 - (iii) any challenge to the accuracy of information in your credit report;
 - (iv) recovering assets acquired by a third party.

This coverage does not apply to losses covered under the Credit, Debit, or Electronic Funds Transfer Cards, Cheques, and Counterfeit Money Coverage.

Increased Living Expenses and Lost Rental Income

You may use up to 25% of the amount of protection shown on your Cover Page for your dwelling to pay for an increase in your living expenses and/or loss of rental income, unless your Cover Page shows that you have Single Amount of Protection. The costs must be due to a peril for which your dwelling is insured. The length of time we will continue to make payments is not restricted by the expiry of your policy. The amount we pay adds to your total amount of protection.

We will pay for:

1. **Increased Living Expenses.** If the loss makes your dwelling unliveable, we will pay for your moving costs. We will pay for the reasonable increase in your cost of living required to maintain your normal standard of living. We will not pay expenses for things that are not needed to support you during the period your dwelling remains unliveable.

We will continue to pay only until you repair or replace your dwelling, or you permanently relocate. We will give you a reasonable time to repair or replace your dwelling or to settle your household.
2. **Lost Rental Income.** We will pay for your actual loss of rental income for those parts of your dwelling or outbuildings that you were renting out when the loss took place. We will pay for the fair rental value of this property even if it was not rented out when the loss took place. You must show us that you were trying and able to rent it out at the time of loss. We will pay until you have had a reasonable length of time to repair your dwelling or outbuildings. We will deduct any saving in expenses, such as electric and water bills, which stop because of the loss.

We will not pay for any increased costs for increased living expenses or lost rental income due to unnecessary delays on your part, to repair or replace your dwelling or outbuildings, relocate, or to settle your household.

We will also pay for increased living expenses and lost rental income when a public authority denies you access to your premises. We will pay these costs for up to 2 weeks. The denial can be due to actual or threatened damage to your dwelling or outbuildings, but it must be due to a Specified peril as defined for which you are insured.

Inflation Protection Factor

To help protect you in the event you have a loss, we will increase the total amount of protection on your dwelling, outbuildings, and belongings by a portion of the Inflation Protection Factor (IPF) percentage (as shown on your Cover Page) as follows:

- 2 months after inception date – 25% of the IPF
- 5 months after inception date – 50% of the IPF
- 8 months after inception date – 75% of the IPF
- 11 months after inception date – 100% of the IPF

Inception means the effective date of the policy or, if the policy has been in force for more than 1 year, its last anniversary date. If you request a change in the amount of insurance during the policy term, the effective date of that change will be considered the **inception**, until the next policy anniversary date.

Vacant buildings do not have this added feature.

Lock Replacement Coverage

We will pay up to \$3,000 for the cost of changing the key combination in your lock set or, if necessary, replacing the lock set(s) on your dwelling or outbuildings if their keys are stolen. This coverage is not subject to a deductible. Your policy must cover theft for this coverage to apply.

Loss of Income

If your dwelling is rendered unliveable we will pay up to \$250 per day for a period of 10 days to reimburse you or your spouse for the actual loss of income you incur if you must be away from work. These costs must be incurred following the loss and during the period of claims settlement. You are not eligible for this coverage if your employer pays you for this lost time. We will not reimburse your employer for any payments they make to you during this lost time. This coverage is not subject to a deductible.

Mass Evacuation

You may use up to 25% of the amount of protection shown on your Cover Page for your dwelling, for Mass Evacuation coverage. We will pay for increased living expenses for the period during which a public authority denies you access to your premises because of a mass evacuation order due to a sudden or unexpected event. We will pay these costs for up to 30 days. The amount we pay adds to your total amount of protection. We will not pay costs due to:

- a) flood meaning waves, tides, tidal waves and the rising of, the breaking out, or the overflow of any body of water, whether natural or man-made;
- b) earthquake;
- c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military power, or terrorism;
- d) any nuclear incident as defined in the *Nuclear Liability Act*, nuclear explosion or contamination by radioactive material.

Outdoor Trees, Shrubs, Plants and Lawns

You may use up to 5% of the amount of protection on your dwelling to pay for loss or damage to outdoor trees, shrubs, plants and lawns. Loss must be due to 1 of these 8 causes: 1) Fire. 2) Lightning. 3) Explosion or Implosion. 4) Riot. 5) Impact by Aircraft, Spacecraft or Land Vehicles. 6) Vandalism. 7) Malicious Acts. 8) Theft including damage caused by attempted theft.

We will pay up to \$2,500 for your lawn, single tree, plant or shrub including debris removal. We do not insure any items grown for commercial purposes or sale.

Property Protection Coverage

We will pay for property that is damaged or used trying to protect your dwelling, outbuildings, or belongings from a loss. For example, we will pay to recharge a neighbor's fire extinguisher if it was used to fight your fire. We will not pay for property owned by a fire department. The amount we pay adds to your total amount of protection.

Tear Out

We will pay to remove and replace or repair parts of your dwelling or premises if that is necessary to repair rupture damage to plumbing, heating, fire sprinkler or air conditioning systems.

We will not pay the cost for tearing out and replacing or repairing property for damage related to swimming pools, hot tubs or similar installations, public watermains, or sewers.

This coverage is not subject to a deductible.

Temperature Change

If there is a failure of any system in your dwelling or outbuilding that maintains an artificial temperature, such as your furnace or freezer, we will pay for the loss or damage to your belongings that is caused by the resulting change in temperature. The belongings must be inside a building. The loss must be caused by a peril for which you are insured.

Optional Coverages

Your Cover Page will show which of the following optional coverages apply to your policy.

Lifestyle Coverage Options

Each of these lifestyle coverages options are available for an additional premium. Your Cover Page will show which (if any) of these you have chosen.

1. Lifestyle Option A – Business

If your Cover Page shows you have this coverage we will pay the following increased limits under **Property with Specific Amounts of Protection**. Any belongings we cover as special belongings or which are specifically insured elsewhere are not covered here. For losses due to any insured peril we will pay up to these amounts:

- a) \$25,000 in all for books, tools, and instruments pertaining to a business, profession, trade, or occupation. We will pay up to \$25,000 in all for computer hardware used in a business, profession, trade or occupation. They are covered only at your premises. We do not cover other business property, such as samples, supplies, or goods held for sale.

