

# COMPREHENSIVE RENTED CONDO FORM

## PROPERTY COVERAGES

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### IMPORTANT

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

The property insurance section describes insurance that may be purchased for "Your" property. "You" should check with the Declarations "You" received from "Your" Condominium Corporation office to ensure that "You" are purchasing appropriate amounts of insurance for the financial obligations "You" are assuming. All Condominium Corporation Declarations are not the same.

## 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.

**“Condominium Corporation”** means a condominium or strata corporation and in Quebec the meeting of co-proprietors, established under Provincial Legislation.

**“Condominium Unit Owner”** means an owner of a dwelling “Unit” forming part of a property owned by a condominium or strata corporation.

**“Detached Private Structure”** means private buildings and structures detached from “Your” “Unit” and which are on “Your” “Premises”. If they are connected to “Your” “Unit” by a fence, utility line, or similar connection only, they are considered to be a detached private structure.

**“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 “Your” “Unit” and includes garages, storage lockers, outbuildings and private approaches reserved for “Your” use or occupancy only.

**“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” “Unit”;
  - (c) the sudden and accidental escape of water from a “Domestic Water Container” located outside “Your” “Unit” but such damage is not covered when the escape of water is caused by freezing; or
  - (d) water which enters “Your” “Unit” through an opening which has been created suddenly and accidentally by an insured peril;
- (10) windstorm or hail; or
- (11) transportation meaning loss or damage caused by collision, upset, overturn, derailment, stranding or sinking of any automobile or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to property in a vacation or home trailer which “You” own.

**“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.

**“Tenant”** means one who rents property from another for private dwelling purposes.

**“Under Construction”** means any construction from the foundation, or alteration or repairs to the dwelling “Unit” 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.

**“Unit”** means the condominium unit, strata lot or exclusive portion described in Condominium or Co-Ownership Declaration occupied by “Your” “Tenant” as a private dwelling.

**“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**

**COVERAGES**

The amounts of insurance are shown on the "Declaration Page". These amounts include the cost of removing debris of the property insured by this Policy 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 property 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.

**COVERAGE A – PERSONAL PROPERTY**

"We" agree to insure the personal property of "Your" rental "Unit" on "Your" "Premises" which is usual to the ownership of the "Unit" or maintenance of a condominium "Unit".

"We" agree to insure "Your" motorized lawn mowers, gardening equipment, and snow blowers including attachments and accessories which is usual to the ownership or maintenance of the insured rental "Unit" while on "Your" "Premises" up to \$5,000 in all for any one occurrence.

"We" do not insure loss or damage to motorized vehicles, watercrafts, trailers and aircraft or their equipment, attachments or accessories.

**COVERAGE B – FAIR RENTAL VALUE and PROHIBITED ACCESS**

The amount of insurance 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.

- (1) **Fair Rental Value.** If, as a result of damage by an insured peril makes "Your" rental "Unit" unfit for occupancy, "We" agreed to insure its fair rental value. Payment shall be for the reasonable time required to repair or replace that part of "Your" rental "Unit".

Fair rental value shall not include any expense that does not continue while that part of "Your" rental "Unit" is unfit for occupancy.

- (2) **Prohibited Access.** If a "Civil Authority" prohibits access to "Your" rental "Unit" as a direct result of damage to neighbouring premises by an insured peril under this Policy, "We" agree to insure any resulting fair rental value loss for a period not exceeding two (2) weeks.

"You" are not eligible for any claim arising from evacuation resulting from:

- (a) flood, meaning waves, tides, tidal waves, tsunamis and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made;
- (b) earthquake; or
- (c) 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 directly from fire, lightning or explosion of natural, coal or manufactured gas.

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

**COVERAGE C – CONDOMINIUM PROTECTION**

The amount of insurance shown on the "Declaration Page" for Condominium Protection is the total amount of insurance "We" will pay for any one occurrence for loss or damage caused by an insured peril. The applicable amount of insurance applies to any one or a combination of the following coverages:

- (1) **Improvements and Betterments (including "Detached Private Structures")**

For damage to "Your" rental "Unit" improvements and betterments "We" will insure those made or acquired by "You" at "Your" expense and any upgrades to the standard unit as described in the bylaws of the "Condominium Corporation" and the current Ontario Condominium Act, including, but not limited to:

- (a) "Unit" fittings and fixtures;
- (b) "Unit" floor or wall or window coverings;
- (c) buildings or structures on the "Premises";

- (d) swimming pools, hot tubs, saunas and attached equipment on the "Premises"; or
- (e) materials and supplies on the "Premises" for use in such improvements.

(2) **Loss Assessment Coverage**

"We" will pay up to the amount specified for personal property on the "Declaration Page" for "Your" share of any special assessment if:

- (a) the assessment is valid under the "Condominium Corporation's" governing rules; and
- (b) it is made necessary by a direct loss to the collectively owned condominium property caused by an insured peril in this Policy.

