



**PERSONAL PROPERTY INSURANCE POLICY
SECTION I - PROPERTY COVERAGE**

COVERAGE A – DWELLING BUILDING

"We" insure:

- a. the "dwelling" on the "premises" described on the Declarations and its attached structures;
- b. permanently installed outdoor equipment on the "premises" used principally for the service of the "dwelling";
- c. outdoor "domestic water containers", including swimming pool(s), spas, hot tubs and their attached equipment on the "premises";
- d. materials and supplies located on or adjacent to the "premises" intended for use in construction, alteration or repair of the "dwelling" and/or private structures on the "premises";
- e. building fixtures and fittings used principally for the service of the "dwelling" while temporarily removed from the "premises" for repair or seasonal storage.

COVERAGE B – PRIVATE STRUCTURES

"We" insure private structures on the "premises" separated from the "dwelling" by a clear space 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.

PROPERTY NOT INSURED

"We" do not insure private structures originally built and previously used for "farming" purposes regardless of their current use unless otherwise endorsed in this form.

COVERAGE C – PERSONAL PROPERTY

PERSONAL PROPERTY ON YOUR PREMISES

"We" insure:

- a. the contents of "your" "dwelling" and other personal property "you" own, wear or use which is usual to the ownership, maintenance or use of "your" "dwelling"; and
- b. if "you" wish "we" will include uninsured personal property of others while it is on that portion of "your" "premises" which "you" occupy, but we do not insure personal property of roomers or boarders.

PERSONAL PROPERTY AWAY FROM YOUR PREMISES

"We" insure:

- a. "your" personal property while it is temporarily away from "your" "premises" anywhere in the world. If "you" wish "we" will include uninsured personal property belonging to others while it is in "your" possession or belonging to a "residence employee" travelling with "you";
- b. personal property while in storage, including in a safety deposit box;
- c. personal property of a student who, while temporarily residing away from "your" principal residence is covered up to \$25,000 provided the student:
 - (1) is enrolled in and attending a school, college or university; and
 - (2) is dependent on a "Named Insured" or his or her "spouse" for support and maintenance;
- d. personal property of an "Insured" or parent of an "Insured" who is dependent on the "Named Insured" or his or her "spouse" for support and maintenance while residing in a nursing home or assisted living facility is covered up to \$25,000.

MOVING TO ANOTHER HOME

"We" insure "your" personal property while "you" are moving from the "premises" shown on the Declarations to a new "dwelling" anywhere in Canada:

- a. for a period of 30 days commencing on the date "you" began moving; or
- b. until "your" policy term expires or is terminated;

whichever occurs first.

"Wawanesa Insurance" is **The Wawanesa Mutual Insurance Company** and is the licensed insurer of this policy.



This coverage does not increase the Amount of Insurance applying to the property being moved.

SPECIAL LIMITS OF INSURANCE

Coverage for the following types of personal property is subject to the SPECIAL LIMITS OF INSURANCE as shown below. These limits are the most "we" will pay for any loss or damage in any one "occurrence".

| For all insured losses | Limit |
|--|----------|
| "Business" property on "your" "premises" | \$5,000 |
| Securities | \$5,000 |
| Money, "cash cards", bullion | \$1,000 |
| Watercraft, their furnishings, equipment, motors and accessories | \$3,000 |
| Motorized garden equipment and golf carts | \$10,000 |
| Spare automobile parts | \$1,000 |

The following **SPECIAL LIMITS OF INSURANCE** only apply to losses caused by theft or mysterious disappearance.

| For theft and mysterious disappearance losses | Limit |
|---|----------------------------------|
| Jewellery, watches, gems | \$10,000 |
| Fur garments and garments trimmed with fur | \$6,000 |
| Numismatic, coin or banknote collections | \$1,000 |
| Manuscripts, stamps and stamp collections | \$1,500 |
| Collectibles, including sports cards, memorabilia and comic books | \$250 per item; \$5,000 total |

PROPERTY NOT INSURED

"We" do not insure:

- a. property of roomers or boarders who are not related to "you";
- b. personal property normally kept at any other location "you" own, rent or occupy;
- c. motorized vehicles or their equipment except:
 - (1) electric power assisted bicycles;
 - (2) wheelchairs or scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability, that can attain speeds no greater than 32 kilometers per hour;
 - (3) watercraft;
 - (4) lawn mowers, snow blowers and other motorized gardening equipment; and
 - (5) motorized golf carts;
- d. camper units, truck caps, trailers, or their equipment;
- e. "aircraft" or their equipment.

