



# 2026 TRIPLEGUARD™ BUILDING INSURANCE

## Policy Terms and Conditions

Policy Number 8619962

## TRIPLEGUARD INSURANCE – SECTION II

### PART A– COMMERCIAL BUILDING BROAD FORM

#### ARTICLE 1 INDEMNITY AGREEMENT

##### 1.1 Indemnity Agreement

If any of the property insured is lost, destroyed or damaged by the perils insured against, we will indemnify the Insured against such direct physical loss or direct physical damage to an amount not exceeding the lesser of:

- (a) the actual cash value of the property at the time of physical loss or physical damage;
- (b) the interest of the Insured in the property; and
- (c) the amount of the insurance specified on the Memorandum of Insurance in respect of the lost or damaged property.

Where the insurance applies to the property of more than one person or interest, our total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the Memorandum of Insurance. Unless otherwise stated elsewhere in this Policy, all limits of insurance shown on the Memorandum of Insurance and elsewhere in this Policy represent the most the Insurer will pay (for the applicable coverage provided) for loss or damage in any one Occurrence. The term “**Occurrence**” wherever used in this Policy, unless otherwise defined, means all loss(es) or damage that is attributable directly or indirectly to one cause or series of similar or related causes. All such loss(es) or damage will be treated as one occurrence.

#### ARTICLE 2 PROPERTY INSURED

##### 1.2 Property Insured

This Part A insures:

- (a) Building at the location specified but only if an amount of insurance is specified on the Memorandum of Insurance;
- (b) Building but only those items for which an amount of insurance is specified on the Memorandum of Insurance;
- (c) Building other than at a specified location except while in transit, but there shall be no liability under this Part A2.1(c) at any location owned, rented or controlled in whole or in part by the Insured; and
- (d) Building at any acquired location that is owned, rented or controlled by the Insured in whole or in part. This limit of insurance attaches at the time of the acquisition and extends for a period of thirty (30) days or to the date of issuance of Memorandum of Insurance adding such location to the Insured’s coverage under this Policy, whichever occurs first.

The insurance in Section 2.1 applies to loss or damage that occurs during the policy period shown on the Memorandum of Insurance and only while the described property is within the Coverage Territory.

## **2.2 Eligibility of Eligible Non-Members and Spouses of Eligible Non-Members**

- (a) An Eligible Non-Member, his or her estate or a Spouse of an Eligible Non-Member is eligible to apply for coverage under this Part A – Commercial Building Broad Form with respect to a building or buildings erected or acquired after the date the Eligible Non-Member became an Eligible Non-Member, or to subsequently apply for an increase in the amount of such coverage, if such Eligible Non-Member previously had coverage as an Eligible Member, or such Spouse of an Eligible Non-Member previously had coverage as a spouse of an Eligible Member, under this TripleGuard policy covering the location on which the building has been erected or acquired and such coverage has been continuously in force, and remains in force, on the date of application for coverage for the new building or buildings, or increase in coverage. Subject thereto, Eligible Non-Members, their estates and Spouses of an Eligible Non-Member are not eligible to apply for coverage under this Part A – Commercial Building Broad Form with respect to a building erected or acquired after the date the Eligible Non-Member became an Eligible Non-Member.
- (b) Eligible Non-Members, their estates and Spouses of an Eligible Non-Member who purchased coverage under this Part A – Commercial Building Broad Form after the date the Eligible Member became a Eligible Non-Member are eligible to apply for an increase in the amount of the coverage on the existing building, subject to the terms and condition of this Policy.

## **ARTICLE 3 PERILS INSURED**

### **1.3 Perils Insured**

This Part A, except as herein provided, insures against all risks of direct physical loss of or direct physical damage to the property insured.

## **ARTICLE 4 EXTENSIONS OF COVERAGE**

### **4.1 Extensions of Coverage**

The extensions of coverage set out in this Article 4 shall not increase the amounts of insurance applying under this Policy and are subject to all conditions of this Policy.

### **4.2 Removal**

If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further physical loss or physical damage thereto, that part of the insurance under this Policy that exceeds the amount of our liability for any loss already incurred shall, for seven (7) days only, or for the unexpired term of the Policy if less than seven (7) days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.

#### **4.3 Debris Removal**

- (a) We will indemnify the Insured for expenses incurred in the removal from the Premises of debris of the property insured, occasioned by physical loss or physical damage to such property, for which physical loss or physical damage insurance is provided under this Policy. The amount payable under this Section 4.3(a) shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.
- (b) We will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this Part A but which has been blown by windstorm upon a location specified on the Memorandum of Insurance.
- (c) The coverage provided in this Section 4.3 shall not apply to costs or expenses:
  - (i) to Clean Up Pollutants from land or water; or
  - (ii) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants.
- (d) This debris removal expense shall not be considered in the determination of actual cash value for the purpose of applying the Co-insurance Clause.