Limits for **Credit, Debit, or Electronic Funds Transfer Cards, Cheques, and Counterfeit Money Coverage** – is increased to \$50,000 in total for all losses in any 1 policy term.

Refer to the coverage descriptions for the applicable terms, conditions and exclusions.

Limits of coverage under **Part 2 – Personal Liability Coverage** will be increased as follows:

- i) Voluntary Medical Payments will increase to \$25,000.
- ii) Voluntary Property Damage Payments will increase to \$25,000.
- iii) Defense Settlement – Supplementary Payments will increase to \$500 a day for actual loss of wages or salary.

Please refer to Part 2 – Personal Liability section of this policy for applicable terms, conditions and exclusions.

2. Lifestyle Option B – Collectibles and Treasures

If your Cover Page shows you have this coverage we will pay the following increased limits under **Property with Specific Amounts of Protection**. Any belongings we cover as special belongings or which are specifically insured elsewhere are not covered here. For losses due to any insured peril we will pay up to these amounts:

- a) \$1,000 on any 1 item and a total amount of \$10,000 in all, for losses in any 1 policy term, for trading cards and comic books.

For losses due to Theft and Comprehensive Perils we will pay up to these amounts:

- a) \$35,000 in all for jewelry, watches and gems.
- b) \$35,000 in all for furs, fur garments and garments trimmed with fur.
- c) \$15,000 in all for manuscripts, stamps, and philatelic property (such as stamp collections).
- d) \$15,000 in all for numismatic property (such as coin collections).

Refer to the coverage descriptions for the applicable terms, conditions and exclusions.

3. Lifestyle Option C – Family and Security

If your Cover Page shows you have this coverage we will pay the following increased limits under **Property with Specific Amounts of Protection**. Any belongings we cover as special belongings or which are specifically insured elsewhere are not covered here. For losses due to any insured peril we will pay up to these amounts:

- a) \$25,000 in all for securities.
- b) \$2,500 for bullion and \$2,500 for money. Money also includes gift cards, cash cards and gift certificates.
- c) \$25,000 in all for cemetery property anywhere in Canada.

Limits for **Additional Baby Sitting Expense** – if your dwelling is rendered unliveable will increase up to \$100 in total per day for a period of 10 days.

Limits for **Identity Theft Coverage** – will increase to \$50,000.

Limits for **Loss of Income** – if your dwelling is rendered unliveable we will increase to \$500 per day for a period of 10 days to reimburse you or your spouse for the actual loss of income you incur if you must be away from work.

Refer to the coverage descriptions for the applicable terms, conditions and exclusions.

4. Lifestyle Option D – Home and Recreation

If your Cover Page shows you have this coverage we will pay the following increased limits under **Property with Specific Amounts of Protection**. Any belongings we cover as special belongings or which are specifically insured elsewhere are not covered here. For losses due to any insured peril we will pay up to these amounts:

- a) \$25,000 in all for watercraft, their equipment and accessories, outboard motors, jet propulsion personal watercraft and unlicensed boat trailers that are not required to be licensed. Coverage for fire and lightning applies anywhere in Canada or the continental U.S.A. Other perils you are insured for apply only at your premises. We do not cover loss or damage caused by freezing.
- b) \$15,000 in all to recreate personal records stored in a home computer located on your premises. The loss must be due to an insured peril. This coverage does not apply to business records stored in a home computer.
- c) \$10,000 in all for household animals, birds or fish after their death or necessary destruction that occurred within 30 days of injury caused by fire, lightning, explosion or smoke.
- d) \$25,000 for each lawnmower, garden tractor or snowblower and their attachments and accessories.

For losses due to Theft and Comprehensive Perils we will pay up to these amounts:

- a) \$10,000 for each bicycle, tricycle, unicycle or electric assisted bicycle (up to 500 watts and not exceeding 32 km/h), including accessories and attached equipment.

Limits for **Lock Replacement Coverage** – will increase to \$5,000 for the cost of changing the key combination in your lock set or, if necessary, replacing the lock set(s) on your dwelling or outbuildings if their keys are stolen.

Limits for **Outdoor Trees, Shrubs, Plants and Lawns** – will increase to 10% of the amount of protection shown on your dwelling. We will pay up to \$5,000 for your lawn, single tree, plant or shrub including debris removal. We do not insure any items grown for commercial purposes or sale.

Refer to the coverage descriptions for the applicable terms, conditions and exclusions.

Other Optional Coverages

Sewer Back Up Coverage

If this coverage is shown on your Cover Page we will pay for loss or damage caused by back up, accidental discharge or escape or overflow of water or sewage from a sewer, sump, septic tank, or eavestrough or downspout connected to your sewer.

We do not cover loss or damage caused by:

- a) back up, discharge or escape or overflow of water or sewage from public sewers or drains outside your dwelling.
- b) seepage or continuous or repeated leakage.

We do not cover sewer back up to your dwelling or belongings while your dwelling is vacant even if we have given permission for vacancy.

Voluntary Fire Fighting Coverage

If your Cover Page shows that you have this coverage, we will pay up to the amount of protection shown to a fire department for its services. They must deal with a fire loss for which your dwelling, outbuildings, or belongings are covered or they must be needed to protect your property or property of others adjacent to your premises, from such a loss.

This coverage will apply to all property and locations shown on the Cover Page.

We will not pay for loss or damage to property owned or used by a fire department.

This coverage is not subject to a deductible.

Settling a Claim

Your Cover Page will show the amounts of protection on property insured in Part 1. These amounts, along with the features we have said add to your amount of protection, are the most we will pay for your loss. The only exception to this is if you have the Homeowner's Guarantee.

We will pay for insured loss or damage up to the amount of your financial interest in the insured property, but not exceeding the applicable amount(s) of protection for any loss or damage arising out of 1 occurrence.

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

We will not pay for any increased costs due to unnecessary delays on your part.

