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## A GUIDE TO YOUR POLICY

The Declaration Page will show the sections and coverage which you have purchased.

SECTION 1 describes insurance which may be purchased for your property.

SECTION 2 describes the insurance for your legal liability to others because of **bodily injury** and **property damage**.

SECTION 3 describes optional coverage which may be purchased for your property.

Statutory and Additional Conditions follow the three Sections.

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

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

This policy is a legal contract which has been designed for you, based on the occupancy, use, services, utilities, and other circumstances pertinent to your property which you disclosed to your broker or agent at the time you completed your application. When there is a change to any of these circumstances, be sure to notify your broker or agent accordingly.

In the event of loss or damage to your property, notify your agent or broker or us immediately.

## AGREEMENT

In return for payment of the premium, we provide insurance to indemnify you from loss by sudden and unexpected **occurrences** as described and limited in this policy and subject to the terms and conditions set out in the policy. Failure to comply with any term or condition may result in the denial of a claim under this policy. We shall be liable only for the coverages as indicated on the Declaration Page.

## DEFINITIONS (Applicable to all Sections)

**"You"** or **"your"** means the person(s) named as Insured on the Declaration Page and, while living in the same household, his or her **spouse**, the relatives of either or any person under the age of twenty-one (21) in their care. **"Spouse"** means a person of the same or opposite sex who is legally married to you or a **domestic partner** who has been living with you for at least twelve (12) consecutive months. **"Domestic Partner"** means an unmarried opposite sex or same sex partner with whom you live in a committed relationship. Only the person(s) named on the Declaration Page may take legal action against us.

**"We"** or **"us"** mean the Company or Insurer providing this insurance.

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

**"Data Problem"** means:

- (i) erasure, destruction, corruption, misappropriation or misinterpretation of **data**; or
- (ii) error in creating, amending, entering, deleting or using **data**; or
- (iii) inability to receive, transmit or use **data**; or
- (iv) damage to electronic **data** processing equipment or other related component system, process or device.

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

## SECTION 1 – PROPERTY COVERAGE

### DEFINITIONS (Applicable to Section 1)

“**Actual Cash Value**” means the cost, at the time of loss of damaged property that takes into account such things as the cost of replacement, less any depreciation and market value. In determining depreciation, we will consider the condition immediately before damage, the resale value and normal life expectancy of the property and obsolescence.

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

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

“**Collapse**” means the **collapse** of foundations, walls, floors or roof of a building. This peril does not include loss or damage caused directly or indirectly:

- (a) to outside property such as awnings, fences, trellises, fibreglass or plastic roof coverings, patios, driveways, walks or retaining walls, outdoor radio and/or TV antennae, towers, satellite receivers and their attachments;
- (b) by **earthquake**, or by the settling, cracking, expanding, contracting, moving, shifting or bulging of any building;
- (c) by rodents (such as squirrels and rats), insects or vermin (such as raccoons, bats and skunks) or by dampness of atmosphere, dryness of atmosphere, rotting, rust or corrosion.

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

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

“**Earthquake**” means all **earthquake** shocks and aftershocks occurring within any consecutive one hundred and sixty-eight (168) hours during the policy period.

“**Explosion**” means the **explosion** of coal, natural or manufactured gas.

“**Falling Object**” means a **falling object** which strikes the exterior of the **dwelling or detached private structure**, but not objects which strike the **dwelling or detached private structure** because of snow slide, landslide or any other earth movement.

“**Flood**” means waves, tides, tidal waves, or the rising of, the breaking out of, or the overflow of any body of **water**, whether natural or manmade.

“**Fuel Leakage**” means the sudden and accidental escape of fuel from a permanently installed domestic fuel tank (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured **dwelling** or detached private structure.

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

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

“**Homeowner**” means an owner of a freehold **dwelling**.

“**Ice Damming**” means when melted snow refreezes, forming a dam that can trap **water** under shingles or other roof finishing layers causing leaks through roof deck joints and nail holes.

“**Leakage**” means the accidental entry, escape or release of **water** or other fluid through a gap, flaw or other opening.

“**Occurrence**” means an accident or event, occurring within the policy period, to which coverage under this policy applies.

“**Plumbing System**” means **water** supply and distribution pipes, wells and attached equipment, waste and vent pipes, inside drains, permanently installed fixtures such as toilets, sinks, tubs and showers, but **plumbing system** does not include: **water mains**, septic systems or connected piping located outside of the **dwelling**, sewer lines located outside of the **dwelling**, sump pits, sump pumps and their attached piping or equipment, outside drains, weeping tiles, French drains or similar systems, eaves troughs or downspouts located inside or outside the building.

“**Pollutant**” means any solid, liquid, gaseous or thermal irritant or contaminant, including vapour, alkalis, chemicals and waste.

Waste includes materials to be recycled, reconditioned or reclaimed. **Pollutants** do not mean fuel oil that is contained in a fixed fuel tank, apparatus or pipes used to heat the **dwelling** or detached private structure.

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

“**Rateable Proportion**” means the amount of insurance provided by this policy divided into the total amount of insurance in force on the property damaged or destroyed at the time of loss, multiplied by the actual loss incurred.

“**Replacement Cost**” means the cost, at the time of loss, of repairs or replacement (whichever is lower) with new property of similar kind and quality and usefulness, without deduction for depreciation.

“**Site**” means the footprint of the building as outlined by the building’s foundation.

“**Secure Storage Facility**” means a building, designed specifically for storage that is locked and has twenty-four (24) hour security monitoring.

“**Seepage**” means the slow movement or oozing of **water** or other fluid through small openings, cracks or pores.

**“Smoke”** means **smoke** due to the sudden, unusual and faulty operation of a fireplace, or of any heating or cooking unit in or on the premises.

**“Specified Perils”** means, subject to the exclusions and conditions in this policy;

1. fire;
2. lightning;
3. **explosion**;
4. **smoke**;
5. **falling object**;
6. impact by aircraft or land vehicle;
7. riot;
8. vandalism or malicious acts;
9. **water escape**;
10. **windstorm or hail**;
11. **transportation**.

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

**“Student”** means any **student** insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university. The **student** must be dependent on you or your **spouse** for support and maintenance.

**“Surface waters”** means **water** on the surface of the ground where **water** does not usually accumulate in ordinary watercourses, lakes, or ponds. This includes any waterborne objects.

**“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; however, if an act of **terrorism** results in a fire and the *Insurance Act* or similar statute applicable to the location of the **dwelling** insured requires coverage for losses resulting from fire, then such fire damage shall be insured by this policy.

**“Transportation”** means loss or damage to:

- (a) your personal property while it is temporarily removed from your **premises**, or
- (b) building fixtures and fittings when they are temporarily removed from your **premises** for repair or seasonal storage; caused by collision, upset, overturn, derailment, stranding or sinking of any motorized vehicle or attached trailer in which the insured property is being carried. This applies to any conveyance of a common carrier, but does not include loss or damage to property in a vacation or home trailer which you own, or any watercraft, their furnishings, equipment or motors.