#### **4.4 Building Damage by Theft**

This Part A is extended to insure physical damage (except by fire) to that part of a Building occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such Building or is liable for such physical damage and the Building is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of twenty-five hundred dollars (\$2,500) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this coverage.

#### **4.5 Growing Plants, Trees, Shrubs or Flowers In The Open**

This Part A is extended to insure physical loss or physical damage to growing plants, trees, shrubs or flowers in the open caused directly by Named Perils (with the exception of windstorm or hail as described in the definition of Named Perils) or from theft or attempt thereat. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open including debris removal expense.

### **ARTICLE 5 EXCLUSIONS**

#### **5.1 Property Excluded**

This Part A does not insure:

- (a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and

lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by Named Perils;

- (b) any building at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than sixty (60) consecutive days;
- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion included in the Named Perils ensues and then only for such ensuing loss or damage;
- (d) growing plants, trees, shrubs or flowers all while in the open except as provided in Section 4.5;
- (e) animals, fish or birds, but this Section 5.1(e) does not apply to loss or damage caused directly by Named Perils or from theft or attempt thereat;
- (f) money, bullion, precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the Premises of the Insured;
- (h) property insured under the terms of any marine insurance, and property while waterborne;
- (i) transmission and distribution lines situated more than 610 metres from the Premises of the Insured;
- (j) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (k) any:
  - (i) pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - (ii) boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimeters (24 inches) or less used for the storage of hot water for domestic use);

caused directly or indirectly by explosion, rupture, bursting cracking, burning out or bulging of such property while connected ready for use, but this Section 5.1(k) does not apply to:

- (A) manually portable gas cylinders;
- (B) explosion of natural, coal or manufactured gas; or
- (C) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

## 5.2 Perils Excluded

This Part A does not insure against loss or damage caused directly or indirectly:

- (a) by earthquake, except for ensuing physical loss or physical damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, as included in the Named Perils;
- (b) by flood, including waves, tides, tidal waves, tsunamis or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing physical loss or physical damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as included in the Named Perils, or leakage from a watermain;
- (c) by:
  - (i) seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in this Section 5.2.
  - (ii) the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Section 5.2;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the Premises, unless fire ensues and then only for the physical loss or physical damage caused directly by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to physical loss or physical damage caused directly by Named Perils, rupture of pipes or breakage of apparatus not excluded under Section 5.1(k), theft or attempt thereat or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded in Section 5.1(k);
- (f) by smoke from agricultural smudging or industrial operations;
- (g) by rodents, insects or vermin, but this exclusion does not apply to the physical loss or physical damage caused directly by a peril not otherwise excluded in Section 5.2;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

- (j) by:
  - (i) any nuclear incident as defined in the *Nuclear Liability and Compensation Act* or any other nuclear liability act, law or statute, or any law mandatory thereof or nuclear explosion, except for ensuing physical loss or physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
  - (ii) contamination by radioactive material;
- (k) by any dishonest or criminal act on the part of the Insured or any other party of interest or employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this Section 5.2(k) does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Part A;
- (l) to Buildings by:
  - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing physical loss or physical damage which results directly from fire explosion, smoke or leakage from fire protective equipment, all as included in the Named Perils;
  - (ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the physical loss or physical damage caused directly by such ensuing fire:
    - (A) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
    - (B) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such-pressure;
    - (C) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to physical loss or physical damage resulting from the explosion of manually portable as cylinders or of tanks having an internal diameter of 610 millimeters (34 inches) or less used for the heating and storage of hot water for domestic use;
    - (D) moving or rotating machinery or parts thereof;
    - (E) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
    - (F) gas turbines.

- (m) wear and tear, gradual deterioration, or inherent vice, however, this exclusion shall not apply to damage resulting therefrom.

## **ARTICLE 6 CO-INSURANCE**

### **1.4 Co-insurance**

- (a) This Section 6.1 applies separately to each item for which a co-insurance percentage is specified on the Memorandum of Insurance and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.
- (b) The Insured shall maintain insurance concurrent with this Policy on the property insured to the extent of at least the amount produced by multiplying the actual cash value of the property by the co-insurance percentage specified on the Memorandum of Insurance, and failing so to do, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this Section 6.1.

