

BASIC RENTAL HOUSE

PROPERTY COVERAGES

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IMPORTANT

This Form contains various exclusions and limitations which eliminate or restrict coverage. Please read it carefully. Insurance cannot be a source of profit. It is only designed to indemnify "You" against actual losses or expenses incurred by "You" or for which "You" are liable.

DEFINITIONS

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

“Dwelling” means the building described on the “Declaration Page” occupied as a private rented dwelling.

“Farm” means an area of land and buildings for the growing of crops and/or raising of animals

“Ground Water” means water below the surface of the ground, including that which exerts pressure on or flows, seeps, or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors.

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

“Specified Perils” means, subject to the exclusions and conditions in this Policy:

- (1) fire;
- (2) lightning;
- (3) explosion;
- (4) smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises;
- (5) falling objects which strike the exterior of a building;
- (6) impact by aircraft or land vehicle;
- (7) riot;
- (8) vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
- (9) water damage meaning damage caused by:
 - (a) the sudden and accidental escape of water from a “Water Main”;
 - (b) the sudden and accidental escape of water from within a heating, plumbing, sprinkler or air conditioning system or domestic water container, which is located inside “Your” dwelling;
 - (c) the sudden and accidental escape of water from a domestic water container located outside “Your” dwelling but such damage is not covered when the escape of water is caused by freezing; or
 - (d) water which enters “Your” dwelling through an opening which has been created suddenly and accidentally by an insured peril;
- (10) windstorm or hail.

“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.

“Under Construction” means any construction from the foundation, or alteration or repairs to the “Dwelling” which results in piercing of an exterior wall, below grade or above, or roof for more than 24 hours, or which necessitates “Your” temporary relocation.

“Water” means the chemical element defined as H₂O in any of its three natural states, liquid, solid and gaseous.

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

ALL STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY APPLY TO ALL COVERAGES OF THIS FORM

COVERAGES

The form of coverage and amounts of insurance are shown on the “Declaration Page”. These amounts include the cost of cleaning and removing debris of the property insured by this “Form” as a result of an Insured Peril.

If “You” must remove insured property from the premises to protect it from loss or damage, it is insured by this “Form” for 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.

DWELLING BUILDING

When shown on the “Declaration Page”, “We” insure:

- (1) The dwelling and attached structures;
- (2) Permanently installed outdoor equipment on the premises;
- (3) Outdoor swimming pool and attached equipment on the premises;
- (4) Materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of the dwelling or private structures on the premises.

Optional Coverage Extensions – Dwelling Building

The following extensions are available without increasing the amount of insurance shown on the “Declaration Page”. “You” may apply up to 10% of the amount of insurance on the dwelling to insure each of the following:

- (1) **Building Fixtures and Fittings** temporarily removed from the premises for repair or seasonal storage.
- (2) **Detached Private Structures** – structures or buildings separated from the dwelling by a clear space, on the premises but not insured under the building. If they are connected to the dwelling by a fence, utility line or similar connection only, they are considered to be detached structures. If “You” have more than one detached structure, the amount of insurance will be divided in the proportions that the value of each structure has to the value of all such structures at the time of loss.
- (3) **Rented Dwelling Appliances** – household appliances on the premises, rented to others as part of the dwelling rental, or held for rental by “You” as part of the dwelling rental, for up to \$500 for any one appliance.
- (4) **Fair Rental Value** - If an Insured Peril makes that part of the dwelling or detached private structures rented to others or held for rental by “You” unfit for occupancy, payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Fair rental value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.
 - (a) If a civil authority prohibits access to the dwelling as a direct result of damage to neighbouring premises by an Insured Peril under this “Form”, “We” insure any resulting Fair Rental Value loss for a period not exceeding two weeks.
 - (b) “We” do not insure loss resulting from the cancellation of a lease or agreement.

OTHER EXTENSIONS OF COVERAGE

Inflation Protection

“We” will automatically increase the amount(s) of insurance shown on the “Declaration Page” under this Form by amounts which are solely attributable to the inflation increase since the inception date of this Policy, the latest renewal or anniversary date or from the date of the most recent change to the amount(s) of insurance shown on the “Declaration Page”, whichever is the latest.