**“Under Construction”** means construction from the foundation, or any alterations, additions or repairs to the **dwelling** which result in the piercing of an exterior wall or the roof for more than twenty-four (24) hours, or which necessitates your temporary relocation.

**“Under Renovation”** means alterations, additions or repairs to the **dwelling** which increase the total insured value of the **dwelling** by more than \$5,000.

**“Unoccupied”** means a **dwelling** that is not inhabited on a daily basis. In such instances, the majority of the usual contents remain in the **dwelling** because you intend to return after frequent, short, intervals.

**“Vacant”** means that regardless of the presence of furnishings, the occupants have moved out with no intention of returning, or in the case of a newly constructed **dwelling**, no occupant has yet taken up residence.

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

**“Water”** means the chemical element defined as H<sub>2</sub>O in any of its three natural states, liquid, solid and gaseous.

**“Water Escape”** means:

- (a) the sudden and accidental escape of **water** from within a **water main**, swimming pool or equipment attached;
- (b) the sudden and accidental escape of **water** or steam from within a heating, sprinkler, air conditioning or **plumbing system**, or **domestic appliance** which is located inside your **dwelling** or detached private structure;
- (c) **water** which enters through an opening which has been created suddenly and accidentally by an insured peril.

**“Water main”** means a pipe forming part of a public **water** distribution system, which conveys consumable **water** but not wastewater.

**“Windstorm or hail”** means damage done by a wind or hail storm, but excludes loss or damage caused by weight of ice, snow or sleet, waves or **floods**, all whether driven by wind or not. **Windstorm or hail** does not include loss or damage to the interior of a building or your personal property within a building, caused by **windstorm**, **hail** or coincidental rain damage unless the storm first creates an opening in the **dwelling** or detached private structure.

**ALL STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY  
APPLY TO ALL COVERAGES OF SECTION 1**

## **COVERAGES**

The amounts of insurance are shown on the Declaration Page for the coverages you have purchased.

### **COVERAGE A - DWELLING BUILDING**

We insure:

1. The **dwelling** and attached structures.
2. Permanently installed outdoor equipment on the **premises**.
3. Outdoor swimming pools, outdoor spas, outdoor hot tubs and their attached equipment on the **premises**.
4. Materials and supplies located on or adjacent to the **premises** intended for use in construction, alteration or repair of your **dwelling** or detached private structures on the **premises**, building fixtures and fittings temporarily removed from your **dwelling** or **premises** for repair or seasonal storage.

**Tear out:** If any walls, ceilings or other parts of insured buildings or structures must be torn apart before **water** damage from a plumbing, heating, air conditioning or sprinkler system or **domestic appliance** can be repaired, we will pay the cost of such repairs.

The cost of tearing out and replacing property to repair damage related to public **water mains** or outdoor **plumbing systems** is not insured.

### **COVERAGE B - DETACHED PRIVATE STRUCTURES**

We insure structures or buildings separated from the **dwelling** by a clear space, on your **premises** but not insured under Coverage A. If they are connected to the **dwelling** by a fence, utility line or similar connection only, they are considered to be detached private structures. If you have more than one detached structure, the amount of insurance will be divided in the proportion that the value of each structure has to the value of all such structures at the time of loss.

#### **Property Not Included as Detached Private Structures**

This coverage does not apply to any building or structure that is or was designed for agricultural purposes or is or was used in whole or in part for farming or any other commercial or **business** purposes, whether it is in use, **unoccupied**, or **vacant**.

### **COVERAGE C - PERSONAL PROPERTY**

The description of Personal Property in the Homeowner's Package Policy – Broad Form is as follows:

1. **ON PREMISES:** We insure the contents of your **dwelling** and other personal property you own, wear or use while on your **premises** which is usual to the ownership or maintenance of a **dwelling**.  
If you wish, we will include uninsured personal property of others, to a maximum of \$1,500, while it is on your **premises** but we do not insure property of tenants, roomers or boarders who are not related to you.
2. **OFF PREMISES:** We insure your personal property for up to 10% of the amount of insurance on your personal property or \$1,500, whichever is greater, while it is temporarily away from your **premises**, anywhere in the world. This includes personal property newly acquired by you and in your possession when there has not been an opportunity to take such property to your **premises**.
  - Personal property normally kept at any other location you own is not insured.
  - Personal property stored in a **secure storage facility** is only insured for thirty (30) days unless the loss or damage is caused by the peril of theft. To extend coverage for this property in storage for a further period we must be notified in writing and endorse your policy as required.
  - If you wish, we will include personal property belonging to others while it is in your possession or belonging to a **residence employee** traveling for you to a maximum of \$1,500.
  - Personal property of **students** residing away from home is insured up to a limit of \$5,000 for each **student**.
  - Personal property of a parent or family member, who is dependent on you for support and maintenance, while residing in a nursing home or other healthcare facility, is insured up to a limit of \$2,500.
  - Personal property belonging to others which is in your possession while you are acting as a **volunteer** is limited to

\$1,000.

- Personal property that you are moving to a new principal residence in the Province of Nova Scotia is insured while in transit and while at your new principal residence for up to thirty (30) consecutive days beginning the day you start your move. The amount of insurance will be divided in the proportion that the value of the property at each **premise** and in transit bears to the value of all your personal property, at the time of loss.

### Debris and Protective Removal

This coverage may be applied to Coverage A, B or C.

These amounts of insurance shown on the Declarations Page include the cost of removal of debris of the property as a result of an Insured Peril. When the damage to the property plus the cost of cleaning and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged building(s) will be available to cover debris removal expenses.

If you must remove insured property from your **premises** to protect it from loss or damage, it is insured by this policy for thirty (30) days or until your policy term ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of loss.

### Property Not Included As Personal Property

We do not insure loss or damage to motorized vehicles, trailers and aircraft or their equipment (except for motorized wheelchairs, scooters having more than two (2) wheels and specifically designed for the carriage of a person with a physical disability, watercraft, motorized lawn mowers, lawn and garden tractors up to 22 kW (30 HP), other gardening equipment or snow blowers subject to Special Limits Applicable to Some Personal Property). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft.

### Special Limits Applicable to Some Personal Property

We insure:

1. Jewellery, watches, gems, fur garments and garments trimmed with fur up to \$3,000 in all;
2. Numismatic property (such as coin collections) up to \$300 in all;
3. Manuscripts, sports memorabilia collections, stamps and philatelic property (such as stamp collections) up to \$1,000 in all;
4. Silverware, meaning silverware, silver-plated ware, gold ware, gold-plated ware and pewter ware up to \$10,000 in all.

The above limits only apply to loss or damage caused by the peril of theft.