Swimming pool liners are subject to Actual Cash Value in all cases regardless of cause of loss or age of the pool liner.

Our payment will also depend on your share of the loss and other rules used to settle claims. These are explained below.

Deductible

A deductible is used for losses covered in Part 1.

A deductible means that you will have to bear the first part of your loss yourself. We will subtract this amount from the total of your loss. Then we will pay for the rest of your loss. We will pay up to your amount of protection. We will not pay if your loss is less than the deductible. The deductible is shown on your Cover Page.

You may have different deductibles depending on the type of property and the type of loss that we cover. When 2 or more items are lost or damaged in 1 loss, or several insured perils occur at the same time contributing to the loss, we will use only 1 deductible. We will use the largest single deductible of all that apply.

Franchise Clause

We will pay the full amount of your insured loss where the amount of loss or damage is greater than \$25,000 or 10 times the policy deductible, whichever is greater. This clause will not apply to any loss or damage caused by sewer back up and/or water escape and rupture.

Dwelling and Outbuildings

We will pay to repair or replace your dwelling or outbuildings according to the terms and conditions of Homeowner's Guarantee Coverage outlined below.

Homeowner's Guarantee

We will pay to repair or replace your dwelling or outbuildings at today's prices with material of similar kind and quality. We will do this even if the cost is more than the amount shown on your Cover Page. But we will not pay for increased costs due to any law dealing with building or repair, except as mentioned in the Building Code/Bylaw Extra Expense added feature below. Homeowner's Guarantee does not apply if your dwelling is vacant when a loss happens.

After a loss you must do 3 things to get this coverage:

- you must rebuild your dwelling or outbuildings on a permanent foundation.
- you must rebuild your dwelling and outbuildings within a reasonable time.
- you must re-occupy your residence as your principal residence.

We will not pay for increased costs due to unnecessary delays on your part.

You must tell us if you are making changes to your dwelling that will increase its total replacement value by \$25,000 or more, and you must tell us within 90 days of the date when work started. For example, when you add on to your dwelling or build rooms in your basement. You must pay any additional premium for this increase in value. If you do not tell us of such changes in replacement values as required, we will not pay more than the amount of protection shown on the Cover Page. The basis of settlement will be on a replacement cost basis as defined previously in this policy. Homeowner's Guarantee will not apply. We will increase the amount of protection shown on the Cover Page only by the amount allowed under the **Added Features of Your Part 1 Coverage – Inflation Protection**.

If you decide not to repair or replace the damaged or destroyed dwelling or outbuilding, or choose not to re-occupy your dwelling as your principal residence, we will pay the actual cash value of the damage at the date of loss.

Added Features of Homeowner's Guarantee

1. Mortgage Rate Protector

We give you this feature with the Homeowner's Guarantee. There is no extra cost. You may use this feature after a total loss to your dwelling. A

total loss is one equal to at least the amount of protection shown on your Cover Page. It must also be a loss for which you are covered.

Sometimes your bank or lending institution may have the right to call in your mortgage after such a loss. If they do, you may have to take out a new one at a higher rate of interest. We will pay the difference between the old and new rates on the balance of your outstanding mortgage. We will pay each month. We will pay until the term of your old mortgage would have expired. But we will stop paying if you give up title to or interest in your premises.

We will also pay for fees charged by your lawyer to prepare and register the new mortgage. We will not pay for other costs such as judgments or service charges.

2. Building Code/Bylaw Extra Expense

If your dwelling and outbuildings must be rebuilt to meet current building codes and by-laws, this may involve extra expenses not covered by ordinary insurance. Homeowner's Guarantee will pay these extra expenses. Extra expenses due to a law preventing you from rebuilding on the same site are not covered.

3. Single Amount of Protection

a) We cover the following items for the single amount of protection indicated in this policy:

- belongings
- increased living expenses
- lost rental income
- mass evacuation

You decide what portion of the single amount of protection will apply to each item in the event of a loss to that item. This feature is subject to all terms, conditions and limitations of this policy.

b) Should the single amount of protection be inadequate to pay for your loss, you may use the unused portion of the remaining amounts of protection for the dwellings, and outbuildings.

Belongings

We will pay the cost of repair or the cost of new belongings (whichever is less) of similar kind, quality and usefulness up to your total amount of protection for belongings. If you replace a belonging with one of lesser quality, we will only pay the amount you paid for the replacement. You must give us written proof of replacement or repair in order to get replacement cost coverage. You may choose payment on an Actual Cash Value basis initially. You may make a subsequent claim on a Replacement Cost basis but not later than 2 years after the date of loss or damage. We will not pay for increased costs due to unnecessary delays on your part. We will keep any salvage or proceeds from salvage.

We will only pay the actual cash value for loss or damage to these 7 types of belongings:

- 1) a belonging that is not in good, useable condition at the time of loss.
- 2) a belonging not in current use by you at the time of loss that you stored away and for which you had no specific future use.
- 3) a belonging of an age or condition that makes it out of date or no longer useable for its original purpose.
- 4) art works, antiques, rare objects, and other items that cannot be replaced.
- 5) a belonging that has not been fixed or replaced after a loss.
- 6) spare automobile parts and accessories.
- 7) watercraft, their equipment, accessories, outboard motors, and jet propulsion personal watercraft, including unlicensed boat trailers that are more than 10 years of age from the date they were originally purchased as new.

Pairs and Sets (Applies to Belongings and Special Belongings)

Pair: If there is a loss to half of a pair, we will pay for the complete pair. The undamaged piece becomes our property.

Set: For items that are part of a set of 2 or more pieces, we will only pay for those parts that had the loss. For example, if your chair is destroyed, we would pay for that damage. We would not pay for the matching sofa, unless it was damaged as well.

Obsolescence – Dwelling, Outbuildings and Belongings

We will not pay for increased costs that result when you cannot repair or replace your property because material or parts are unavailable, obsolete, or outmoded. We will only pay the cost that would have been incurred if materials or parts were available. We will pay the last known cost of materials or parts. This limitation will not apply to insured loss or damage to roofs, roof coverings, exterior siding materials, or vehicle entry garage doors forming part of your dwelling or outbuildings, nor to floor coverings forming part of your dwelling.