"We" will pay that portion of the common expense to a total of \$10,000 made necessary by a deductible in the insurance policy of the "Condominium Corporation" and in accordance with the current Ontario Condominium Act.

"You" may apply up to 10% of "Your" personal property limit to building fixtures and fittings pertaining to "Your" rental "Unit" while temporarily removed from the "Premises" for repair or seasonal storage.

(3) **Unit Contingency Coverage**

"We" insure items of real property that pertain exclusively to "Your" condominium "Unit" and that are not part of the standard "Unit" as described in the bylaws of the "Condominium Corporation" and the current Ontario Condominium Act.

"We" will pay for loss or damage to the physical structure of "Your" rental "Unit" (excluding improvements and betterments made or acquired by "You"), caused by an insured peril, if the "Condominium Corporation" has no insurance, its insurance is inadequate, or it is not effective.

"We" will pay that portion of the common expense to a total of \$5,000 made necessary by a deductible in the insurance policy of the "Condominium Corporation" and in accordance with the current Ontario Condominium Act.

## **EXTENSIONS OF COVERAGE**

### **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 to "Your" rental "Unit". "We" will not pay more than the minimum amount required to comply with an enforceable law.

### **Emergency Services Forced Entry**

"We" agree to pay up to \$5,000 in all for loss or damage caused to "Your" rental "Unit" or "Detached Private Structure" when the fire, police or ambulance service has to force entry to the "Unit" because of an emergency or perceived emergency. No deductible applies to this coverage.

### **Extended Warranty Coverage**

This coverage doubles the original manufacturer's warranty up to a maximum of one (1) year for normal household purchases of items for use in connection with "Your" rental "Unit". The extended warranty applies only to parts and/or labour costs resulting from mechanical breakdown or failure of the covered item.

"We" will not pay more than the original purchase price to repair or replace the item subject to a maximum payable of \$10,000 in any one event. No deductible applies to this coverage.

#### **Exclusions:**

This coverage does not apply to:

- (1) Used items.
- (2) To any lawn mowers, gardening equipment, snow blowers or to their attachments or accessories.
- (3) Any deductible in the manufacturer's warranty.

#### **Conditions:**

- (1) "You" must present a copy of the receipt and the original manufacturer's warranty for the item within ninety (90) days of the event for which a claim is being made.
- (2) The event must take place during the Policy period.
- (3) Any other insurance, warranty or extended warranty applies before this coverage takes effect.

### **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.

**Lock Replacement**

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

**Tear Out**

If any walls, ceilings or other parts of "Your" "Unit" 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 outdoor swimming pools or public water mains is not insured.

**Water Escape**

This extension of coverage only applies to those locations that show water escape coverage on the "Declaration Page". Coverage is limited to the amount shown on the "Declaration Page" and is subject to the Policy deductible.

"You" are insured for sudden and accidental direct physical loss or damage to "Your" rental "Unit", personal property and improvements and betterments (including "Detached Private Structures") as listed on the "Declaration Page" which resulted from a "Single Occurrence" and is caused by:

- (1) "Flood"; or
- (2) "Sewer, Septic tank, Drain, or Sump Back Up".

**Exclusions**

This Endorsement does not cover loss or damage caused directly or indirectly:

- (1) occurring while the dwelling "Unit" is "Vacant" or "Under Construction", irrespective of any permission for vacancy or construction elsewhere in this Policy;
- (2) in whole or in part, by waves, tides, tidal waves, storm surge, tsunamis or seiches, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
- (3) by "Flood" to insured property:
  - (a) located within 100 metres of the shoreline of a body of water or the bank of a river or other flowing water with a bankfull width of 5 metres or more. However, this exclusion does not apply if building(s) or structure(s) at grade have an elevation of at least 7 metres above the natural bank of the river or other flowing water; or
  - (b) seeping of water through the foundation;

**Definitions**

"Flood" means water that accumulates upon or submerges land resulting from the unusual and rapid accumulation of water from any source, including the breaking out or the overflow of any body of water or watercourse, whether natural or artificial.

"Single Occurrence" means all events that occur within any 72 consecutive hours commencing during the term of this Policy. The single occurrence must have occurred on or after the effective date of the addition of water escape coverage. The expiration of this Policy will not reduce the 72 consecutive hour period.

"Sewer, Septic Tank, Drain, or Sump Back Up" means sudden and accidental "Leakage" or escape of water from a sewer, drain, sump, septic tank or sump pit within the insured rental "Unit" and "Detached Private Structures".