We insure:

5. Books, tools and instruments pertaining to a **business**, for an amount up to \$2,000 in all, but only while on your **premises**. Other **business** property, including samples and goods held for sale, is not insured;
6. Securities up to \$2,000 in all;
7. Money or bullion up to \$300 in all;
8. Lawn and garden tractors and golf carts including attachments and accessories up to \$15,000 in all;
9. Watercraft, their furnishings, equipment, accessories and motors up to \$1,000 in all. Loss or damage from **windstorm or hail** is insured only if they were inside a fully enclosed building. Canoes and rowboats are also insured while in the open;
10. Computer software up to \$1,000 in all. We do not insure the cost of gathering or assembling information or **data**;
11. Antiques only for their depreciated value (antique value is not covered unless specifically scheduled);
12. Parts for motorized vehicles that are not installed yet up to \$3,000 in all;
13. Bicycles and related equipment up to \$1,000 for any one bicycle or unattached piece of equipment;
14. Utility trailers up to \$1,000 in all.

### COVERAGE D - ADDITIONAL LIVING EXPENSES

The amount of insurance for Coverage D is the total amount for any one or a combination of the following coverages. The periods of time stated below are not limited by the expiration of the policy. We do not insure the cancellation of a lease or agreement.

1. **Additional Living Expense:** If damage to your **dwelling** by an insured peril makes it unfit for occupancy, or you have to move out while repairs are being made, we insure any necessary increase in living expenses including moving expenses incurred by you, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to

repair or rebuild your **dwelling** or, if you permanently relocate, the reasonable time required for your household to settle elsewhere.

2. **Fair Rental Value:** If damage to your **dwelling** or detached private structures or unit by an insured peril makes that part of the **dwelling**, detached private structure or unit rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the **dwelling**, detached private structure or unit rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the **dwelling**, detached private structure or unit rented or held for rental is unfit for occupancy.
3. **Civil Authority Prohibits Access:** If, as the direct result of damage to neighbouring **premises** by an insured peril, a **civil authority** prohibits access to your **dwelling**, we insure any resulting Additional Living Expense and Fair Rental Value for a period not exceeding thirty (30) days.
4. **Emergency Evacuation:** We will pay any necessary and reasonable increase in living expense incurred by you while access to your **dwelling** is prohibited by order of **civil authority**, but only when such order is given for evacuation as a direct result of a sudden and accidental emergency. You are insured for a period not exceeding thirty (30) days from the date of the order of evacuation, or \$5,000, whichever is the lesser.

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

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

## ADDITIONAL COVERAGES OF SECTION 1

1. **Lawns, Outdoor Trees, Shrubs and Plants:** You may apply up to 5% of the amount of insurance on your **dwelling** to lawns, trees, shrubs and plants owned by you on your **premises**. We will not pay more than \$500 for any one tree, shrub or plant, including debris removal expenses.  
We insure these items against loss caused by fire, lightning, **explosion**, impact by aircraft or land vehicle, riot, vandalism and malicious acts.  
We do not insure items grown for commercial purposes.
2. **Pollution Damage - Insured Premises:** If a sudden and unintentional event occurs during the policy term resulting in pollution or contamination of property of the insured **premises**, which is required to be reported to any provincial authority, we will pay up to \$5,000, in any one policy year, subject to the policy deductible, for costs to remove and restore property of the insured **premises**.
3. **Credit or Debit Cards, Automated Teller Cards, Library or Video Cards, Forgery and Counterfeit Money:**  
We will pay for:
  - (a) your legal obligation to pay because of the theft or unauthorized use of credit or debit cards, automated teller cards, library or video cards issued to you or registered in your name provided you have complied with all of the conditions under which the card was issued;
  - (b) loss to you caused by forgery or alteration of cheques, drafts or other negotiable instruments;
  - (c) loss by your acceptance in good faith of counterfeit Canadian or United States paper currency.We do not cover loss caused by a resident of your household.  
We do not cover loss caused by a person to whom the card has been entrusted.  
We will pay only for losses which occur while this policy is in effect which are discovered no later than one year after its cancellation or termination.  
The most we will pay under this coverage during the term of this policy is \$5,000.  
This coverage is not subject to a deductible.
4. **Inflation Protection:** During the term of this policy, we will automatically change the limits of insurance in Section 1 on: **Dwelling**, Detached Private Structures, Personal Property and Additional Living Expenses by the proportion by which the latest **replacement cost** values of **dwellings** in your area have changed since the effective date of the current term of the policy. A home evaluation system approved by us will be used to determine the proper adjustment. Effective on renewal date, we will automatically change the limits of insurance shown on the Declaration Page in the same way. If, at your request, we change the limit of insurance on any coverage shown on the Declaration Page, we will apply this Inflation Protection on the changed limits of insurance from the date the change is made.
5. **Freezer Contents:** We will pay for loss or damage to food while contained in a freezer(s) located within the principal residence, caused by the accidental interruption of electrical power on or off the **premises** or by mechanical breakdown of the freezer. This coverage includes damage to the freezer when it is due to the insured food spoilage and also reasonable expenses incurred by you to save and preserve the food from spoilage while your freezer is being repaired.



We do not insure:

- (a) loss from spoilage caused by the operation of an electrical circuit breaker or fuse or by accidental or intentional disconnection of the power supply in the building containing the freezer;
- (b) expenses incurred in the acquisition of frozen food.

This coverage is limited to \$1,000 per **occurrence** and is not subject to a deductible.

6. **Fire Department Charges:** We will reimburse you for up to \$1,000, or the amount shown on the Declaration Page, for fire department charges incurred for attending **premises** insured under this policy to save or protect insured property from loss or damage, or further loss or damage insured against by this policy. This coverage is not subject to a deductible.

## HOMEOWNER'S PACKAGE POLICY - BROAD FORM

### 1. DWELLING AND DETACHED PRIVATE STRUCTURES

If the Declaration Page shows that Homeowner's Package Policy – Broad Form applies, we insure your **dwelling** and detached private structures against direct physical loss or damage, subject to the terms and conditions below.

## EXCLUSIONS

### Property Excluded

We do not insure loss or damage to:

1. your insured **dwelling**, when it has to your knowledge, been **vacant** for more than thirty (30) consecutive days;
2. buildings, units or structures designed for agricultural purposes or used in whole or in part for farming or any other commercial or **business** purposes unless declared on the Declaration Page;
3. any property illegally acquired or kept, stored, imported or transported or any property **subject** to forfeiture;
4. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
5. property because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
6. lawns, outdoor trees, shrubs or plants except as provided under Additional Coverages of Section 1;
7. books of account and evidences of debt or title;
8. property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
9. retaining walls not constituting part of any insured building; unless the damage is caused by fire, lightning, impact by land vehicle or aircraft, **vandalism or malicious acts**;
10. buildings and/or structures where the loss or damage arises directly or indirectly from the growing, manufacturing, processing, storing, possession or distribution by anyone of any drug, narcotic or illegal substances or items of any kind. This includes any alteration of the **premises** to facilitate such activity, whether or not you have knowledge of such activity.