Equipment includes audio, visual, recording, or transmitting equipment, powered by the electrical system of a motorized vehicle or "aircraft".

Equipment does not include spare automobile parts.

Toys or hobby items such as model "aircraft" or children's battery powered all-terrain vehicles using no more than a 12 volt battery or that can attain speeds no greater than 10 kilometers per hour are not considered motorized vehicles or "aircraft";

- f. sporting equipment where the loss or damage is due to its use;
- g. breakage of eyeglasses, glassware, statuary, marbles, bric-a-brac, porcelain, and similar fragile articles (other than jewellery, gems, watches, bronzes, precious and semi-precious stones, cameras and photographic lenses) unless the loss or damage is caused by:
 - (1) any of the "Specified Perils"; or
 - (2) theft or attempted theft;
- h. animals, birds or fish unless the loss or damage is caused by any of the "Specified Perils" other than IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE;
- i. property at any fairground, exhibition or exposition, for the purpose of exhibition, trade or sale;
- j. evidence of debt or title; or

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- k. property pertaining to a "business", including samples and goods held for sale.

COVERAGE D – LOSS OF USE

The Amount of Insurance for COVERAGE D – LOSS OF USE is the total amount for any one or a combination of the following coverages. The periods of time shown below are not limited by the expiration of this policy.

ADDITIONAL LIVING EXPENSE

As a result of an insured peril, if "your" "dwelling" is 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.

FAIR RENTAL VALUE

If an insured peril makes that part of the "dwelling" and/or private structure 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" and/or private structure rented or held for rental.

Fair Rental Value shall not include any expense that does not continue while that part of the "dwelling" and/or private structure rented or held for rental is unfit for occupancy.

PROHIBITED ACCESS

If a "civil authority" prohibits access to "your" "premises":

- a. as a direct result of damage to neighbouring "premises" by an insured peril in this policy, "we" insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding two weeks; or
- b. by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, "we" insure any resulting necessary and reasonable increase in living expense incurred by "you" for the period access is prohibited, not exceeding two weeks.

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

- (1) losses excluded under **SECTION I – LOSS OR DAMAGE NOT INSURED**;
- (2) "flood";
- (3) earthquake, unless EARTHQUAKE COVERAGE – FORM 991 or CONDOMINIUM UNIT OWNERS EARTHQUAKE COVERAGE – FORM 991C is shown on the Declarations;
- (4) overland water, unless OVERLAND WATER COVERAGE – FORM 3115 or 3115L is shown on the Declarations.

No deductible applies to Prohibited Access coverage.

"We" do not insure loss or expense due to the cancellation of a lease or agreement.

ADDITIONAL COVERAGES

The following ADDITIONAL COVERAGES do not increase the Amounts of Insurance in this policy, unless otherwise stated and are subject to the exclusions, limitations and conditions of this policy.

1. OUTDOOR TREES, PLANTS AND SHRUBS

(Not applicable to any Seasonal Dwellings)

"You" may apply up to 5% of either the COVERAGE A or COVERAGE C Amount of Insurance shown on the Declarations to cover any trees, plants and shrubs on "your" "premises". "We" insure these items against loss caused by FIRE, LIGHTNING, EXPLOSION, VANDALISM OR MALICIOUS ACTS, or IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE all as described and limited in "Specified Perils".

"We" do not insure lawns and/or items grown for commercial purposes.