**INSURED PERILS**

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

**EXCLUSIONS****Property Excluded**

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

- (1) "Your" insured property when "Your" rental "Unit" has to "Your" knowledge been "Vacant", even if partially or fully furnished, for more than thirty (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";
- (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 pretense;
- (6) animals, birds or other pets;
- (7) outdoor trees, shrubs, plants or lawns;
- (8) books of account and evidences of debt or title;
- (9) 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;
- (10) retaining walls not constituting part of any insured building except for fire, lightning, impact by aircraft or land vehicle or vandalism and malicious acts;
- (11) 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; or
- (12) the personal belongings owned by "Your" "Tenant", roomers or boarders;

### **Perils Excluded**

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

- (1) 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 "Unit";
- (2) 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;
- (3) 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;
- (4) by scratching, marring, abrasion or chipping of any property or breakage of any fragile or brittle articles unless caused by a "Specified Peril", accident to a land vehicle, watercraft or aircraft, or theft or attempted theft;
- (5) 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;
- (6) resulting from any intentional or criminal act or failure to act by "You", "Your" employees, "Your" "Tenant" or anyone to whom the damaged or lost property is entrusted;
- (7) due to the cost involved to correct faulty material, workmanship or design;
- (8) by settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
- (9) by smoke from agricultural smudging or industrial operations;
- (10) by buildup of smoke. Smoke damage must be sudden and accidental;
- (11) 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;
- (12) 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;
- (13) 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" "Unit";
  - (c) the sudden and accidental escape of water from a "Domestic Water Container" located outside "Your" "Unit", but such damage is not insured when the escape of water is caused by freezing;
  - (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 "Unit" 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" "Unit";
- (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 "Unit" 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" "Unit" if the heat has been intentionally turned off by "You" or at "Your" direction; or
  - ii. within a normally unheated portion of "Your" "Unit";
- (14) caused by change of temperature unless the loss or damage:
  - (a) is to personal property kept in "Your" "Unit"; and
  - (b) is the result of physical damage to "Your" "Unit" or equipment caused by a peril not otherwise excluded;
- (15) caused by vandalism or malicious acts or glass breakage occurring while "Your" "Unit" is "Under Construction" or "Vacant" even if permission for construction or vacancy has been given by "Us"; or
- (16) from the part of "Your" "Unit" rented to others, caused by theft or attempted theft by any "Tenant", employee of a "Tenant", or members of a "Tenant's" household.

### **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.

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

If "You" qualify for a tax credit or will recover any amount from any insurance covering the collective interests of the unit owners, 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 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 one occurrence could lead to the application of more than one deductible, only the largest deductible will apply.

If loss or damage to "Your" rental "Unit" is caused by a "Tenant" or other occupants of "Your" rental "Unit", "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 the deductible shown on the "Declaration Page", whichever is greater in any one occurrence.

### **Improvements and Betterments and Unit Contingency Coverage**

"We" agree to pay the cost of repairs or replacement (whichever is less) for insured loss or damage to "Your" rental "Unit" improvements and betterments and to "Your" rental "Unit" (less any amount recoverable from any insurance covering the collective interests of the unit owners), without deduction for depreciation, provided that:

- (1) "You" repair or replace the damaged or destroyed "Unit" or unit improvements on the same site;
- (2) with a "Unit" of the same occupancy;
- (3) constructed with materials of similar quality and currently available; and
- (4) "You" repair or replace the property promptly.

Otherwise the Basis of Claim Payment will be the Actual Cash Value of the damage on the date of the occurrence.

### **Personal Property – Replacement Cost**

"We" will pay on the basis of Replacement Cost for "Your" personal property. "We" will not pay on the basis of Replacement Cost for property that has not been maintained in good or workable condition or property that is no longer used for its originally purpose, for which "We" will pay only on the basis of Actual Cash Value.

### **Replacement Cost**

Replacement cost means the cost, on the date of the loss or damage, of the lower of:

- (1) repairing the property with materials of similar kind and quality; or
- (2) new articles of similar kind, quality and usefulness, without deduction for depreciation.

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.

"We" will pay on the basis of Replacement Cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise "We" will pay on the basis of Actual Cash Value.

For motorized lawn mowers, gardening equipment, and snow blowers including attachments and accessories "We" will not pay more than the applicable limit under either the Replacement Cost or Actual Cash Value basis.

**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 Policy.

**Insurance Under More Than One Policy**

If "You" have 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, "We" will pay "Our" rateable proportion of the loss or claim under this Policy.

**Waiver of Rights**

"We" agree to waive "Our" rights to any claim against the "Condominium Corporation", its Directors, Property Managers, Agents or Employees of the Condominium, except for arson, fraud and vehicle impact. "We" will not consider Independent Contractors as being Agents or Employees of the "Condominium Corporation", its Directors and Property Managers or of the "Unit" owners.