### Perils Excluded

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

1. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. by **terrorism**;
3. by any nuclear incident as defined in the Nuclear Liability Act, nuclear **explosion** or contamination by radioactive material;
4. by or resulting from contamination or pollution or the release, discharge or dispersal of contaminants or **pollutants**, except damage to the **dwelling** and detached private structures caused by **fuel leakage** or as provided under Additional Coverages of Section 1;
5. by wear, tear, gradual deterioration, inherent vice, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, **fungi** or **spore(s)** or contamination;
6. by scratching or marring of any property or breakage of any fragile or brittle articles unless caused by a **Specified Peril**, impact by watercraft or aircraft, or theft or attempted theft;
7. by birds, moths, vermin (such as raccoons, bats and skunks), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
8. because of increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
9. from intentional or criminal acts or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
10. by the cost of making good, faulty material, workmanship, or design;
11. by settling, expansion, contraction, moving, bulging, buckling, or cracking except resulting damage to building glass;
12. by **smoke** from agricultural smudging or industrial operations;
13. by build-up of **smoke**. **Smoke** damage must be sudden and accidental;

14. by any earth movement including, but not limited to, **earthquake**, landslide, snow slide or ice slide. If any of these results in fire or **explosion**, we will pay only for the resulting loss or damage;
15. by **collapse** of:
  - (a) outside property such as awnings, fences, trellises, fibreglass or plastic roof coverings unless resulting from structural **collapse** of foundations, walls, floors or roof of a building;
  - (b) patios, driveways, walks or retaining walls, outdoor radio and/or television antennae, towers, satellite receivers and their attachments;
16. by **water** unless the loss or damage directly resulted from:
  - (a) the sudden and accidental escape of **water** from within a **water main**, swimming pool or equipment attached;
  - (b) the sudden and accidental escape of **water** or steam from within a heating, sprinkler, air conditioning or **plumbing system, domestic appliance** or waterbed which is located inside your **dwelling**;
  - (c) **water** which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
  - (d) **water** from the accumulation of ice or snow on the roof or eaves trough, which enters the **dwelling** through the roof as a result of **ice damming**;

But we do not cover loss or damage:

  - (i) caused by continuous or repeated **seepage** or **leakage** of **water**;
  - (ii) caused by backing up or escape of **water** from a sewer or drain, sump or septic tank, eaves trough or downspout;
  - (iii) caused by **ground water** or rising of the **water** table;
  - (iv) caused by **surface waters**, unless the **water escapes** from a **water main** or swimming pool;
  - (v) to **water mains** or outdoor **plumbing systems** and equipment attached (including but not limited to swimming pools, hot tubs or spas) caused by freezing, **water** or rupture;
  - (vi) to the system or appliance from which the **water escaped**;
  - (vii) occurring while the **dwelling is under construction** or **vacant**, even if permission for construction or vacancy has been given by us;
  - (viii) caused by freezing of any part of a heating, sprinkler, air conditioning or **plumbing system** or **domestic appliance** unless it happens within a **dwelling** heated during the usual heating season and you have not been away from your **premises** for more than four (4) consecutive days. However, if you had arranged for a competent person to enter your **dwelling** daily to ensure that heating was being maintained or if you had shut off the **water** supply and had drained all the pipes and appliances you would still be insured;
17. by **vandalism or malicious acts** caused by you, members of your household, or your employees, any tenants, employees or member of the tenant's household;
18. by **vandalism or malicious acts** or theft or glass breakage occurring while your **dwelling is under construction** or **vacant** even if permission for construction or vacancy has been given by us;
19. by theft or attempted theft by any tenant, members of a tenant's household or employees of the tenant.

#### Data Exclusion

This policy does not insure:

- (a) **data**;
- (b) loss or damage resulting from, contributed to or caused directly or indirectly by **Data Problem**.

However, if loss or damage caused by **Data Problem** results in the **occurrence** of further loss or damage to property insured that is directly caused by **Specified Perils** as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

## 2. PERSONAL PROPERTY

If the Declaration Page shows that Homeowner's Package Policy – Broad Form applies, we insure your personal property against direct physical loss or damage caused by the following perils as described and limited:

1. FIRE or LIGHTNING.
2. **EXPLOSION**.
3. **SMOKE**.
4. **FALLING OBJECT**.
5. IMPACT BY AIRCRAFT OR LAND VEHICLE; Animals are not insured under this peril.
6. RIOT.
7. VANDALISM or MALICIOUS ACTS: This peril does not include:
  - (a) loss or damage occurring while the **dwelling is under construction** or **vacant** even if permission for construction or vacancy has been given by us;
  - (b) damage caused by you, members of your household, or your employees, any tenants, employees or member of the tenant's household.
8. **WATER ESCAPE**;

But we do not insure loss or damage:

- (a) by continuous or repeated **seepage** or **leakage** of **water**;
- (b) by backing up or escape of **water** from a sewer or drain, sump or septic tank, eaves trough or downspout;
- (c) by **ground water** or rising of the **water** table;
- (d) by **surface waters**, unless the **water escapes** from a **water main** or swimming pool;
- (e) to **water mains** or outdoor **plumbing systems** and equipment attached (including but not limited to swimming pools, hot tubs or spas) caused by freezing, **water** or rupture;
- (f) to the system or appliance from which the **water escaped**;
- (g) occurring while the **dwelling** is **under construction** or **vacant**, even if permission for construction or vacancy has been given by us;
- (h) by freezing of any part of a heating, sprinkler, air conditioning or **plumbing system** or **domestic appliance** unless it happens within a **dwelling** heated during the usual heating season and you have not been away from your **premises** for more than four (4) consecutive days. However, if you had arranged for a competent person to enter your **dwelling** daily to ensure that heating was being maintained or if you had shut off the **water** supply and had drained all the pipes and appliances you would still be insured.

9. **WINDSTORM OR HAIL:**

- (a) Any watercraft, its furnishings and equipment you own are insured up to \$1,000 if they were inside a fully enclosed building at the time of loss. Canoes and rowboats are also insured while in the open.

10. **GLASS BREAKAGE:** We insure glass that forms part of your **dwelling** or detached private structures on your **premises**, including glass in storm windows and doors, against accidental breakage;

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

11. **TRANSPORTATION;** Animals are not insured under this peril.

12. **THEFT, INCLUDING DAMAGE CAUSED BY ATTEMPTED THEFT:** This peril does not include loss or damage:

- (a) which happens at any other **dwelling** which you own, rent or occupy, except while you are temporarily living there;
- (b) caused by any tenant, employee or member of the tenant's household;
- (c) to property in or from a **dwelling under construction** or of materials and supplies for use in the construction until the **dwelling** is completed and ready to be occupied.

13. **COLLAPSE, INCLUDING COLLAPSE CAUSED BY THE WEIGHT OF ICE OR SNOW.**

14. **FUEL LEAKAGE.**

15. **CHANGE OF TEMPERATURE:** This peril means loss or damage to personal property kept in your **dwelling**, caused by a change of temperature that results from physical damage to your **dwelling** caused by an insured peril.