"We" will not pay more than \$1,000 for any one tree, shrub or plant, including its debris removal expense.

If the amount payable for loss under COVERAGE A or COVERAGE C is greater than the Amount of Insurance applicable, then an additional 5% of the COVERAGE A or COVERAGE C Amount of Insurance will be available to cover "your" Outdoor Trees, Plants or Shrubs.



For the purposes of this ADDITIONAL COVERAGE the amount of COVERAGE A or COVERAGE C will not be increased as a result of the application of the GUARANTEED REPLACEMENT COST.

2. PROPERTY REMOVED

If "you" must remove "your" personal property from "your" "premises" in order to protect it from loss or damage from an insured peril, it is insured:

- a. for a period of 90 days commencing on the day "you" begin removing the property; or
- b. until the policy term expires or is terminated;

whichever comes first.

3. CHANGE OF TEMPERATURE

"We" will pay for "your" personal property normally kept on the "premises" that is damaged by a change of temperature resulting from physical damage to "your" "dwelling" or equipment by any of the insured perils.

4. TEAR OUT

If any of the walls, ceilings or other parts of "your" "dwelling" and/or private structures must be torn apart before insured WATER DAMAGE 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 "domestic water containers", including swimming pools, spas, hot tubs or any public "watermain" is not insured.

5. DEBRIS REMOVAL

"We" will pay the reasonable expenses incurred by "you" for the removal of debris of insured property as a result of an insured peril.

If the amount payable for loss, including expenses for removal of debris, is greater than the Amount of Insurance applicable to the lost or damaged property, then an additional 5% of the COVERAGE A or COVERAGE C limit as indicated on the Declarations will be available to cover "your" debris removal expenses.

This ADDITIONAL COVERAGE does not apply to losses under the following forms:

- EARTHQUAKE COVERAGE – FORM 991
- CONDOMINIUM UNIT OWNERS EARTHQUAKE COVERAGE – FORM 991C
- LIMITED SEWER BACKUP COVERAGE – FORM 3114
- OVERLAND WATER COVERAGE – FORM 3115 or 3115L

For the purposes of this ADDITIONAL COVERAGE, the amount of COVERAGE A or COVERAGE C will not be increased as a result of the application of the GUARANTEED REPLACEMENT COST.

6. CREDIT OR DEBIT CARDS, FORGERY AND COUNTERFEIT CURRENCY

"We" will pay up to \$5,000 for:

- a. "your" legal obligation to pay because of a theft or unauthorized use of credit card(s) issued to "you" or registered in "your" name; or
- b. loss caused by theft of "your" debit or automated teller cards.

"We" will not pay for loss under item a. or b. unless "you" have complied with all the conditions under which the cards are issued; nor will "we" pay for any loss caused by the use of "your" cards by a resident of "your" household or by a person to whom the cards have been entrusted.

- c. loss caused by forgery or alteration of any cheque or negotiable instrument;
- d. loss sustained by "your" acceptance in good faith of counterfeit paper currency.

At "our" option and expense "we" may defend any claim against "you" under a., b., and/or c. above.

This is additional insurance.

No deductible applies to this coverage.

7. FOOD SPOILAGE

"We" will pay up to \$3,000 for "your" food while contained in a refrigeration and/or freezer unit, located on "your" "premises", against loss or damage caused by or resulting from:

- a. a power failure originating on or off "your" "premises"; or
- b. the mechanical breakdown of "your" refrigeration and/or freezer unit(s).

This coverage also includes damage to the refrigeration and/or freezer unit resulting from the insured spoilage of the foods contained within and reasonable expenses incurred by "you" to save and preserve the food from spoilage.



"We" do not insure:

- a. loss or damage from spoilage caused by the accidental or intentional disconnection of the power supply; or
- b. expenses incurred in the acquisition of the food.

This is additional insurance.

No deductible applies to this coverage.

8. FIRE DEPARTMENT CHARGES

"We" will reimburse "you" up to \$10,000 for fire department charges incurred for attending "your" "premises" as a result of an insured peril.