On renewal or anniversary date, “We” will automatically increase the amounts of insurance shown on the “Declaration Page” under this Form by amounts which are solely attributable to the inflation increase since the inception date or the latest renewal or anniversary date of this Policy.

Burglary, Robbery, or Theft

If shown on the “Declaration Page” as being included, the following perils and limitations apply:

- (1) **Burglary.** This peril means theft of insured property from the premises following illegal and forcible entry or exit, leaving visible marks at the point of forced entry or exit. “We” will pay up to \$1,000 of the amount of insurance on “Your” personal property for damage to the building caused by burglary.
- (2) **Robbery.** This peril means theft by violence or threat of violence to any person.
- (3) **Theft.** This peril means the wrongful abstraction of insured property with the intent of depriving the rightful owner of the insured property. This peril includes direct loss or damage caused by attempted theft.

Limitations

These perils do not include loss or damage:

- (1) Occurring while the dwelling is “Under Construction” or “Vacant” even if permission for construction or vacancy has been given by “Us”.

PERSONAL PROPERTY

When shown on the “Declaration Page”, “We” insure “your” contents in the dwelling and other personal property “You” own, wear or use while on the premises which is usual to the ownership or maintenance of a dwelling.

“We” do not insure loss or damage to motorized vehicles, trailers and aircraft or their equipment (except for motorized wheelchairs, and motorized scooters for the handicapped having more than 2 wheels, motorized lawn mowers, garden-type tractors up to 22 kW [30HP] and their attachments, other motorized gardening equipment, snow blowers, watercraft and motorized golf carts). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. Subject to Special Limits applicable to some personal property.

Special Limits of Insurance

The following Special Limits of Insurance apply after the Policy deductible without increasing the amount of insurance shown on the Declaration Page for Personal Property.

"We" insure:

- (1) Motorized lawn mowers, other motorized gardening equipment and motorized golf carts, including attachments and accessories up to \$5,000 in all for any one occurrence.

"We" do not insure:

- (1) animals, birds and other pets;
- (2) books, tools and instruments pertaining to a business, profession or occupation;
- (3) computer software;
- (4) money or bullion;
- (5) other business property, including samples and goods held for sale;
- (6) property at any fairground, exhibition or exposition; or
- (7) securities.

INSURED PERILS

"You" are insured against direct loss or damage caused by the following perils as described and limited:

- (1) **Fire or Lightning.**
- (2) **Explosion.** This peril does not include water hammer.
- (3) **Smoke.** This peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises, but not smoke from fireplaces.
- (4) **Falling Object.** This peril means a falling object which strikes the exterior of a building but not objects which strike the building because of snowslide, iceslide, landslide or any other earth movement.
- (5) **Impact by Aircraft or Land Vehicle.** Animals, birds or other pets are not insured under this peril.
- (6) **Riot.**
- (7) **Vandalism or Malicious Acts.**

This peril does not include loss or damage:

- (a) occurring while the building is "Under Construction" or "Vacant" even if permission for construction or vacancy has been given by "Us";
- (b) caused by "You"; or
- (c) caused by theft or attempted theft.
- (8) **Water Escape, Rupture, Freezing.** This peril means:
 - (a) the sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, sprinkler or air conditioning system, domestic appliance, water bed, swimming pool or equipment attached and public "Water Mains";
 - (b) the sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam, or lack of water or steam, in a plumbing, heating, sprinkler or air conditioning system or an appliance for heating water;
 - (c) freezing of any part of a plumbing, heating, sprinkler or air conditioning system or domestic appliance within a building heated during the usual heating season; or
 - (d) water which enters through an opening which has been created suddenly and accidentally by an insured peril.

This peril does not include damage:

- (a) caused by continuous or repeated "Seepage" or "Leakage" of water;
- (b) caused by backing up or escape of water from a sewer or drain, sump or septic tank, eaves trough or downspout;
- (c) caused by "Ground Water" or rising of the water table;
- (d) caused by "Surface 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 caused by rust or corrosion; (vii) to the system or appliance from which the water escaped;
- (g) occurring while the dwelling is "Under Construction" or "Vacant" even if "We" have given permission for construction or vacancy;
- (h) caused by freezing during the usual heating season:
 - i. within a normally heated portion of "Your" dwelling if the heat has been intentionally turned off by "You" or at "Your" direction; or
 - ii. within a normally unheated portion of "Your" dwelling.