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

## **LOSS OR DAMAGE NOT INSURED – HOMEOWNER’S PACKAGE POLICY – BROAD FORM**

### **PERSONAL PROPERTY**

#### **Property Excluded**

We do not insure loss or damage to:

1. your insured personal property, when your **dwelling** has to your knowledge, been **vacant** for more than thirty (30) consecutive days;
2. any property illegally acquired or kept, stored, imported or transported or any property subject to forfeiture;
3. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
4. property because of the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
5. lawns, outdoor trees, shrubs or plants except as provided under Additional Coverages of Section 1;
6. books of account and evidences of debt or title;
7. property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
8. livestock;
9. household pets;
10. retaining walls not constituting part of any insured building; unless the damage is caused by fire, lightning, impact by land vehicle or aircraft, **vandalism or malicious acts**;
11. personal property, where the loss or damage arises directly or indirectly from the growing, manufacturing, processing, storing, possession or distribution by anyone of any drug, narcotic, or illegal substances or items of any kind. This includes any alteration of the **premises** to facilitate such activity, whether or not you have knowledge of such activity.

12. property at any fairground, exhibition or exposition for the purpose of exhibition.

### Perils Excluded

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

1. by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. by **terrorism**;
3. by any nuclear incident as defined in the Nuclear Liability Act, nuclear **explosion** or contamination by radioactive material;
4. by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or **pollutants**, except damage to the personal property caused by **fuel leakage** or as provided under Additional Coverage of Section 1;
5. by wear, tear, scratching, marring, gradual deterioration, inherent vice, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, **fungi** or **spore(s)**, or contamination;
6. by birds, moths, vermin (such as raccoons, bats and skunks), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
7. because of increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
8. from intentional or criminal acts or failure to act by you, your employees or anyone to whom the damaged or lost property is entrusted;
9. by mysterious disappearance;
10. by the cost of making good faulty material or workmanship or design;
11. by settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
12. by **flood**;
13. by **earthquake** or earth movement.

### Data Exclusion

This policy does not insure:

(a) **data**;

(b) loss or damage resulting from, contributed to, or caused directly or indirectly by **Data Problem**.

However, if loss or damage caused by **Data Problem** results in the **occurrence** of further loss or damage to property insured that is directly caused by **Specified Perils** as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

### BASIS OF CLAIM PAYMENT - SECTION 1

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

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

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

**Deductible:** In any one **occurrence**, we are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the Declaration Page.

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

If your claim involves personal property on which the "Special Limits Applicable to Some Personal Property" apply, the limitations apply to losses exceeding the deductible amount.

**Dwelling and Detached Private Structures:** If you repair or replace the damaged or destroyed building on the same **site** with materials of similar quality within a reasonable amount of time after the damage, you may choose as the basis of loss settlement either (A) or (B) below; otherwise, settlement will be as in (B).

- A. The cost of repairs or **replacement** (whichever is less) without deduction for depreciation, in which case we will pay in the proportion that the applicable amount of insurance bears to 80% of the **replacement cost** of the damaged building at the date of damage, but not exceeding the actual cost incurred.
- B. The **actual cash value** of the damage at the date of the **occurrence**.

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

**Personal Property (On Premises or Off Premises):** We agree to pay any loss insured for Personal Property on the basis of **replacement cost** provided that:

- (a) the property, at the time of loss, was useable for its original purpose and is not obsolete;
- (b) you have repaired or replaced the property promptly;
- (c) electronic media is reproduced from duplicates or from originals of the previous generation of the media (we will not pay the cost of gathering or assembling information or **data** for reproduction);
- (d) records, including books of account, drawings or card index systems are transcribed or copied from duplicates.

Otherwise, the basis of claim payment will be the **actual cash value** of the damage on the date of the **occurrence**.

Loss of items such as fine arts, antiques, paintings and articles which, by their inherent nature, cannot be replaced with a comparable article will not be settled on a **replacement cost** basis.

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

**Insurance Under More Than One Policy:** If you have other insurance on specifically described property, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, our policy will pay its **rateable proportion** of an insured loss.

## SECTION 2 – LIABILITY COVERAGE

### DEFINITIONS (Applicable to Section 2)

“**You**” or “**your**” in this Section have the same meaning as in the Definitions applicable to all Sections. In addition, the following persons are insured:

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any **business** or without the owner's permission;
2. a **residence employee** while performing their duties for you;
3. your legal representative having temporary custody of the insured **premises**, if you die while insured by this policy, for legal liability arising out of the insured **premises**;
4. any person who is insured by this policy at the time of your death and who continues residing on the insured **premises**.

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

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

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

“**Occurrence**” means an accident or event, occurring within the policy period, to which coverage under this policy applies. Continuous or repeated exposure to the same general harmful conditions or to similar acts or omissions constitutes a single **occurrence**.

“**Property Damage**” means damage to, or destruction of, or loss of use of tangible property.

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

1. other residential **premises** specified on the Declaration Page, except **business** property and farms;
2. individual or family cemetery plots or burial vaults;
3. **vacant** land in Canada you own or rent, excluding farm land;
4. land in Canada where an independent contractor is building a one, two or three-family residence to be occupied by you;
5. **premises** you are using or where you are temporarily residing if you do not own such **premises**, as long as you are not the lessee or tenant of the **premises** under any agreement which is longer than ninety (90) consecutive days;
6. any **site** you own or rent for the recreational use or seasonal storage of a trailer;
7. **premises** in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
  - (a) thirty (30) consecutive days;
  - (b) the date the policy expires or is terminated;
  - (c) the date upon which specific liability insurance is arranged for such **premises**.

All other definitions applicable to Section 1 have the same meaning in Section 2.

## COVERAGES

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

The amounts of insurance are shown on the Declaration Page. Each person insured is a separate insured but this does not increase the limit of insurance.

### COVERAGE E - LEGAL LIABILITY

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

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

You are insured for claims made against you arising from:

1. **Personal Liability** - legal liability arising out of your personal actions anywhere in the world.  
You are not insured for claims made against you arising from:
  - (a) the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is shown in this policy;
  - (b) damage to property you own, use, occupy or lease;
  - (c) damage to property in your care, custody or control;
  - (d) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
  - (e) **bodily injury** to you or to any person residing in your household other than a **residence employee**.
2. **Premises Liability** - legal liability arising out of your ownership, use or occupancy of the **premises** defined in Section 2. This insurance also applies if you assume, by a written contract, the legal liability of other persons in relation to your **premises**.  
You are not insured for claims made against you arising from:
  - (a) damage to property you own, use, occupy or lease;
  - (b) damage to property in your care, custody or control;
  - (c) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
  - (d) **bodily injury** to you or to any person residing in your household other than a **residence employee**.
3. **Tenants' Legal Liability** - legal liability for property damage to **premises**, or their contents, which you are using, renting or have in your custody or control caused by:
  - (a) fire;
  - (b) **explosion**;
  - (c) **smoke**;
  - (d) **water escape** from a heating, plumbing, sprinkler or air conditioning system or household appliance.  
You are not insured for liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force.
4. **Employers' Liability** - legal liability for **bodily injury** to **residence employees** arising out of and in the course of their employment by you.  
You are not insured for claims made against you resulting from the ownership, use or operation of aircraft while being operated or maintained by your employee. You are not insured for liability imposed upon or assumed by you under any workers' compensation statute.

## DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

If a claim is made against you for which you are insured under Coverage E 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 pay only for the legal counsel we select.

In addition to the limit of insurance under Coverage E, we will pay:

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

## COVERAGE F - VOLUNTARY MEDICAL PAYMENTS

We will pay reasonable medical expenses, incurred within one year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured on your **premises**. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses. Medical expenses for **residence employees** are insured.

The sum of \$2,000 is the maximum amount we will pay for each person in respect of one accident or **occurrence**.

We will not pay expenses covered by any medical, dental, surgical or hospitalization plan or law or under any other insurance contract.

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

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

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

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

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

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

## **COVERAGE G - VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY**

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by anyone included in the definition of "you" or "your" in Section 2 of this policy, twelve (12) years of age or under.

You are not insured for claims:

1. resulting from the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is provided by this policy;
2. for property you or your tenants own or rent;
3. which are insured under Section 1;
4. caused by the loss of use, disappearance or theft of property.

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

1. the **actual cash value** of the property at the time of loss;
2. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
3. \$500.

We may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with you or the owner of the property. We may take over any salvage if we wish.

Within sixty (60) days after the loss, you must submit to us (under oath if required) a Proof of Loss Form containing the following information:

1. the amount, place, time and cause of loss;
2. the interest of all persons in the property affected;
3. the **actual cash value** of the property at the time of loss.

If necessary, you must help us verify the damage.

## **SPECIAL LIMITATIONS**

### **Watercraft**

**Watercraft You Own:** You are insured against claims arising out of your ownership, use or operation of watercraft provided the watercraft does not exceed 8 metres (26 feet) in length or is equipped with an outboard motor or motors of not more than 19kW (25 HP) in total when used with or on a single watercraft, or has an inboard or an inboard/outboard motor of not more than 38 kW (50 HP). If you own any motors or watercraft larger than those stated above, you are insured only if they are shown on the declaration page. If they are acquired after the effective date of this policy, you will be insured automatically for a period of thirty (30) days only from the date of their acquisition.

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

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

You are not insured for damage to the watercraft itself.

### **Motorized Vehicles**



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

1. self-propelled lawn mowers, snow blowers, lawn and garden tractors of not more than 22kW (30 HP), or implements used or operated mainly on your property, provided they are not used for compensation or hire;
2. motorized golf carts while used or operated on your **premises** or on a golf course;
3. motorized golf carts while used or operated on any **premises** if coverage for the golf cart is shown on the Declaration Page;
4. motorized wheelchairs, scooters having more than two (2) wheels and specifically designed for the carriage of a person with a physical disability;
5. while on the insured **premises**, recreational vehicles if they are designed for use off public roads and are not required to be registered under any government authority.

**Vehicles You Do Not Own:** You are insured against claims arising out of your use or operation of any self-propelled land vehicle, amphibious vehicle or air cushion vehicle, including their trailers, which you do not own, provided that:

1. the vehicle is not required to be registered under any government authority and it is designed primarily for use off public roads;
2. you are not using it for **business** or organized racing;
3. the vehicle is being used or operated with the owner's consent;
4. the vehicle is not owned by anyone included in the definition of "you" or "your" in Section 2 of this policy.

You are not insured for damage to the vehicle itself.

**Trailers:** You are insured against claims arising out of your ownership, use or operation of any trailer or its equipment, provided that such trailer is not being towed by, attached to or carried on a motorized vehicle.

**Business and Business Property:** You are insured against claims arising out of:

1. your work for someone else as a sales representative, collector, messenger or office employee, provided that the claim does not involve injury to a fellow employee;
2. your work for someone else as a teacher, provided the claim does not involve physical disciplinary action to a **student** or injury to a fellow employee;
3. the occasional rental of your residence to others;
4. rental to others of a one, two or three-family **dwelling** usually occupied in part by you as a residence, provided that no family unit includes more than two roomers or boarders per family;
5. the rental of space in your residence to others for incidental office, school or studio occupancy;
6. the rental to others, or holding for rent, of not more than three car spaces or stalls in garages or stables;
7. activities during the course of your **business** which are ordinarily considered to be non-**business** activities;
8. the temporary or part-time **business** pursuits of an insured person under the age of twenty-one (21) years.

Claims arising from the following **business** pursuits are insured only if the properties or operations are declared on the Declaration Page:

1. the rental of residential buildings containing not more than six dwelling units;
2. the use of part of your residence by you for incidental office, school or studio, or retail occupancy;
3. the sale, trade, and barter of items on the internet.

## **LOSS OR DAMAGE NOT INSURED**

You are not insured for claims arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. **terrorism**;
3. **bodily injury** or **property damage** which is also insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of Insurers regardless of exhaustion of such policy limits or its termination;
4. your **business** or any **business** use of your **premises** except as specified on the Declaration Pages of this policy;
5. the rendering or failure to render any professional service;
6. **bodily injury** or **property damage** caused by any intentional or criminal act or failure to act by:
  - (a) any person insured by this policy; or
  - (b) any other person at the direction of any person insured by this policy;
7. the ownership, use or operation of any aircraft or **premises** used as an airport or landing strip, and all necessary or incidental operations;

8. the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this policy;
9. the ownership, use or operation of any watercraft during participation in any race or speed contest other than a sailboat;
10. the transmission of communicable disease or sickness by any person insured by this policy;
11. the erasure, destruction, corruption, misappropriation or misinterpretation of **data**
  - (a) erroneously creating, amending, entering, deleting or using **data**;
  - (b) the distribution or display of **data** by means of an internet website, the internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of **data**.
12.
  - (a) directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of **fungi** or **spores**, however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of **fungi** or **spores**; or
  - (b) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with (a) above; or
  - (c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (a) or (b) above.
13. the growing, manufacturing, processing, storing, or distribution, by anyone of any drug, narcotic or illegal substances or items of any kind. This includes any alteration of the **premises** to facilitate such activity whether or not you have any knowledge of such activity;
14. abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological, mental and/or emotional abuse, molestation or harassment, including corporal punishment, directly or indirectly, by:
  - (a) any person or person who is insured by this policy;
  - (b) any person or person insured by this policy having knowledge of such an activity taking place;
  - (c) any person or person insured by this policy failing to prevent such an activity from taking place;
  - (d) at the direction of any person or any person who is insured by this policy.
15. punitive or exemplary damages, meaning that part of any award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you;
16.
  - (a) the actual or alleged failure, malfunction or inadequacy of any computer or other equipment, including embedded microchips, computer programme or software to correctly read, recognize, process, distinguish, interpret or accept any date, time or combined date/time **data** or **data** field. Such failure shall include any error in original or modified **data** entry or programming.
  - (b) any advice, consultation design, evaluation inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for any potential or actual problems described in paragraph (a) of this exclusion.