This is additional insurance.

No deductible applies to this coverage.

9. LOCK REPLACEMENT

(Not applicable to any Seasonal Dwellings)

"We" will pay up to \$1,000 to replace or re-key at "our" option, locks on "your" "premises" described in the Declarations if "your" keys are stolen, provided the theft is reported to the police or law enforcement agency having jurisdiction.

This is additional insurance.

No deductible applies to this coverage.

10. ARSON CONVICTION REWARD

"We" will pay up to \$1,000 for information which leads to a conviction for arson in connection with a fire loss to property insured by this policy. The \$1,000 limit will not be increased regardless of the number of persons providing information.

This is additional insurance.

No deductible applies to this coverage.

11. GRAVE MARKERS

"We" will pay up to \$3,000 for loss or damage to grave markers and mausoleums that mark the grave of a "spouse", child, parent or grandparent of an "Insured", caused by any of the "Specified Perils".

This is additional insurance.

No deductible applies to this coverage.

12. AUTOMATIC PRINCIPAL RESIDENCE COVERAGE

When "you" purchase a "dwelling" in Canada to replace "your" principal residence as shown in the Declarations, and "you" notify "us" within 30 days of the title registration to "you", the insurance afforded to "your" principal residence by this policy is extended to cover both residences:

- a. for a period of 30 days before or after that title registration; or
- b. until the policy term expires or is terminated;

whichever occurs first.

However, the most "we" will pay for either residence is the Amount of Insurance as stated in the Declarations for COVERAGE A, regardless of the value of the new residence.

The following do not apply to this ADDITIONAL COVERAGE:

- a. SINGLE INCLUSIVE LIMIT; and
- b. GUARANTEED REPLACEMENT COST – COVERAGE A.

Any applicable "vacancy" restrictions, as described and limited in this policy, will apply to both residences.

13. DATA

"We" will pay up to \$1,500 for duty or licensing fees for the cost of downloading or restoring "data", for which "you" have paid duty or license fees, when loss of "data" is caused by an insured peril.

"We" will not pay the cost of gathering or assembling information or "data".

"Data" pertaining to "business" use is not covered.

SECTION I - LOSS OR DAMAGE NOT INSURED

"We" do not insure:

- (1) loss or damage to structures or buildings used in whole or in part for "business" or "farming" purposes, unless shown on the Declarations;
- (2) loss or damage to personal property undergoing any process or while being worked on where the damage results from such process or work, but resulting damage to other property by a peril insured against is insured;
- (3) loss or damage occurring after "your" "dwelling" has, to "your" knowledge, been "vacant" for more than 30 consecutive days;
- (4) loss or damage to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
- (5) loss or damage to any property illegally acquired, kept, stored, or transported, or property subject to forfeiture;
- (6) "watermains";
- (7) loss or damage occurring while "your" mobile home is being moved, except in an emergency, to protect it when endangered by any of the insured perils. Moving begins with the commencement of the removal of leveling blocks/jacks and/or the disconnection of utilities, and continues until the mobile home has been fully installed and is ready for occupancy at its new location;
- (8) loss or damage caused by or resulting from the intentional or criminal acts or the failure to act by:
 - (i) any "Insured" under this policy; or
 - (ii) any other person at the direction of any "Insured" by this policy;
- (9) loss or damage caused by or resulting from vermin, birds, insects, rodents, bats, raccoons, skunks or squirrels, except loss or damage to building glass or caused by the "Specified Perils";
- (10) loss or damage caused by or resulting from rust or corrosion, extremes of temperature, condensation, dampness of atmosphere, wet or dry rot, contamination or "fungi" except where otherwise provided for in this policy;
- (11) mechanical breakdown, except as otherwise provided for in this policy;
- (12) loss or damage caused directly or indirectly from 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, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;
- (13) loss or damage caused by or resulting from contamination by radioactive material;
- (14) loss or damage caused directly or indirectly, in whole or in part, by war, invasion, act of foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution or insurrection, or military power, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;
- (15) loss or damage resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
- (16) loss or damage caused by or resulting from smoke from agricultural smudging or industrial operations;
- (17) loss or damage caused by domestic animals and/or pets of any kind:
 - (i) owned by "you";
 - (ii) in "your" care, custody or control; or
 - (iii) owned by or in the care, custody or control of anyone residing in "your" "dwelling".