## **ARTICLE 7 DEFINITIONS**

### **1.1 Definitions**

When used in this Part A, capitalized terms that are not otherwise defined shall have the meaning set forth immediately below, and shall include the plural as well as the singular:

“**Building**” means the building(s) described on the Memorandum of Insurance and includes:

- (a) fixed structures pertaining to the building(s) and located on the Premises;
- (b) additions and extensions communicating and in contact with the building(s);
- (c) permanent fittings and fixtures attached to and forming part of the building(s);
- (d) materials, equipment and supplies on the Premises for maintenance of, and normal repairs and minor alterations to the Building or for building services; and
- (e) growing plants, trees, shrubs or flowers inside the Building used for decorative purposes when the Insured is the owner of the Building.

“**Clean Up**” means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of Pollutants, including testing which is integral to the aforementioned processes.

“**Coverage Territory**” means Canada.

“**Fire Protective Equipment**” includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- (a) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- (b) any watermains or appurtenances located outside the Premises and forming a part of the public water distribution system; and
- (c) any pond or reservoir in which the water is impounded by a dam.

“**Insured**” means the Insured named on the Memorandum of Insurance and any corporation, including any subsidiary, affiliated or associated corporation, through which all or any part of the dental practice of an Insured named on the Memorandum of Insurance is carried on, where such named Insured has an interest, but only to the extent of such named Insured’s financial interest and only at the location specified in the Memorandum of Insurance.

“**Named Perils**” means:

- (a) Fire Or Lightning
- (b) Explosion: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
  - (i) (A) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;|
  - (B) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
  - (C) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
  - (D) smelt dissolving tanks;
  - (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for direct physical loss or physical damage resulting from the explosion of manually portable gas cylinders;
  - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
  - (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
  - (v) gas turbines;

The following are not explosions within the intent or meaning of this section:

- (i) electric arcing or any coincident rupture of electrical equipment due to such arcing;
  - (ii) bursting or rupture caused by hydrostatic pressure or freezing;
  - (iii) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- (c) Impact By Aircraft, Spacecraft Or Land Vehicle: The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.

There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
  - (ii) to aircraft, spacecraft or land vehicles causing the loss;
  - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of Buildings.
- (d) Riot, Vandalism Or Malicious Acts: The term "Riot" includes open assemblies of strikers inside or outside the Premises who have quitted work and of locked-out employees.

There shall in no event be any liability hereunder for loss or damage:

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
  - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under subsection (b)(i) of this definition;
  - (iii) due to theft or attempt thereat.
- (e) Smoke: The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- (f) Leakage From Fire Protective Equipment: The term "Leakage From Fire Protective Equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the Premises described on the Memorandum of Insurance or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
- (g) Windstorm Or Hail: There shall in no event be any liability hereunder for loss or damage:
- (i) to the interior of the Buildings insured or their contents unless physical damage occurs concurrently with and results from an aperture caused by windstorm or hail;

- (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip.

“**Pollutants**” means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. “**Waste**” includes materials to be recycled, reconditioned or reclaimed.

“**Premises**” means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations set out on the Memorandum of Insurance and in or on vehicles within 100 meters (328 feet) of such locations.

## ENDORSEMENT NO. 1 TO SECTION II

### APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM

#### REPLACEMENT COST ENDORSEMENT

The following extension, which is subject to all terms and provisions of this Section II, except as specifically modified hereunder, applies only to those buildings which are insured under this Section II, and for which a limit of insurance is indicated under the Memorandum of Insurance. The Memorandum of Insurance must indicate that Replacement Cost coverage is an extension offered for Building coverage. If Replacement Cost coverage is not indicated on the Memorandum of Insurance this coverage does not apply.

1. We agree to amend the basis of settlement from actual cash value to Replacement Cost subject to the following provisions:
  - (a) Replacement shall be effected by the Insured with due diligence and dispatch;
  - (b) settlement on a Replacement Cost basis shall be made only when Replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such Replacement;
  - (c) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect;
  - (d) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the property to which this endorsement is applicable shall be on the basis of Replacement Cost as defined herein.
2. Any reference to actual cash value in a co-insurance clause in this Section II is deemed to be a reference to Replacement Cost of the property insured.
3. In this endorsement:
  - (a) “**Replacement**” includes repair, construction or re-construction with new property of like kind and quality; and
  - (b) “**Replacement Cost**” means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.
4. If new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
5. This endorsement does not apply to:
  - (a) media, data storage devices, and programme devices for electronic electro-mechanical data processing or for electronically controlled equipment;

- (b) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

*Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.*

**ENDORSEMENT NO. 2 TO SECTION II**

**APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM**

**BUILDING BY-LAWS**

The following extension is subject to all terms and provisions of this Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II and for which a limit of insurance is indicated under the Memorandum of Insurance. If Building By Laws coverage is not indicated on the Memorandum of Insurance this coverage does not apply.