## CONDITIONS

**Notice of Accident or Occurrence:** When an accident or **occurrence** takes place, you must promptly give us notice (in writing if required). The notice must include:

1. your name and policy number;
2. the time, place and circumstances of the accident;
3. the names and addresses of witnesses and potential claimants.

**Co-operation:** You are required to:

1. help us obtain witnesses, information and evidence about the accident and co-operate with us in any legal action if we ask you;
2. immediately send us everything received in writing concerning the claim including legal documents.

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

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

**Action Against Us - Coverages F and G:** You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until sixty (60) days after the required Proof of Loss Form has been filed with us.

**Insurance Under More than One Policy:** If you have other insurance which applies to a loss or claim, or would have applied if this policy did not exist, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

## SECTION 3 – OPTIONAL COVERAGE

### DEFINITIONS (Applicable to Section 3)

The definitions applicable to Section 1 have the same meaning in Section 3.

ALL THE STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY APPLY TO ALL OPTIONAL COVERAGES

### GUARANTEED REBUILDING COST COVERAGE

If the Declaration Page shows that Guaranteed Rebuilding Cost Coverage applies, the Basis of Claim Payment for the **dwelling** is amended as follows:

When coverage applies, we will pay for insured loss or damage if you repair or replace the damaged or destroyed **dwelling** on the same **site** with materials of similar quality using current building techniques within a reasonable amount of time after the damage.

You may choose as the basis of loss settlement either **(A)** or **(B)** below; otherwise settlement will be as in **(B)**.

**(A)** the actual cost to repair or replace (whichever is less) without deduction for depreciation, even if it is more than the amount of insurance shown on the Declaration Page for the **dwelling**, provided:

1. The amount of insurance shown on the Declaration Page for the **dwelling** represents one hundred percent (100%) of the cost to rebuild the insured **dwelling** on the same **site** with materials of similar quality as determined by a valuation guide acceptable to us;
2. The building occupancy is the same as prior to the damage;
3. You agree to accept each annual adjustment in the amount of insurance as recommended by us and pay the additional premium; and
4. You notify us within thirty (30) days of the start of any additions or other physical changes to the **dwelling**, which may increase the rebuilding cost of the structure by five percent (5%) or more, and pay any resulting additional premium.

**(B)** the **actual cash value** of the damage at the date of the damage.

In all other respects, the policy provisions and limits of liability remain unchanged.

**This optional coverage is void if you fail to comply with its provisions.**

SEE ALSO GENERAL EXCLUSIONS, DEFINITIONS, PROVISIONS, AND STATUTORY CONDITIONS OF THIS POLICY

### PERSONAL ARTICLES COVERAGE

If the Declaration Page shows that Personal Articles Coverage applies, we insure your Personal Articles shown on the Declaration Page for this coverage against risks of direct physical loss or damage, subject to the terms and conditions below.

We will pay up to the amount shown for each item. Where a "V" appears beside an item, that article is valued for the amount shown.

### LOSS OR DAMAGE NOT INSURED

#### Property Excluded

We do not insure loss or damage to:

1. any property illegally acquired, kept, stored, imported or transported or any property subject to forfeiture;
2. any property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
3. any musical instrument played for a fee unless we have given our written permission;
4. buildings and/or structures and their contents, where the loss or damage arises directly or indirectly from the growing, manufacturing, processing, storing, possession or distribution by anyone of any drug, narcotic or illegal substances or items of any kind, whether or not you are aware of such use of the property.

#### Perils Excluded

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

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. **terrorism**;
3. any nuclear incident as defined in the Nuclear Liability Act, nuclear **explosion** or contamination by radioactive material;
4. contamination or pollution or the release, discharge or dispersal of contaminants or **pollutants**;
5. wear, tear, gradual deterioration, inherent vice, latent defect, mechanical breakdown, **fungi**, or **spores**;
6. birds, moths, vermin (such as raccoons, bats and skunks), rodents (such as squirrels and rats) or insects;
7. your intentional or criminal acts.

### **SPECIAL CONDITIONS**

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

**Newly Acquired Articles:** If you acquire any additional articles of the type for which an Amount of Insurance is shown, we will automatically insure these under this coverage provided you notify us within thirty (30) days. We will not pay more than \$5,000 under this extension.

Any loss or damage will not reduce the amount of insurance provided by this coverage. If, following payment of a claim, you acquire any articles to replace those which were lost or damaged, you must tell us within thirty (30) days of acquisition.

### **SEWER, SEPTIC TANK, DRAIN OR SUMP BACKUP COVERAGE**

If the Declaration Page shows that Sewer, Septic Tank, Drain or Sump Backup Coverage applies, it is agreed this policy is extended to cover direct physical loss or damage to the **dwelling** and personal property in the **dwelling** caused by:

SEWER, SEPTIC TANK, DRAIN, OR SUMP BACK UP, meaning sudden and accidental **leakage** or escape of **water** from a sewer, septic tank, drain, or sump pit within the insured **dwelling** subject to the terms and conditions below:

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

We do not insure loss or damage:

- (a) resulting from the escape of **water** from a sump pit not equipped with a sump pump; or
- (b) occurring while the **dwelling** insured is **vacant** or **under construction**, irrespective of any permission for vacancy or construction elsewhere in the policy.

### **GENERAL LOSS OR DAMAGE NOT INSURED UNDER SECTION 3**

#### **Data Exclusion**

This policy does not insure:

- (a) **data**;
- (b) loss or damage resulting from, contributed to, or caused directly or indirectly by **Data Problem**.

However, if loss or damage caused by **Data Problem** results in the **occurrence** of further loss or damage to property insured that is directly caused by **Specified Perils** as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

### **BASIS OF CLAIM PAYMENT – SECTION 3**

Unless stated otherwise, we will pay the **actual cash value** of insured loss or damage up to your financial interest in the property, but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one **occurrence**.

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

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

**Deductible:** In any one **occurrence**, we are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the Declaration Page.

**Insurance Under More Than One Policy:** If you have other insurance on specifically described property, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, our policy will pay its **rateable proportion** of an insured loss.

# CONDITIONS

## CONDITIONS REQUIRED BY LAW

The Statutory Conditions apply to the peril of fire and as modified or supplemented by riders or endorsements attached apply as Policy Conditions to all other perils insured by this policy. With respect to Section 2-Liability Coverage, Statutory Conditions 1, 3, 4, 5 and 15 only apply.