Nor do "we" insure:

- (18) loss or damage caused directly or indirectly by wear and tear, deterioration or defect, or any quality in property which causes it to damage or destroy itself;
- (19) loss or damage caused directly or indirectly by marring, scratching, abrasion or chipping of any personal property or breakage of any fragile or brittle article(s) unless caused by a "Specified Peril", accident to a land vehicle, watercraft or "aircraft", or theft or attempted theft;
- (20) loss or damage arising directly or indirectly from the growing, cultivating, harvesting, processing, manufacturing, distribution or sale of any drug or narcotic or illegal substance, whether or not "you" have knowledge of such activity. This includes any alterations of the "premises" to facilitate such activity;
- (21) loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a governmental agency or other entity to prevent, respond to or terminate "Terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; but "you" are still insured for ensuing loss or damage which results directly from FIRE or EXPLOSION;
- (22) loss or damage to "data" or caused directly or indirectly by a "data problem". However, if loss or damage caused by a "data problem" results in the "occurrence" of further loss or damage to property insured that is directly caused by "Specified Perils", this shall not apply to such resulting loss or damage;



- (23) loss or damage caused directly or indirectly by a "pollutant" or the release, discharge or dispersal of a "pollutant", unless the release, discharge or dispersal of the "pollutant" occurs as a result of a "Specified Peril";
- (24) the cost of correcting faulty design, material or workmanship.

SECTION I – CONDITIONS

BASIS OF SETTLEMENT

"We" will pay for insured loss or damage to "your" "dwelling", private structures and personal property as described in this policy 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".

This applies even if more than one person or organization has an insurable interest in the property insured.

APPLICABLE TO COVERAGE A, COVERAGE B, COVERAGE C, AND/OR COVERAGE D

1. INFLATION PROTECTION COVERAGE

During the term of this policy, "we" will automatically increase the Amount of Insurance on COVERAGE A, B, C and COVERAGE D by a pro rata proportion of the annual percentage shown on the Declarations. The pro rata proportion will be based on the number of days the policy term has been in effect.

If at "your" request, "we" change the Amount of Insurance on COVERAGE A or COVERAGE C, "we" will apply this Inflation Protection Coverage on the changed Amounts of Insurance from the date the change is made.

2. ACTUAL CASH VALUE

If the Declarations indicate ACTUAL CASH VALUE applies:

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.

For "dwelling" and/or private structures, if the conditions of this policy are not met, "we" will pay the actual cash value of the damage at the date of the "occurrence".

3. DEDUCTIBLE

"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 Declarations in any one "occurrence".

4. SINGLE INCLUSIVE LIMIT

If the Declarations indicate SINGLE INCLUSIVE LIMIT applies to a location, "we" will pay for insured loss or damage up to "your" financial interest in the property, but not exceeding the single limit, as defined, for any loss or damage arising out of one "occurrence".

SINGLE INCLUSIVE LIMIT means the total of the Amounts of Insurance shown on the Declarations for COVERAGES A, B, C and D.

If the loss to "your" "dwelling" is settled on a GUARANTEED REPLACEMENT COST basis, the Amount of Insurance for COVERAGE A or the amount payable under COVERAGE A (whichever is less) will be subtracted from the single limit. Losses under COVERAGE B, C and D will be paid up to the remaining portion of the SINGLE INCLUSIVE LIMIT.