Property with Specific Amounts of Protection

For certain types of property the amount we will pay is explained below. The deductible on your Cover Page applies.

- (1) **Unless otherwise specified, for losses due to any insured peril** we will pay up to these amounts:
 - a) \$10,000 in all for books, tools, and instruments pertaining to a business, profession, trade, or occupation. We will pay up to \$10,000 in all for computer hardware used in a business, profession, trade or occupation. They are covered only at your premises. We do not cover other business property, such as samples, supplies, or goods held for sale.
 - b) \$10,000 in all for securities.
 - c) \$1,000 for bullion and \$1,000 for money. Money also includes gift cards, cash cards and gift certificates.
 - d) \$10,000 in all for watercraft, their equipment and accessories, outboard motors, jet propulsion personal watercraft and unlicensed boat trailers that are not required to be licensed. Coverage for fire and lightning applies anywhere in Canada or the continental U.S.A. Other perils you are insured for apply only at your premises. We do not cover loss or damage caused by freezing.
 - e) \$10,000 in all to recreate personal records stored in a home computer located on your premises. The loss must be due to an insured peril. This coverage does not apply to business records stored in a home computer.
 - f) \$5,000 in all for household animals, birds or fish after their death or necessary destruction that occurred within 30 days of injury caused by fire, lightning, explosion or smoke.
 - g) \$15,000 for each lawnmower, garden tractor or snowblower and their attachments and accessories.
 - h) \$500 on any 1 item and a total amount of \$5,000 in all, for losses in any 1 policy term, for trading cards and comic books.
 - i) \$10,000 in all for cemetery property anywhere in Canada.
 - j) \$2,500 in all for spare automobile parts and accessories.
 - k) \$5,000 in all for garden sheds and gazebos while located on a farm premises.
- (2) **For losses due to Theft, and Comprehensive Perils** (excluding the **Specified Perils** previously defined) we will pay up to these amounts:
 - a) \$25,000 in all for jewelry, watches and gems.
 - b) \$25,000 in all for furs, fur garments and garments trimmed with fur.

- c) \$10,000 in all for manuscripts, stamps, and philatelic property (such as stamp collections).
- d) \$10,000 in all for numismatic property (such as coin collections).
- e) \$5,000 for each bicycle, tricycle, unicycle or electric assisted bicycle (up to 500 watts and not exceeding 32 km/h), including accessories and attached equipment.
- f) \$2,500 in all for audio cassettes, compact discs and digital video discs while in or on motor vehicles, watercraft or aircraft.

Property and Causes of Loss We Do Not Cover

We do not cover the following:

- a) buildings, outbuildings, structures, belongings and any other property when designed, used, or intended for use in whole or in part for:
 - (i) business or farming purposes; but in the case of personal computers and related office equipment, we will cover them if used for farming purposes; or
 - (ii) storage, housing or upkeep of agricultural products or supplies, livestock, poultry or animals other than household pets;

except as provided under **Property with Specific Amounts of Protection**.

Incidental office use is permitted.

- b) property illegally acquired, used, kept, or imported.
- c) books of account, evidence of debt or title, and documents or other evidence to establish ownership, or the right or claim to a benefit or thing.
- d) property lawfully seized or confiscated. But we will cover such property if it is destroyed to prevent the spread of fire.
- e) motorized vehicles, trailers, and aircraft. This includes such things as cars, trucks, skidsteers, motorcycles, motorized snow vehicles, all-terrain vehicles, dirt bikes, go-carts, dune buggies, hang gliders, ultralights or other similar aircraft of any name. Nor do we cover any parts, furnishings or equipment of those things. For example, CB's, stereo equipment, tires or antennae. However, we will cover motorized wheel chairs, lawnmowers, snowblowers, garden equipment, golf carts, electric assisted bicycles (up to 500 watts and not exceeding 32 km/h). An unlicensed boat trailer kept at your premises and spare automobile parts and accessories are special cases. These are shown in **Property with Specific Amounts of Protection**.
- f) losses or increased costs of repair due to any bylaw, ordinance or law regulating the zoning, demolition, repair, or construction of buildings and their related services unless it is shown on your Cover Page as Homeowner's Guarantee.
- g) the cost of making good any faulty design, material, or workmanship.
- h) loss or damage caused by settling, expansion, contraction, moving, shifting, bulging, buckling or cracking, unless fire or explosion follows; then we will pay for the resulting damage. We will cover damage to building glass.
- i) belongings undergoing any process, including cleaning or being worked on, where the damage results from such process. Resulting damage to other property caused by an insured peril is covered.
- j) loss or damage caused by snowslide, earthquake, landslide, or any earth movement. However, if any of those results in fire or explosion, we will pay for the resulting loss or damage.
- k) loss or damage to property on exhibit or display, or any time your property is being held for sale by others.
- l) loss or damage not due to a sudden, unexpected event.
- m) loss or damage caused by a nuclear incident as defined in the *Nuclear Liability Act*. Nor do we cover nuclear explosion or contamination by radioactive material.

- n) loss or damage caused by war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection, or military power.
- o) loss or damage resulting from criminal or wilful acts done by you or by any person whose property is insured under this policy, including such acts done for you by someone else.
- p) loss or damage caused by acts you deliberately did or acts you failed to do.
- q) dwellings or outbuildings that have been placarded or condemned by any authority, or belongings contained therein.
- r) loss or damage to dwellings or outbuildings while being moved, or while being raised off or lowered onto its foundation, or to belongings contained therein.
- s) loss resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud.
- t) loss or damage resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants.
- u) 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, but you are still insured for ensuing loss or damage which results directly from fire or explosion.
- v)
 - i) loss or damage to data, or
 - ii) loss or damage caused directly or indirectly by a data problem. However, if loss or damage caused by a data problem results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion or implosion, smoke, or water escape and rupture, all as described under **Specified Perils**, this exclusion shall not apply to such resulting loss or damage.
- w)
 - i) loss or damage caused directly or indirectly, in whole or in part, by any fungi or spores.
 - ii) the cost or expense for any testing, monitoring, evaluating or assessing of fungi or spores.
- x) loss or damage to any outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), and all contents of the same structure if caused by or resulting from the use of the heating unit.
- y) loss or damage caused directly or indirectly by any illegal or unauthorized activity related to and including the growing, harvesting, manufacturing, processing, storing, sale or distribution of any drug or narcotic or the possession of any substances or items of any kind which constitutes a criminal offence to any dwelling, outbuildings or belongings contained therein, whether or not you have any knowledge of or are able or unable to control such illegal activity. This includes any alteration of the premises to facilitate such illegal activity.
- z) wind turbine systems including all related equipment and structures manufactured for a rated power generation exceeding 1kW.