## STATUTORY CONDITIONS

1. **MISREPRESENTATION.** If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
2. **PROPERTY 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 is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.
4. **MATERIAL CHANGE.** Any change material to the risk and within the control and knowledge of the insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
5. **TERMINATION.**
  - (1) This contract may be terminated,
    - (a) by the Insurer giving to the Insured fifteen days notice of termination by registered mail or five days written notice of termination personally delivered;
    - (b) by the Insured at any time on request.
  - (2) Where this contract is terminated by the Insurer,
    - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, but, in no event, shall the proportionate 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 cheque payable at par.
  - (5) The fifteen days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
6. **REQUIREMENTS AFTER LOSS.**
  - (1) Upon the **occurrence** of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
    - (a) forthwith give notice thereof in writing to the Insurer;
    - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
      - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, **actual cash value** and particulars of amount of loss claimed,
      - (ii) stating when and how the loss occurred, and if caused by fire or **explosion** due to ignition, how the fire or **explosion** originated, so far as the Insured knows or believes,
      - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
      - (iv) showing the amount of other insurances and the names of other Insurers,

- (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
  - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
  - (vii) showing the place where the property insured was at the time of loss.
  - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, **actual cash value**;
  - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (1) (c) and (d) 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 vitiates the claim of the person making the declaration.
8. **WHO MAY GIVE NOTICE AND PROOF.** Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.
9. **SALVAGE.**
- (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
  - (2) The Insurer shall contribute proportionately towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub condition (1) of this condition according to the respective interests of the parties.
10. **ENTRY, CONTROL, ABANDONMENT.** After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.
11. **APPRAISAL.** In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefore is made in writing and until after proof of loss has been delivered.
12. **WHEN LOSS PAYABLE.** The loss is payable within sixty (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 thirty (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 forty-five (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 a claim under or by virtue of this contract is absolutely barred unless commenced within one year 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. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.



## ADDITIONAL CONDITIONS

1. **NOTICE TO AUTHORITIES.** Where the loss is due to a malicious act, burglary, robbery, theft or attempt thereat, or is suspected to be so due, you must notify the police or other authority immediately.
2. **NO BENEFIT TO BAILEE.** This insurance does not apply directly or indirectly to the benefit of any carrier or other bailee.
3. **PAIR AND SET.** In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which is (are) a part of a set, we will pay only a reasonable and fair proportion of the total value of the set, and such loss or damage will not be understood to mean total loss of the set.
4. **PARTS.** In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, we will not pay for more than the insured value of the part lost or damaged, including the cost of installation.
5. **YOUR DUTY AFTER LOSS.** It is your duty in the event that any property insured by this policy is lost to take all reasonable steps to recover such property. We will contribute pro rata towards any reasonable and proper expenses in connection with such efforts according to the respective interests of the parties.
6. **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US.** Your rights to recover any part of your loss, for which we have made or agreed to make payment under this policy, are transferred to us. You must not impair those rights and must help us enforce them. When the net amount recovered after deducting the costs of recovery is not enough to provide a complete indemnity for the loss or damage suffered, that amount will be divided between you and us in the proportion in which the loss or damage has been borne by you and us.
7. **REBUILDING CLAUSE.** If the Declaration Page shows that the Rebuilding Clause applies, to the building(s) specified on the Declaration Page, this clause applies to those specified buildings.

In the event an insured peril damages or destroys any of the buildings to which this rebuilding clause applies, you must complete and submit a 'Proof of Loss' form to us. Upon receipt of the Proof of Loss form, we will make a first payment of only fifty percent (50%) of the amount of loss payable on the damaged or destroyed building(s). The amount of loss payable will be the lesser of (a) the actual amount of the damage; or (b) the limit of insurance applicable to the damaged or destroyed buildings. The balance of the amount of loss payable is subject to the following:

  - (a) If you notify us of your intention to repair, rebuild or replace the damaged building(s) within 90 metres (300 feet) of its original **site** on lands you own at the time of the loss with a building(s) of like use and you provide us with satisfactory proof within twelve (12) months of the date of loss, that you spent or contracted to spend an amount not less than the total amount of all insurance payable in doing so, we will pay the balance of the amount of loss payable under this policy within thirty (30) days.
  - (b) If you notify us of your intention to rebuild or replace any building(s) which have been damaged or destroyed with a building(s) of like use on lands you own at the time of the loss within the Province of Nova Scotia but at a distance of more than 90 metres (300 feet) from the **site** of the damaged or destroyed building(s) sought to be replaced, and provide us with satisfactory proof within twelve (12) months of the date of loss that you spent or contracted to spend an amount not less than the total amount of all insurance payable, in doing so, we will pay you the balance of funds within thirty (30) days up to seventy-five percent (75%) of the amount of loss payable under this policy.
  - (c) If due to any regulation or law applying to construction or repair you are prohibited from repairing or rebuilding the damaged building(s) on the same **site**, and notify us of your intention to rebuild or replace the destroyed building(s) with a building(s) of like use on land you own on other than the same **site** within the Province of Nova Scotia and you provide us with satisfactory proof within twelve (12) months of the date of loss, that you spent or contracted to spend an amount not less than the total amount of all insurance payable in doing so, we will pay you the balance of the amount of loss payable under this policy, within thirty (30) days.
  - (d) If you do not comply with the conditions of Clauses (a) or (b) or (c), the first payment will be the only payment for the loss. If two or more items are subject to this clause, it will apply separately to each item.
8. **AUTOMOTIVE FUELS.** Any fuels used for automotive purposes must be stored in accordance with government regulations.
9. **LIBERALIZATION CLAUSE.** During the term of this policy, if we adopt and publish for use any forms, endorsements or rules which would extend or broaden the insurance provided by this policy, without additional premium charge, either by

endorsement or substitution, then such extended or broadened insurance will apply to loss occurring after the effective date of such adoption and publication as though such endorsement or substitution had been made.

10. **NON-WAIVER.** This policy is subject to the terms and conditions set forth in it together with such other terms and conditions as may be endorsed or added to it. No terms or condition of this policy will be deemed to be waived in whole or in part by us unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by us.
11. **EXAMINATION OF INSURED.** In the event of a claim under this policy, you must submit to examination under oath, at our request, and produce for examination at such reasonable place and time as designated by us or our representative, all documents in your possession or control that relate to the matters in question, and you must permit extracts and copies of such documents to be made.

## STANDARD MORTGAGE CLAUSE

Mortgage Conditions: It is hereby provided and agreed that subject to the terms of this mortgage clause (and these shall supersede any policy conditions in conflict therewith but only as to the interest of the mortgagee), loss under this policy is made payable to the Mortgagee specified on the Declaration Page.

- (a) **Breach of Conditions by Mortgagor Owner or Occupant** - This insurance and every documented renewal thereof - as to the Interest of the Mortgagee only therein - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy or the occupation of the property for purposes more hazardous than specified in the description of the risk;  
Provided always that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard that shall come to his knowledge; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
- (b) **Right of Subrogation** - Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as the Mortgagor or Owner - no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may as its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
- (c) **Other Insurance** - If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
- (d) **Who May Give Proof Of Loss** - In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
- (e) **Termination** - The term of this mortgage clause coincides with the term of the policy:  
Provided always that the Insurer reserves the right to cancel the policy as provided by Statutory Condition but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory Condition.
- (f) **Foreclosure** - Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.