

# COMPREHENSIVE 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.

**“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.

**“Renter”** means the person who rents from “You” for “Dwelling” purposes.

**“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 H<sub>2</sub>O 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 removing debris of the property insured by this Form 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 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.

#### **Tear Out**

If any walls, ceilings or other parts of insured buildings or structures must be torn apart before water damage, covered by this Form can be repaired "We" will pay the cost of such work and its restoration.

The cost of tearing out and replacing property to repair damage related to outdoor swimming pools or public "Water Mains" is not insured.

#### **Optional Coverage Extension – Dwelling Building**

The following extension is 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 **Building Fixtures and Fittings** temporarily removed from the premises for repair or seasonal storage.

#### **OTHER EXTENSIONS OF COVERAGE**

##### **Fire Department Charges**

"We" will reimburse "You" for up to a maximum of \$1,000 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. No deductible applies to this 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.

##### **Bylaws Insurance**

If there is a loss insured by this Policy, "We" will pay up to a maximum of \$10,000 for the additional cost of demolition, construction or repair which is required to comply with any law regulating demolition, construction or repair of dwellings. "We" will not pay more than the minimum amount required to comply with an enforceable law.

##### **Lock Replacement**

"We" will pay up to \$500 to replace or re-key, at "Our" option, the locks on "Your" rented dwelling if the keys are stolen. No deductible applies to this coverage.

#### **DETACHED PRIVATE STRUCTURES**

We insure 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.

#### **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 rented dwelling.

"We" do not insure loss or damage to motorized vehicles, trailers and aircraft or their equipment (except for motorized lawn mowers, garden-type tractors up to 22 kW [30 HP] and their attachments, other motorized gardening equipment, and snow blowers). Equipment includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. Equipment does not include spare automobile parts. 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 and their attachments, other motorized gardening equipment and snow blowers 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.

## **FAIR RENTAL VALUE**

If an Insured Peril makes that part of the dwelling or detached private structures rented to others or held for rental by "You" unfit for occupancy, payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Fair rental value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.

If a civil authority prohibits access to the dwelling as a direct result of damage to neighbouring premises by an Insured Peril under this Form, "We" insure any resulting Fair Rental Value loss for a period not exceeding two (2) weeks.

"We" do not insure loss resulting from the cancellation of a lease or agreement.

## **INSURED PERILS**

"You" are insured against all risks of direct physical loss or damage subject to the exclusions and conditions in this Form.

## **LOSS OR DAMAGE NOT INSURED**

"We" do not insure the loss of or damage to:

- (1) "Your" insured property when "Your" dwelling has to "Your" knowledge, been "Vacant", even if partially or fully furnished, for more than 30 consecutive days;
- (2) buildings or structures 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 unless declared on the "Declaration Page";
- (3) any property illegally acquired, kept, stored or transported, or 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 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;
- (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) animals, birds or other pets
- (10) sporting equipment where the loss or damage is due to its use;
- (11) retaining walls not constituting part of any insured building, except for fire, lightning, impact by aircraft or land vehicle or vandalism and malicious acts;
- (12) 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, other than that coverage provided under Bylaws Insurance.

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

- (13) by or resulting from contamination or pollution or the release, discharge or dispersal of contaminants or "Pollutants", except damage caused by 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;

- (14) 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;
- (15) by wear, tear, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, fungi or spore(s), or contamination;
- (16) by scratching, marring, abrasion or chipping of any property or breakage of any fragile or brittle articles unless caused by a Specified Perils, accident to a land vehicle, watercraft or aircraft, or theft or attempted theft;
- (17) by birds, moths, vermin (such as skunks and raccoons), rodents (such as squirrels and rats), insects or household pets, except loss or damage to building glass;
- (18) 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;
- (19) due to the cost involved to correct faulty material, workmanship or design;
- (20) by settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
- (21) by smoke from agricultural smudging or industrial operations;
- (22) by buildup of smoke. Smoke damage must be sudden and accidental;
- (23) by any earth movement including, but not limited to, earthquake, landslide, snowslide, or iceslide. If any of these results in fire or explosion, "We" will pay only for the resulting loss or damage;
- (24) by collapse of:
  - (a) outside property such as awnings, fences, or trellises 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;
- (25) 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, hot tub or equipment attached;
  - (b) the sudden and accidental escape of water or steam from within a heating, sprinkler, air conditioning or plumbing system, "Domestic Water Container" or waterbed 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 insured when the escape of water is caused by freezing; or
  - (d) water which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
  - (e) water from the accumulation of ice or snow on the roof or eaves trough, which enters the dwelling through the roof;

But "We" do not cover loss or damage:

  - (a) caused by continuous or repeated "Seepage" or "Leakage" of water;
  - (b) caused by the 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 Water", unless the water escapes from a "Water Main" or from a "Domestic Water Container" located outside "Your" dwelling;
  - (e) caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
  - (f) to "Water Mains" or system or "Domestic Water Container" and equipment attached 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) 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.
- (26) caused by change of temperature unless the loss or damage:
  - (a) is to personal property kept in "Your" dwelling; and
  - (b) is the result of physical damage to "Your" dwelling or equipment caused by a peril not otherwise excluded;
- (27) caused by vandalism or malicious acts or glass breakage occurring while "Your" dwelling is "Under Construction" or "Vacant" even if permission for construction or vacancy has been given by "Us";
- (28) 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 marijuana or any product derived from or containing marijuana or any other substance falling within Schedule (Section 2) of the Controlled Drugs and

Substances Act Narcotic Control Regulations;

- (29) from the part of the dwelling rented to others, caused by theft or attempted theft by any "Renter", "Renter's" employee, or members of a "Renter's" household.

#### **Data Exclusion**

(1) This Form does not insure:

- (a) "Data"; or
- (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 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.