General Conditions for Part 1

The following general conditions apply to Part 1 of this policy:

- 1) We will not cover people who were holding, storing or transporting your property for a fee at the time of loss.
- 2) After we pay your claim, we may find that someone else is legally responsible for your loss. We have the right to recover our payment from that person. If we ask, you must co-operate with us in any legal action we take at our expense and through our lawyers. You may release another person from their legal responsibility for loss or damage to your property but you must tell us if you do. The agreement must be in writing, and you must make the agreement before any loss or damage takes place.

You must not release another person for their legal responsibility for loss or damage after a loss has occurred. You will need our consent in writing to do so.

- 3) Any payment for a loss will not lower the total amount of protection for the rest of the policy term.
- 4) The Statutory Conditions apply to Part 1 of this policy.
- 5) When you have other insurance on property covered by Part 1 of this policy, we will pay only our share of the loss. We will do this even if your other insurance covers different perils than this policy. Our share will be in the same proportion that the amount of our protection bears to the total amount of all your fire protection.
- 6) You must tell us when your dwelling becomes vacant as defined by this policy.

You must tell us when no one has been living in your dwelling for a full year, even if you intend to return to it. We feel these dwellings are also vacant too – even if belongings are still in place.

If you do not tell us within 30 days from the day your dwelling becomes vacant, we will not cover any loss or damage that happens after 30 consecutive days of vacancy.

When you tell us within 30 days of your dwelling becoming vacant, we will continue to cover your dwelling with replacement cost coverage until the expiry date of your policy. Vacancy restrictions apply.

Any permission for vacancy that we allow in this condition does not change or invalidate any coverage restriction due to vacancy, stated in other parts of this policy.

- 7) If your loss is due to a crime, you must report the loss to the police or other policing authorities at once. This includes such crimes as theft, burglary, and vandalism or malicious acts.
- 8) You must take all reasonable steps to protect your property.
- 9) If we adopt any revision that would broaden coverage under your policy during the policy term, and we do not charge additional premium, the broadened coverage will immediately apply to your policy.

Part 2 – Personal Liability

(Does not apply when issued as part of an Agro Pak Policy)

Definitions Applicable to Part 2

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

Business in this Part has the same meaning as in Part 1.

Data in this Part has the same meaning as in Part 1.

Jet Propulsion Personal Watercraft in this Part has the same meaning as in Part 1.

Occurrence means an accident, including continuous or repeated exposure to conditions which results in **bodily injury** or **property damage** neither expected nor intended.

Premises in this Part has the same meaning as in Part 1. It also includes the following:

- a place you live in for a short time, but that you do not own. For example, a hotel or motel room.
- your own or your family's burial site in Canada.
- a non-business location in Canada which you become owner of or take possession of during the policy term. You will be covered for up to 30 days after you take ownership or possession.

Property Damage means physical damage to, or destruction of tangible property, including the loss of use of this property.

Residence Employee in this Part has the same meaning as in Part 1. Your residence employee will be covered while using farm machinery if it is not a usual part of their job.

Terrorism in this Part has the same meaning as in Part 1.

We, us, or our in this Part has the same meaning as in Part 1.

You and your in this Part has the same meaning as in Part 1.

In Part 2, **you** and **your** also mean these additional people:

- your residence employees;
- workers during construction of your dwelling. The workers can be paid or unpaid. But we will not cover any independent contractor or employees of the contractor;
- any person or organization legally liable for damage caused by watercraft (excluding jet propulsion personal watercraft) or animals owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft (excluding jet propulsion personal watercraft) or animals in the course of any business or without your permission;
- any person who is insured by this policy at the time of your death and who continues residing on the premises. We will cover them until the end of policy term or cancellation of the policy, whichever comes first;
- your executors or administrators while they are tending to your premises. We will cover them until the end of the policy term or cancellation of the policy, whichever comes first.

Personal Liability

You must take reasonable care that you do not, or your property does not harm someone else or their property. If you do not, you may be negligent. People who are hurt or whose property is unintentionally damaged because of your negligence may have a legal right to be paid for their damages. A liability claim or action brought against you can come from a single event or it can come from a continuous or repeated condition. We will treat this as if all damage was from a single occurrence.

We will only pay compensatory damages for **bodily injury** or **property damage**. We will pay for claims arising out of your personal actions anywhere in the world, including claims due to your actions while engaged

in volunteer work for a charitable or non-profit organization. We will pay for claims due to the condition or use of your premises. We will only pay claims where you are legally liable; however, there may be situations where we will pay and you are not legally liable. These are explained under **Added Features of Your Part 2 – Personal Liability Coverage: Voluntary Medical Payments or Voluntary Property Damage Payments.**

We will not pay for **bodily injury or property damage** caused by or arising out of:

- a) the ownership of a rented dwelling, vacant dwelling, or a seasonal dwelling and its related property within the same resort area;
- b) the renting of a room or suite to others;
- c) the use and ownership of a jet propulsion personal watercraft or an all-terrain vehicle;
- d) business use of the premises;

unless an additional premium has been paid and coverage extension is shown on your Cover Page.

Amount of Protection

We will pay up to the Amount of Protection shown on your Cover Page. The amount shown is the maximum amount we will pay for all compensatory damages in respect of any 1 occurrence, regardless of the number of insureds against whom claim is made or action is brought. As explained later under **Defense Settlement – Supplementary Payments**, we will pay for certain related costs too, which are in addition to the Amount of Protection.