- (9) **Windstorm or Hail.** This peril does not include loss or damage to “Your” personal property within a building or to the interior of a building caused by windstorm, hail or coincidental rain damage, unless the storm first creates an opening in the building.

This peril does not include damage:

- (a) to outdoor radio and/or TV antennae, towers, satellite receivers and their attachments;
- (b) due to weight or pressure of ice or snow, waves, floods, tsunamis, land subsidence, whether driven by wind or not.

LOSS OR DAMAGE NOT INSURED

“We” do not insure:

- (1) loss or damage occurring after “Your” dwelling has, to “Your” knowledge, been “Vacant”, even if partially or fully furnished, for more than 30 consecutive days;
- (2) any property illegally acquired, kept, stored, transported or property subject to forfeiture;
- (3) any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (4) property because of voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
- (5) books of account and evidences of debt or title;
- (6) 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;
- (7) lawns and outdoor trees, shrubs and plants;
- (8) losses or increased costs of repair or replacement due to operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services;
- (9) retaining walls not constituting part of any insured building;
- (10) buildings or structures that are or were designed for agricultural purposes or are or were used in whole or in part for farming or any other commercial or business purposes, whether in use, unoccupied, or “Vacant” unless declared on the “Declaration Page”.
- (11) loss or damage caused by rust or corrosion, wet or dry rot, or by any fungi or spores;
- (12) loss or damage to buildings or structures or personal property contained in them, used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marihuana or any product derived from or containing marihuana or any other substance falling within Schedule (Section 2) of the Controlled Drugs and Substances Act Narcotic Control Regulations;

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

- (1) by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results from fire, lightning or explosion of natural, coal or manufactured gas;
- (2) by or resulting from contamination or pollution, or the release, discharge, or dispersal of contaminants or ‘Pollutants’;
- (3) by snowslide, earthquake, landslide or any other earth movement. If any of these results in fire or explosion, “We” will pay only for the resulting loss or damage;
- (4) by wear, tear, scratching, marring, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, fungi or spore(s) or contamination;
- (5) resulting from any intentional or criminal act or failure to act by “You”, “Your” employees or anyone to whom the damaged or lost property is entrusted;
- (6) by birds, moths, rodents (such as squirrels and rats), insects or vermin (such as raccoons and skunks) or household pets;
- (7) 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;
- (8) by mysterious disappearance; or
- (9) due to the cost involved to correct faulty material, workmanship or design.

Data Exclusion

This Policy does not insure:

- (1) “Data”; or
- (2) loss or damage resulting from, contributed to or caused directly or indirectly by “Data Problem”.

However, if loss or damage caused by “Data Problem” results in the occurrence of further loss or damage to property insured that is directly caused by “Specified Perils” as defined in this “Form”, this exclusion shall not apply to such

resulting loss or damage.

BASIS OF CLAIM PAYMENT

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

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 loss or damage caused by any of the Insured Perils exceeds the amount of the deductible shown on the "Declaration Page" or below, in any one occurrence.

If loss or damage to "Your" rented dwelling is caused by a renter or other occupant of the dwelling, "We" are responsible for the amount by which the loss or damage caused by any of the Insured Perils exceeds \$1,000 or the amount of deductible shown on the "Declaration Page", whichever is greater in any one occurrence.

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

Dwelling Building and Detached Private Structures

If "You" repair or replace the damaged or destroyed building on the same location, with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage, "You" may choose as the basis of loss settlement either **(A)** or **(B)** below; otherwise, settlement will be as in **(B)**.

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

(B) The Actual Cash Value of the damage at the date of the occurrence.

Personal Property

"We" will pay the Actual Cash Value of the damage up to the applicable amount of insurance.

Actual Cash Value

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

Amounts Not Reduced

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

Insurance Under More Than One Policy

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

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