The coverage provided under this endorsement shall, without increasing the amount of insurance, and only as a result of a peril insured against, extend to indemnify the Insured for:

1. loss occasioned by the demolition of any undamaged portion of the buildings or structures,
2. cost of demolishing, and clearing the site of, any undamaged portion of the buildings or structures, or
3. any increase in the cost of repairing, replacing, constructing or reconstructing the buildings or structures on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy;

arising from the enforcement of the minimum requirements of any by-law, regulation, or ordinance of law which

1. regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
2. is in force at the time of such loss or damage.

We shall not be liable under this extension for losses occasioned by the enforcement of any by-law or ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy.

***Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.***

**ENDORSEMENT NO. 3 TO SECTION II**

**APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM**

**BACKING-UP OF SEWERS EXTENSION**

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II and for which a Sewer Back-Up Deductible and sub-limit is indicated under the Memorandum of Insurance. If a Sewer Back-Up Deductible and a sub-limit is not indicated on the Memorandum of Insurance this coverage does not apply.

It is agreed that without increasing any existing Limit of Liability, the following extension is provided:

This Part A is extended to insure against physical loss or physical damage caused directly by the backing-up of sewers, sumps, septic tanks or drains.

We are liable for the amount by which the physical loss or physical damage caused by any of the perils insured against under this endorsement exceeds in any one occurrence the deductible specified on the Memorandum of Insurance.

We are not liable for loss or damage caused by any of the perils insured against in any one occurrence in excess of the sub limit specified in the Memorandum of Insurance.

***Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.***

## ENDORSEMENT NO. 4 TO SECTION II

### APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM

#### EARTHQUAKE ENDORSEMENT

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II and for which an Earthquake Deductible is indicated under the Memorandum of Insurance. If an Earthquake Deductible is not indicated on the Memorandum of Insurance this coverage does not apply.

This insurance is hereby extended to include physical loss or physical damage caused directly by the peril of earthquake subject to the following conditions:

#### **EARTHQUAKE**

1. For the purpose of this endorsement, earthquake shall include snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

Each loss caused by earthquake shall constitute a single claim hereunder, provided that more than one earthquake shock occurring within any one hundred and sixty-eight (168) consecutive hours during the term of this Policy shall be deemed a single earthquake within the meaning hereof. Notwithstanding the foregoing, we shall not be liable for any loss or damage caused by any earthquake shock occurring before this endorsement becomes effective nor for any loss or damage caused by any earthquake shock occurring after the expiration of this Policy.

#### **DEDUCTIBLE CLAUSE**

2. (a) Earthquake deductible applicable to Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 15% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 15% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$250,000 minimum deductible in any one occurrence.

- (b) Earthquake deductible applicable to Quebec and the Province of British Columbia, excluding Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

(c) Earthquake deductible applicable to the rest of Canada excluding the Provinces of British Columbia and Quebec:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance at the time of the loss subject to a \$50,000 minimum deductible in any one occurrence.

Should the Named Insured have any other valid policy with us, where insurable property is also insured with earthquake coverage at the insured location shown on the Memorandum of Insurance, only one deductible would apply per earthquake occurrence; whichever deductible is greater.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the Memorandum of Insurance.

## **EXCLUSIONS**

3. This endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to earthquake: fire, explosion, smoke, leakage from fire protective equipment, theft, vandalism and malicious acts, flood of any nature, waves, tidal waves, tsunamis, high water, waterborne objects or ice.

## **EXTENSIONS OF COVERAGE**

4. We shall be liable for physical loss or physical damage to the property insured, caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from an earthquake.

## **PRO RATA CLAUSE**

5. We shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance covering the peril of fire on the same property. If the Policy covers two or more items this provision shall apply to each item separately.

## ANNUAL AGGREGATE LIMIT OF INSURANCE

6. Notwithstanding all other limits of insurance shown on the Memorandum of Insurance for Part A of this Policy, the most we will pay for all loss or damage caused directly or indirectly by earthquake in any one (1) policy year, regardless of the number of claims involving earthquake, is the Annual Aggregate limit of insurance shown on the Memorandum of Insurance for earthquake.