Bodily Injury and Property Damage

We will pay for **bodily injury or property damage** to someone else if you are legally liable. This includes:

- a) claims due to an agreement you sign that accepts the liability of another as it relates to premises owned by you;
- b) claims if your residence employee is hurt while on the job. You will also be covered if the employee is hurt using a motorized vehicle, all-terrain vehicle, watercraft or jet propulsion personal watercraft for you. We will not cover bodily injury arising out of the use or ownership of any aircraft or air cushion vehicles;
- c) claims if other people are hurt while they are working for you during construction on your premises, whether they are paid or unpaid;
- d) claims made against you by others for loss caused by an independent contractor or employees of the contractor, but only during construction at a location shown on your Cover Page;
- e) claims due to motorized wheelchairs, lawnmowers, snowblowers, garden equipment, or golf carts that you own or use. We will also cover you when someone else uses this equipment for you;
- f) claims due to watercraft you own. However, if they are powered by more than 50 horsepower, an additional premium must be paid and coverage extension must be shown on your Cover Page for coverage to apply;
- g) claims due to your use of watercraft or jet propulsion personal watercraft that are owned by someone else;
- h) claims due to your use of motorized vehicles that are owned by someone else. The vehicles must be recreational in nature and must be intended for off-road use and they must not have a licence, nor be required by law to have one. (For example, a go-cart at an amusement park). We will not cover claims due to your use of these vehicles in a race, speed test, or business.

Tenants and Renters

We will pay compensatory damage to premises or to property contained within such premises that you rent or use but do not own. (For example, a rented dwelling, suite or a hotel or motel room.)

We will only pay if Part 1 coverages are shown on the Cover Page. We will not pay if the only reason you are legally liable is that you have agreed to accept another's liability. We will only pay if you would be legally liable without that agreement.

We will only pay for property damage caused by the perils insured shown on the Cover Page and as described and limited in Part 1.

A property damage deductible of \$1,000 will apply to this coverage except for any loss or damage caused by Perils 1) – 10) listed under **Specified Perils** defined under Part 1. We may pay a part or all of this property damage deductible amount to affect the settlement of a claim or action against you. You shall be responsible to promptly reimburse us the amount of the property damage deductible paid on your behalf.

Added Features of Your Part 2 – Personal Liability Coverage

We give you 2 added features as part of your Personal Liability Coverage. The amounts we pay add to your total Amount of Protection. These coverages are not subject to a deductible.

Voluntary Medical Payments

We will pay up to \$10,000 for reasonable medical and related expenses for each person injured in any 1 occurrence. The injury must be due to your actions, or the condition or use of your premises. We will pay even if you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance services and funeral expenses. We will only pay for reasonable medical expense incurred within 1 year of the date of the occurrence.

We will not pay for expenses covered by any medical, surgical, dental, hospitalization or health plan that the injured person(s) may have, or be eligible for, nor for any costs covered under any other insurance or workers' compensation law.

We will pay for **bodily injury** to your residence employees, and to paid or unpaid workers who are injured during construction work on your premises. We will not pay for **bodily injury** to you or any other member of your household.

Voluntary Property Damage Payments

We will pay up \$10,000 for direct damage to the property of someone else. The damage must be due to your actions or the condition or use of your premises. We will pay even if you are not legally liable. This feature can cover deliberate damage, but it must be caused by a person we cover who is 12 years of age or less.

We will not pay for:

- claims resulting from the loss of use, disappearance or theft of property;
- loss or damage to property of your tenant;
- loss or damage caused by your business activities.

Optional Extensions

All-Terrain Vehicle Liability Coverage

Available in Saskatchewan only – Subject to the *All Terrain Vehicles Act*.

Your Personal Liability will extend to cover **bodily injury** or **property damage** arising out of the ownership, maintenance, operation or use of an all-terrain vehicle, if your Cover Page shows that this extension of coverage applies. It will also show which options apply to you and to which all-terrain vehicle(s) it applies. We will automatically provide

coverage for newly acquired all-terrain vehicles for a period of 30 days from the date of acquisition. The Amount of Protection shown on your Cover Page for this extension of coverage, is the maximum amount we will pay for claims arising from the newly acquired unit.

Passenger Hazard Option (Applies only if shown on your Cover Page)

You may be legally liable for bodily injury to a passenger of an all-terrain vehicle. A passenger is anyone being carried upon, getting on to, or alighting from the unit.

We will not pay for claims arising when the seating capacity, as established by the manufacturer is exceeded.

Under Age Operator Option (Applies only if shown on your Cover Page)

You may be legally liable for bodily injury or property damage caused by an under age operator of an all-terrain vehicle. We will extend coverage to include an operator between the ages of 12 years and 16 years when operated in accordance with the *All Terrain Vehicles Act*.

We will not pay for the claims when:

- a) the engine capacity exceeds 250 c.c.; or
- b) the operator is under the age of 12 years.

Claims We Will Not Cover

We will not cover:

- 1) claims due to bodily injury or property damage when the unit is not operated in accordance with the *All Terrain Vehicles Act*;
- 2) claims due to bodily injury to a passenger unless the **Passenger Hazard Option** is shown on your Cover Page;
- 3) claims due to bodily injury or property damage caused by an operator under 16 years, unless the **Under Age Operator Option** is shown on your Cover Page;
- 4) claims due to bodily injury or property damage caused by an operator under the influence of intoxicating liquor or drugs;
- 5) claims due to bodily injury or property damage caused by an operator in any race or speed test;
- 6) claims due to bodily injury or property damage resulting from any illicit, or prohibited trade or transportation;
- 7) claims due to bodily injury or property damage resulting from carrying passengers for a fee;
- 8) claims due to bodily injury or property damage caused while the unit is rented or leased to others.