This coverage does not apply to the following forms:

EARTHQUAKE COVERAGE – FORM 991

CONDOMINIUM UNIT OWNERS EARTHQUAKE COVERAGE – FORM 991C

LIMITED SEWER BACKUP COVERAGE – FORM 3114

OVERLAND WATER COVERAGE – FORM 3115 or 3115L



5. FIRE FOLLOWING EARTHQUAKE

"We" insure COVERAGE A, B, C and D and if applicable, CONDOMINIUM ADDITIONAL COVERAGE, CONDOMINIUM LOSS ASSESSMENT and CONDOMINIUM UNIT IMPROVEMENTS against direct physical loss or damage as a result of a fire from an earthquake.

SPECIAL CONDITION

One or more earthquake shocks that occur within a one hundred and sixty eight (168) hour period shall constitute a single earthquake.

For the purposes of this endorsement, the following is deleted from ADDITIONAL COVERAGES (5) DEBRIS REMOVAL, "If the amount payable for loss, including expenses for removal of debris, is greater than the Amount of Insurance applicable to the lost or damaged property, then an additional 5% of the COVERAGE A or COVERAGE C limit as indicated on the Declarations will be available to cover "your" debris removal expenses."

DEDUCTIBLE

"We" will pay only that part of the loss that exceeds the Deductible shown on the Declarations for this coverage. This Deductible shall apply separately to loss under COVERAGE A, B and C and, if applicable, CONDOMINIUM ADDITIONAL COVERAGE, CONDOMINIUM LOSS ASSESSMENT and CONDOMINIUM UNIT IMPROVEMENTS.

In determining the cost of repairs or replacement "we" will not pay or include the increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.

APPLICABLE TO COVERAGE A AND/OR COVERAGE B

6. BUILDING

If "you" repair or replace the damaged or destroyed building(s) on the same location, with building(s) of the same size and occupancy, constructed with materials of similar quality, within a reasonable time after the damage, "you" may choose as the basis for loss settlement either (1) or (2) below. However in the event that "you" are restricted by law or ordinance from rebuilding on the same location as a result of an earthquake "occurrence", "you" may still choose either (1) or (2) as the basis for loss settlement. Otherwise settlement will be as in (2).

(1) 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 cost to replace the damaged or destroyed building(s) on the same location, with building(s) of the same size and occupancy and constructed with materials of similar quality as of the time of loss, but not to exceed the actual costs incurred.

(2) The actual cash value of the loss or damaged property as of the time of loss.

In determining the cost of repairs or replacement "we" will not pay or include the increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.

7. GUARANTEED REPLACEMENT COST – COVERAGE A

If the Declarations indicate GUARANTEED REPLACEMENT COST – COVERAGE A, "we" will pay for the insured loss to "your" "dwelling" on the basis of full replacement cost regardless of the Amount of Insurance shown on the Declarations provided "you":

(1) insure "your" "dwelling" for 100% of its replacement value as of the original inception date of this policy as well as of the effective dates of all subsequent renewal policy terms. For the purposes of this coverage, "we" will consider a "dwelling" insured to 100% of its replacement value if "you" provide "us" with a replacement cost calculation acceptable to "us" at least once every five years, beginning with the original inception date of the policy;

(2) allow the "dwelling" Amount of Insurance to be increased annually, on renewal, by an inflationary percentage established by "us";

(3) repair, rebuild or replace the "dwelling" on the same location, with a building of the same size and occupancy, constructed with material of similar quality; and

(4) notify "us" within 90 days of the start of work if "you" make additions or improvements to "your" "dwelling" that will increase its "replacement cost" by \$10,000 or more.

If the Declarations indicate GUARANTEED REPLACEMENT COST – COVERAGE A – DWELLING BUILDING and OVERLAND WATER COVERAGE – FORM 3115 or 3115L, "we" will pay for the insured loss to "your" "dwelling" up to a maximum of 125% of the Amount of Insurance shown on the Declarations for COVERAGE A – DWELLING BUILDING, provided "you" satisfy conditions (1) to (4) listed above.

Otherwise the basis of claim payment in the policy will apply as if this coverage had not been in effect.