“**Annual Aggregate**” means the maximum amount of loss or damage payable in any one (1) policy year, regardless of the number of Occurrences within the same policy year.

*Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.*

**ENDORSEMENT NO. 5 TO SECTION II**

**APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM**

**FLOOD EXTENSION**

The following extension is subject to all terms and provisions of Part A of this Policy except as specifically modified hereunder and applies only to those buildings which are insured under this Part A and for which a Flood Deductible is indicated under the Memorandum of Insurance. If a Flood Deductible is not indicated on the Memorandum of Insurance this coverage does not apply.

This Part A is extended to include physical loss of or physical damage to the property insured herein caused directly by the peril of Flood.

“**Flood**” means 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.

Each claim for physical loss or physical damage will be adjusted separately and from the amount so determined there shall be deducted the amount of the Flood Deductible shown on the Memorandum of Insurance.

**ANNUAL AGGREGATE LIMIT OF INSURANCE**

Notwithstanding all other limits of insurance shown on the Memorandum of Insurance for Part A of this Policy, the most we will pay for all loss or damage caused directly or indirectly by Flood in any one (1) policy year, regardless of the number of claims involving Flood, is the Annual Aggregate limit of insurance shown on the Memorandum of Insurance for Flood.

“**Annual Aggregate**” means the maximum amount of loss or damage payable in any one (1) policy year, regardless of the number of Occurrences within the same policy year.

**EXCLUSIONS**

This endorsement does not insure loss or damage caused directly or indirectly by:

- (a) water which backs up through sewers, sumps, septic tanks, or drains;
- (b) 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 other openings in such sidewalks, driveways, foundations, walls, or floors; or
- (c) any of the following perils whether or not caused by or attributable to flood: fire, explosion, smoke, leakage from fire protective equipment, leakage from a watermain, theft, riot, vandalism, or malicious acts.

**EXTENSION**

We shall be liable for physical loss or physical damage to the property insured caused by wind, hail, rain, or snow entering a building through an opening in the roof or walls directly resulting from a flood.

**PRO-RATA CLAUSE**

We shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance against the peril of fire on the same property. If the Policy covers two or more items, this provision shall apply to each item separately.

*Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.*

**ENDORSEMENT NO. 6 TO SECTION II**

**APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM**

**STATED AMOUNT CO-INSURANCE CLAUSE**

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II and for which the Stated Amount Co-Insurance Clause and limit is indicated under the Memorandum of Insurance. If the Stated Amount Co-Insurance Clause and limit is not indicated on the Memorandum of Insurance this coverage does not apply.

**EFFECTIVE UNTIL THIS DATE: The expiration date on the Policy Declarations**

**AMOUNT OF INSURANCE REQUIRED: \$ The amount of Insurance applicable to Building coverage**

- (a) The following clause (paragraph b) is substituted for Section 6.1, and shall be effective until 12:01 a.m. local time at the address of the Insured on the date indicated above, and no longer.
- (b) It is part of the consideration of this Policy and the basis upon which the rate of premium is fixed that the Insured shall maintain insurance by - or concurrent in form, range and wording with - this Policy on the property hereby insured, so that the total amount of insurance on the said property shall not be less than the amount indicated above (including the amount of insurance effected by this Policy) and that, failing to do so, the Insured shall be a co-insurer to the extent of an amount sufficient to make the total insurance on the said property equal to the amount indicated above and, in that capacity, shall bear their proportion of any loss that may occur.
- (c) On the date and time above specified, the terms and conditions of this endorsement shall cease to be in effect, and the terms and conditions of Section 6.1 shall then apply.

***Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.***

**ENDORSEMENT NO. 7 TO SECTION II**

**APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM**

**SIGN ENDORSEMENT**

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II and for which Sign Coverage and a limit is indicated under the Memorandum of Insurance. If Sign Coverage and a limit is not indicated on the Memorandum of Insurance this coverage does not apply.

**PROPERTY INSURED**

Subject to the amount of insurance specified on the Memorandum of Insurance, Section II of this Policy insures signs which are the property of the Insured, or for which the Insured is responsible.

**PERILS INSURED**

This endorsement insures against all risks of direct physical loss or direct physical damage except as herein provided.