Jet Propulsion Personal Watercraft Liability Coverage

Your Personal Liability will extend to cover **bodily injury** or **property damage** arising out of the ownership, maintenance, operation or use of a personal watercraft unit, if your Cover Page shows that this extension of coverage applies. It will also show which option applies to you and to which personal watercraft unit(s) it applies. We will automatically provide coverage for newly acquired units for a period of 30 days from the date of acquisition. The Amount of Protection shown on your Cover Page for this extension of coverage, is the maximum amount we will pay for claims arising from the newly acquired unit.

Passenger Hazard Option (Applies only if shown on your Cover Page)

You may be legally liable for bodily injury to a passenger of a personal watercraft unit. A passenger is anyone being carried upon, getting on to, or alighting from the unit.

We will not pay for claims arising when the seating capacity, as established by the manufacturer, is exceeded.

Claims We Will Not Cover

We will not cover:

- 1) claims due to bodily injury to a passenger unless the **Passenger Hazard Option** is shown on your Cover Page;
- 2) claims due to bodily injury or property damage caused by an operator under 16 years of age;
- 3) claims due to bodily injury or property damage caused by an operator under the influence of intoxicating liquor or drugs;
- 4) claims due to bodily injury or property damage caused by an operator in any race or speed test;
- 5) claims due to bodily injury or property damage resulting from any illicit, or prohibited trade or transportation;
- 6) claims due to bodily injury or property damage resulting from carrying passengers for a fee;
- 7) claims due to bodily injury or property damage caused while the personal watercraft unit is rented or leased to others;
- 8) claims due to bodily injury or property damage resulting from the operation of personal watercraft units in any area where their use and operation is restricted or prohibited;
- 9) claims due to bodily injury or property damage when a personal watercraft unit is not operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.

Claims We Will Not Cover

This applies to all coverages in **Part 2 – Personal Liability**

We will not cover:

- a) claims caused by pollution of the land, water or air. However, we will cover bodily injury or property damage caused by heat, smoke, or fumes from a hostile fire. **Hostile fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.
- b) claims caused by radioactive contamination or fallout.
- c) claims arising from war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.
- d) claims caused by bodily injury to, or damage to property of persons covered by this policy, except those persons called **additional people** under the definition of **you** and **your** under Part 2 of this policy.
- e) claims arising out of any business, farming or professional activities or operations; however, we will cover claims due to your actions while engaged in work for someone else in the following jobs: teacher, clerical worker, sales person, bill or money collector, messenger, or lifeguard.
- f) claims arising from the ownership or housing of livestock, poultry or animals other than household pets.
- g) claims caused by bodily injury to a co-worker while you are on the job.
- h) claims due to any obligation under a disability benefits plan, workers' compensation law, employment insurance compensation law or any similar law.
- i) claims respecting property you own or owned, rent or rented or had in your care except as shown in **Tenants and Renters**.
- j) claims due to aircraft, air cushion vehicles, hang gliders, ultralights or other similar aircraft of any name, or aircraft landing areas that you own or use. We will not cover the use of them for you by others, or claims caused by their use when you have entrusted them to others. Model aircraft are not part of this exclusion; however, we will only cover them when kept or used for amusement purposes as part of your hobby.

- k) claims due to a motorized vehicle or trailer that you own or use. This includes cars, vans, trucks, motorcycles, motorized snow vehicles, dune buggies, and the like and any vehicles required to be licensed. We will not cover the use of them for you by others, or claims due to their use when you have entrusted them to others. However, as an exception to this, we will cover claims which arise out of the use of golf carts, all-terrain vehicles including dirt bikes, electric assisted bicycles (up to 500 watts and not exceeding 32 km/h), and motorized vehicles used by your residence employees while they are working for you. We will cover **bodily injury** or **property damage** claims arising out of your ownership, maintenance, use or operation of any utility, boat, camper or home trailer or its equipment, provided that such trailers are not required to be licensed and are not being towed by, attached to or carried on a motorized vehicle.
- l) claims caused by the use and ownership of jet propulsion personal watercraft, or all-terrain vehicle unless coverage extension is shown on your Cover Page.
- m) claims caused by the use and/or ownership of a skid steer away from your premises.
- n) claims caused by a watercraft:
 - used in a race or speed test;
 - used for carrying passengers for a fee;
 - used for business purposes;
 - used or operated by anyone under the influence of intoxicating liquor or drugs;
 - rented or leased to others.
- o) claims due to bodily injury or property damage when watercraft are not operated in accordance with the *Canada Shipping Act* regulations governing age and horsepower restrictions and operator competency requirements.
- p) claims due to bodily injury or property damage deliberately caused by you or for you by someone else.
- q) claims caused by any intentional, illegal or criminal act or failure to act by:
 - (i) any person insured by this policy; or
 - (ii) any other person at the direction of any person insured by this policy.
- r) claims due to bodily injury resulting from transmission of any communicable disease.
- s) claims caused by 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 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.
- t) claims arising 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.
- u) claims due to:
 - (i) the erasure, destruction, corruption, misappropriation, misinterpretation of data; or erroneously creating, amending, entering, deleting or using data; including any loss of use arising from any of these actions or events; or
 - (ii) 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.

- v) claims due to bodily injury or property damage arising directly or indirectly from any fungi or spores. We will not cover the cost or expense for any testing, monitoring, evaluating or assessing of fungi or spores.
- w) claims due to bodily injury or property damage caused directly or indirectly by an animal you own or for which you are responsible and which, prior to the occurrence which gives rise to the claim, has been declared under any law, bylaw or municipal ordinance to be a dangerous animal.
- x) claims due to bodily injury or property damage that arises out of electronic aggression, including but not limited to harassment or bullying committed:
 - (i) by any means of an electronic forum, including but not limited to a blog, an electronic bulletin board, an electronic chat room, a gripe site, a social networking site, a website, or a weblog; or
 - (ii) by other electronic means, including but not limited to e-mail, instant messaging, or text messaging.