In determining the cost of repairs or replacement "we" will not pay or include the increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and their related services.

APPLICABLE TO COVERAGE C

8. PERSONAL PROPERTY

If the Declarations indicate that REPLACEMENT COST ON CONTENTS is included, "we" will pay on the basis of Replacement Cost for all other personal property except:

- (1) articles that cannot be replaced with new articles because of their inherent nature, such as antiques or works of art;
- (2) articles for which their age or history substantially contributes to their value, such as memorabilia, souvenirs and collectors' items;
- (3) property that has not been maintained in good or workable condition;
- (4) property that is no longer used for its original purpose;

for which "we" will pay only on the basis of actual cash value.

"We" will also pay the cost of reproduction from duplicates or from originals. 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 any deduction for depreciation.

"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.

"You" may choose to settle a loss to property eligible for replacement cost on contents coverage on an actual cash value basis initially. "You" may still make an additional claim for the difference between the actual cash value and replacement cost basis provided such claim is made within 180 days after the date of loss or damage.

For personal property described under SPECIAL LIMITS OF INSURANCE, "we" will not pay more than the applicable limit under either the replacement cost or actual cash value basis.

9. PAIRS AND SETS

In the case of loss or damage to any article(s) which is part of a pair or set, the amount of loss of or damage to such article(s) will be a reasonable and fair proportion of the total value of the set, but in no event will such loss or damage be construed to mean total loss of the pair or set.

10. PARTS

In the case of loss or damage to any part of the insured property 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.

POLICY CONDITIONS

The following conditions apply to all **SECTION I – COVERAGES**:

1. AMOUNTS NOT REDUCED

Any loss or damage shall not reduce the Amounts of Insurance provided by this policy.

2. INSURANCE UNDER MORE THAN ONE POLICY

If "you" have other insurance which applies to a loss or claim, this 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.

3. NOTICE TO AUTHORITIES

Where loss or damage is, or is suspected to be, due to malicious acts, theft or attempted theft, "you" must give immediate notice of the incident to the police or law enforcement agency having jurisdiction or any other enforcement agency having jurisdiction.

4. SUBROGATION

"We" will be entitled to assume all "your" rights of recovery against others and bring action in "your" name to enforce these rights when "we" make payment or assume liability under this policy.

"Your" right to recover from "us" is not affected by any release from liability entered into by "you" prior to loss.

5. DECLARATION OF EMERGENCY – EXTENSION OF TERMINATION OR EXPIRY DATE

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

(1) The "emergency" must have a direct effect or impact on:

- (i) the "Insured", the insured site or insured property located in the declared emergency area; or
- (ii) the operations of the Insurer or its agent/broker located in the declared emergency area.

(2) (i) Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the "emergency" is terminated plus the lesser of:

- (a) 30 days; or
- (b) the number of days equal to the total time the "emergency" order was in effect.

(ii) If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:

- (a) 30 days; or
- (b) the number of days equal to the total time the "emergency" order was in effect.

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

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

"Emergency" means the first statutory declaration of an "emergency":

- (1) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- (2) as provided for by the relevant governing legislation if different from (1) above, but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

6. RECOVERY OF INNOCENT PERSONS

(1) Where this policy contains a term or condition excluding coverage for loss or damage resulting from the intentional or criminal acts or failure to act by an "Insured" or any other person, the exclusion applies only to the claim of a person:

- (i) whose act or omission caused the loss or damage;
- (ii) who abetted or colluded in the act or omission;
- (iii) who:
 - (a) consented to the act or omission; and
 - (b) knew or ought to have known that the act or omission would cause the loss or damage; or
- (iv) who is in a class prescribed by regulation.

(2) Nothing in SECTION I allows a person whose property is insured under the contract to recover more than their proportionate interest in the lost or damaged property.

(3) A person whose coverage under a contract would be excluded but for SECTION I must comply with the requirements prescribed in the regulations.

All other terms and conditions of the policy remain unchanged.