**EXCLUSIONS**

This endorsement does not insure:

- (a) loss or damage caused by wear and tear or mechanical breakdown, gradual deterioration, inherent vice or latent defect;
- (b) loss or damage caused by electrical currents other than lightning, unless fire or explosion ensues and then only for the physical loss or physical damage caused by such ensuing fire or explosion;
- (c) loss or damage sustained while the property insured is actually being worked upon, including installation, repair or maintenance, and where any loss or damage is due thereto, unless fire or explosion ensues and then only for the physical loss or physical damage caused by such ensuing fire or explosion;
- (d) loss or damage caused by marring or denting unless directly caused by fire, explosion, theft, collision, upset or overturn of a transporting conveyance;
- (e) loss or damage caused by strikers, locked out workmen or persons taking part in labor disturbances, or riots, or civil commotions;
- (f) property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- (g) loss or damage caused by the neglect of the Insured to use all reasonable means to save and preserve the property at and after any disaster insured against or when the property is endangered by fire in neighboring premises;
- (h) loss or damage caused by dampness of atmosphere or extremes of temperature;

- (i) loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military power;
- (j) loss or damage caused directly or indirectly:
  - (i) by any nuclear incident as defined in the *Nuclear Liability and Compensation Act* or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing physical loss or physical damage which results from fire, lightning or explosion of natural, coal or manufactured gas; or
  - (ii) by contamination by radioactive material.

### **POLLUTION EXCLUDED**

This endorsement does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants, nor the cost or expense of any resulting Clean Up, but this exclusion does not apply:
  - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants is the direct result of a peril not otherwise excluded under this Policy;
  - (ii) to physical loss or physical damage caused directly by a peril not otherwise excluded under this Policy;
- (b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants.

### **DEDUCTIBLE CLAUSE**

Each claim for physical loss or physical damage shall be adjusted separately and from the amount of each such claim the amount of the deductible set out in the Memorandum of Insurance will be deducted.

### **SPECIAL CONDITIONS**

#### **CO-INSURANCE CLAUSE**

We shall not be liable for a greater proportion of any loss or damage to the property insured than the amount of insurance bears to the amount produced by multiplying the co-insurance percentage specified on the Memorandum of Insurance by the actual cash value of said property at the time such loss happens. If the insurance under this Endorsement applies to two or more items, the foregoing shall apply to each item separately.

## **TERRITORIAL LIMITS**

This insurance applies only to physical loss, destruction or physical damage occurring within the limits of Canada and the continental United States of America.

## **REINSTATEMENT**

Loss under this endorsement shall not reduce the applicable amount of insurance.

## **DEFINITIONS**

Wherever used in this endorsement:

“**Clean Up**” means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of Pollutants, including testing which is integral to the aforementioned processes.

“**Pollutants**” means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. “**Waste**” includes materials to be recycled, reconditioned or reclaimed.

*Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.*

**ENDORSEMENT NO. 8 TO SECTION II**

**APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM**

**BLANKET GLASS ENDORSEMENT**

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II and for which Glass is indicated under the Memorandum of Insurance. If Glass is not indicated on the Memorandum of Insurance this coverage does not apply.

Coverage is provided for the Insured named in the Memorandum of Insurance from the inception date shown on the Memorandum of Insurance, at 12.01 a.m. local time at the address of the Insured.

The glass is located at the address shown in the Memorandum of Insurance.

Business conducted where the glass is located is that usual to the business of the Insured (unless otherwise stated below).

**INSURING AGREEMENT**

When coverage is designated in the Memorandum of Insurance, this Policy shall provide cover for direct physical loss or direct physical damage to exterior glass, including encasing frames and all lettering, ornamentation, foil or tape thereon caused by breakage or by chemicals accidentally or maliciously applied. Such insurance shall also include the expense of boarding up damaged openings, installing temporary plates and removing or replacing obstructions when necessary.

**DEDUCTIBLE CLAUSE**

Each claim for physical loss or physical damage shall be adjusted separately and from the amount of each such claim the amount of the deductible set out in the Memorandum of Insurance will be deducted.

**EXCLUSIONS**

We shall not be liable for loss or damage

- (a) caused by fire in the Insured's premises or elsewhere;
- (b) while the premises containing such glass is, to the knowledge of the Insured, vacant or unoccupied for more than thirty (30) consecutive days or being a manufacturing premises ceases to be operated and continues to be out of operation for more than thirty (30) consecutive days;
- (c) or increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings;
- (d) caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

- (e) caused directly or indirectly:
  - (i) by any nuclear incident as defined in the *Nuclear Liability and Compensation Act* or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing physical loss or physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas; or
  - (ii) by contamination by radioactive material.

### **POLLUTION EXCLUDED**

This endorsement does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants, nor the cost or expense of any resulting Clean Up, but this exclusion does not apply:
  - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants is the direct result of a peril not otherwise excluded under this Policy;
  - (ii) to physical loss or physical damage caused directly by a peril not otherwise excluded under this Policy;
- (b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants.