If You Have A Claim What You Must Do

- 1) You must promptly give us notice in writing when an occurrence takes place.
The notice must include:
 - (i) the date, time, place and circumstances of the occurrence;
 - (ii) names and address of witnesses and potential claimants.
- 2) You must not admit that you are legally liable. You may not know all of the facts. This means that you must not pay or offer to pay for bodily injury or property damage. It could be taken as an admission that you were legally liable.
- 3) You must follow all conditions of the policy that deal with your claim.
- 4) You must give us any letters or papers you receive from the people or the representatives of the people making the claim. You must do this as soon as you get them.
- 5) You must co-operate fully with us while we handle your claim.
- 6) You must co-operate fully in the legal matters we are handling for you. You must not interfere in any legal action, negotiation or discussion.

If You Have A Claim What We Will Do

If a claim is made against you for which you are insured, we will defend you even if the claim is groundless, false or fraudulent. We reserve the right to select legal counsel, investigate, negotiate and settle any claim if we decide this is appropriate. We will only pay for legal counsel we select. We will try to settle the claim out of court if we feel that is the best thing to do.

Defense Settlement – Supplementary Payments

We will:

- a) pay up to \$250 a day for your actual loss of wages or salary when we ask you to do something for us. (For example, if we ask you to appear in court);
- b) pay other reasonable expenses and court costs charged against you, including expenses which you have incurred for emergency medical or surgical treatment to others following an occurrence insured by this policy;
- c) buy any appeal bonds;
- d) buy any bonds needed to release property held by the court because of a law suit. However, the total face value of these bonds cannot be more than your applicable amount of protection;
- e) pay the interest that a court charges on the part of the final judgment that we are paying.

How We Settle a Claim

We will not pay until you have fully complied with all the terms of this coverage, nor until the amount of your obligation to pay has been finally determined, either by a judgment against you or by an agreement that has our consent.

If we feel that you have done nothing wrong, we may refuse to pay a claim. This does not mean that you will not be covered. It means we feel that you are not legally liable. If after we deny a claim on your behalf a court finds that you are legally liable, you will be covered.

General Conditions for Part 2

- 1) The **bodily injury** or **property damage** must take place during the policy term.
- 2) There are only 2 ways to cancel your Personal Liability coverage before the end of your policy term:
 - a) you must tell us that you wish to cancel and when you wish your coverage to end; or
 - b) we must tell you in writing that we wish to cancel. We do this by registered mail or in person. If our notice comes to you by registered mail, your coverage will end 15 days after your post office gets the letter. When we give you the notice in person, your coverage will end 5 days later.

We will refund the premium for the time between the cancellation date and the end of the policy term.

- 3) If you take legal action against us, you must do so within 2 years of the date on which you had cause to take such action.
- 4) If you have other liability insurance, we will only pay our share of the claim. Our share will be in the same proportion that the amount of our coverage bears to the total of all your Personal Liability coverages.

Part 3 – Statutory Conditions

In respect of Part 2 – Personal Liability, only Statutory Conditions 1, 3, 4, 5 and 15 apply. Otherwise all of the Statutory Conditions apply with respect to all perils insured by this policy. In the following **you**, the name shown on the Cover Page, are called the **Insured**. **We** are called the **Insurer**.

1. Misrepresentation

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

2. Property of Others

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 shall be liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency 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 shall void 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 15 days of the receipt of the notice pay to the Insurer an additional premium; and in default of such payment the contract shall no longer be in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. Termination of Contract

- (1) This contract may be terminated:
 - (a) by the Insurer giving to the Insured 15 days notice of termination by registered mail, or 5 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 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 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 by cheque payable at par.
- (5) The 15 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 or damage to the insured property, the Insured shall, if such 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 wilful act or neglect or the procurement, means or connivance of the Insured;
 - (iv) showing the amount of other insurance 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 proofs of loss within the meaning of conditions 12 and 13.

7. Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, shall vitiate 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 any 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 subparagraph (1) of this condition according to the respective interests of the parties.

10. Entry, Control, Abandonment

After any loss or damage to insured property, the Insurer shall have 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 shall not be 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 Saskatchewan 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 therefor is made in writing and until after proof of loss has been delivered.

12. When Loss Payable

The loss shall be payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

- (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 30 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 45 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 shall be absolutely barred unless commenced within 2 years next after the loss or damage occurs.

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; and 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; and in this condition, the expression **registered** means registered in or outside Canada.

Privacy: Our Commitment

Thank you for choosing SGI CANADA.

At SGI CANADA we value our customers and take your privacy seriously. During the course of business with you, our brokers or we may ask for personal information so we can serve you better. You can rest assured that we'll protect and respect your personal information and privacy – from the time we first collect the information until it is disposed of. After all, SGI CANADA's business is built on your trust.

Our commitment to you is to collect only the information we need to conduct your business and to adhere to industry best practices in handling and protecting your personal information.

Protecting your privacy is important to us at SGI CANADA.

If you want to:

- Access your personal information or have your information corrected;
- Change your consent with respect to how we collect, use or disclose your personal information;
- File a complaint about our privacy policies or the manner in which we've handled your personal information;
- Inquire about any other privacy questions or concerns.

Please contact:

SGI CANADA Chief Privacy Officer
2260 – 11th Ave.
Regina, Sask.
S4P 0J9
Phone: 1-800-667-8015
E-mail: privacyofficer@sgi.sk.ca

If you're not satisfied with the outcome of an inquiry or complaint handled by SGI CANADA's Chief Privacy Officer, you may address your concerns to:

Office of the Saskatchewan Information and Privacy Commissioner
503 – 1801 Hamilton St.
Regina, Sask.
S4P 4B4
Phone: 306-787-8350
Toll free within Saskatchewan: 1-877-748-2298
Fax: 306-798-1603
www.opic.sk.ca

Privacy Statement

Please visit our web site at www.sgicanada.ca/sk

Ask your broker.

SG SGI offers its competitive property and casualty insurance products through SGI CANADA and its subsidiaries: SGI CANADA in Saskatchewan, SGI CANADA Insurance Services Ltd. in Alberta and Manitoba, Coachman Insurance Company in Ontario and the Insurance Company of Prince Edward Island (ICPEI) in New Brunswick, Nova Scotia and Prince Edward Island. Visit www.sgicanada.ca for more information.

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