### **LIMITS OF INDEMNITY**

Our liability is limited to the actual cost of replacement, including installation charges, of such glass, lettering, ornamentation, tape and foil at the time of the breakage, not exceeding the Limit of Insurance (if any).

This endorsement is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto.

All of the Standard Conditions set forth hereunder apply with respect to all of the perils insured under this Glass Endorsement and/or endorsements attached to this Section II except as these Standard Conditions may be modified or supplemented by the riders and/or endorsements attached.

### **STANDARD CONDITIONS/EXTENSIONS**

1. Ownership of Property Insured:

The property covered hereby may be owned by the Insured or held by the Insured in any capacity, whether or not the Insured is liable for such physical loss or physical damage as is covered hereby.

2. Payments and Replacements:

We shall replace, without necessary delay, any broken glass and any lettering or ornamentation, tape or foil thereon insured hereunder, or pay for the same in money within the limits provided herein, as we may elect. In either case the broken glass shall be our property. Whenever necessary, the Insured, at our expense, shall remove and replace any fixtures or other obstructions to the replacement of the glass.

3. Scratching, Defacement and Disfigurement:

Section II of the Policy is extended to indemnify the Insured for all permanent physical damage to the exterior glass, lettering, ornamentation, tape or foil insured hereunder caused by accidental or malicious scratching, defacement or disfigurement, provided such glass, lettering, ornamentation, tape or foil so damaged is thereafter unfit for use for the purpose for which it was being used immediately preceding the occurrence of such physical damage.

4. Safety Glazing Material:

Section II of the Policy is extended to include the amount of loss occasioned by operation of statute, ordinance or building code which requires use of safety glazing material in hazardous locations in replacement of the damaged property insured. Our liability under this extension shall not exceed the minimum cost to replace the damaged property with the safety glazing material which meets the applicable statute, ordinance or building code.

## **DEFINITIONS**

Wherever used in this endorsement:

“**Clean Up**” means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of Pollutants, including testing which is integral to the aforementioned processes.

“**Pollutants**” means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. “**Waste**” includes materials to be recycled, reconditioned or reclaimed.

*Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.*

**ENDORSEMENT NO. 9 TO SECTION II**

**APPLICABLE TO PART (A) – COMMERCIAL BUILDING BROAD FORM**

**GLASS AND SIGNS COVERAGE AMENDMENT ENDORSEMENT**

The endorsement is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II.

If an Insured dentist occupies 100% of a building, any losses for Glass and Signs will be covered under Section I of this Policy. There will be no coverage for Glass and Signs under this Section II.

If an Insured dentist occupies less than 100% of a building, insurance for Glass and Signs will be covered under this Section II and not under Section 1, but only if coverage for Glass and Signs is indicated on the Memorandum of Insurance. If Glass and Signs coverage is not indicated on the Memorandum of Insurance there is no coverage under this Section II, but the Insured dentist may claim under Section 1 of the Policy with respect to signs, glass and skylights forming part of or contained in or on the premises in the insured building which is occupied by the Insured as a dental office.

*Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.*

**TRIPLEGUARD INSURANCE – SECTION II**

**PART B– EXTENDED RENTAL INCOME (BROAD FORM PERILS)**

**ARTICLE 1  
INDEMNITY AGREEMENT**

**1.1 Indemnity Agreement**

We shall pay to the Insured the loss of Rental Income suffered during the Indemnity Period as a direct result of Damage, in accordance with the terms and conditions of this Part B. The loss must occur during the policy period shown on the Memorandum of Insurance.

**ARTICLE 2  
PERILS INSURED**

**2.1 Perils Insured**

The perils insured against are all risks except as otherwise excluded in this Part B.

**ARTICLE 3  
EXCLUSIONS**

**3.1 Property Excluded**

We shall not be liable for loss of Rental Income resulting from loss or damage to:

- (a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to physical loss or physical damage caused directly by Named Perils;
- (b) any building at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as included in the Named Perils ensues and then only for such ensuing physical loss or physical damage;
- (d) growing plants, trees, shrubs or flowers all while in the open;
- (e) animals, fish or birds, but this Section Part B3.1(e) does not apply to physical loss or physical damage caused directly by Named Perils or from theft or attempt thereat;
- (f) money, bullion, precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the Premises of the Insured;

- (h) property insured under the terms of any marine insurance, and property while waterborne;
- (i) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (j) any:
  - (i) pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - (ii) boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimeters (24 inches) or less used for the storage of hot water for domestic use);

caused directly or indirectly by explosion, rupture, bursting cracking, burning out or bulging of such property while connected ready for use, but this Section Part B3.1(j) does not apply to:

- (A) manually portable gas cylinders;
- (B) explosion of natural, coal or manufactured gas; or
- (C) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

### **3.2 Perils Excluded**

We shall not be liable for loss of Rental Income resulting from loss or damage caused directly or indirectly:

- (a) by earthquake, except for ensuing physical loss or physical damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as included in the Named Perils;
- (b) by flood, including waves, tides, tidal waves, tsunamis or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing physical loss or physical damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as included in the Named Perils or leakage from a watermain;
- (c) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in this Section Part B3.2;
- (d) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Section Part B3.2;

- (e) by centrifugal force, mechanical or electrical breakdown or derangement in or on the Premises, unless fire ensues and then only for the physical loss or physical damage caused directly by such ensuing fire;
- (f) by dampness or dryness of atmosphere, changes of temperature, freezing (except with respect to insured water pipes), heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, pollution, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to physical loss or physical damage caused directly by Named Perils, rupture of pipes or breakage of apparatus not excluded under Section Part B3.1(j) hereof or theft or attempt thereat;
- (g) by smoke from agricultural smudging or industrial operations;
- (h) by rodents, insects or vermin, but this exclusion does not apply to the physical loss or physical damage caused directly by a peril not otherwise excluded in this Section Part B3.2;
- (i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) caused by any nuclear incident (as defined in the Nuclear Liability and Compensation Act or any other nuclear liability act, law or statute, or any law amendatory thereof) or nuclear explosion, except for ensuing physical loss or physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (k) caused by contamination by radioactive material;
- (l) by any dishonest or criminal act on the part of the Insured or any other party of interest or employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this Section Part B3.2(l) does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Part B;
- (m) by snowslide, landslide, subsidence or other earth movement, except for ensuing physical loss or physical damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as included in the Named Perils;
- (n) by explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the physical loss or physical damage caused directly by such ensuing fire:
  - (i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
  - (ii) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such-pressure;

- (iii) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to physical loss or physical damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimeters (24 inches) or less used for the heating and storage of hot water for domestic use;
- (iv) moving or rotating machinery or parts thereof;
- (v) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
- (vi) gas turbines;
- (o) by settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in in this Section Part B3.2.

We shall also not be liable for loss of Rental Income resulting directly or indirectly from:

- (p) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Part B, loss of Rental Income resulting from resultant physical damage to the property is insured;
- (q) loss, destruction or damage to property occasioned by or happening through their undergoing any process involving the application of heat unless fire or explosion as included in the Named Perils ensues and then only for loss of Rental Income resulting from such ensuing physical loss or physical damage; or
- (r) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.

#### **ARTICLE 4 LIMITS OF INSURANCE**

##### **4.1 Limits of Insurance**

Regardless of the number of persons and interests insured under this Part B, we shall not be liable for more than the applicable amount of insurance specified in the Memorandum of Insurance.

#### **ARTICLE 5 CO-INSURANCE**

##### **5.1 Co-insurance**

We shall not be liable for a greater proportion of any loss than the amount of insurance specified on the Memorandum of Insurance bears to 100% of the Annual Rental Income or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve (12) months.

**ARTICLE 6  
DETERMINATION OF PAYMENT**

**6.1 Payment**

This insurance, subject to the limit of the amount of insurance stated on the Memorandum of Insurance, is limited to (a) loss of Rental Income and (b) increase in cost of operations and the amount payable will be:

- (a) in respect of loss of Rental Income: The amount by which the Rental Income during the Indemnity Period shall, in consequence of the Damage, fall short of the Expected Rental Income;
- (b) in respect of increase in cost of operations: The additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the loss of Rental Income, which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the reduction of Rental Income thereby avoided;

less any sum saved during the Indemnity Period in respect of such charges and expenses payable out of Rental Income as may cease or be reduced in consequence of the Damage.

**6.2 Accountants' Fees**

We will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or other proofs, information or evidence as may be required by us for the purpose of investigating or verifying any claim hereunder and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents.

The amount payable under this clause shall in no case exceed \$2,000 (or such other amount specified on the Memorandum of Insurance for accountants' fees).

**ARTICLE 7  
EXTENSION OF COVERAGE**

**7.1 Interruption by Civil Authority**

This Part B is extended to insure the loss of Rental Income suffered by the Insured during the period of time, not exceeding two weeks, while access to the Premises is prohibited by order of civil authority, but only when such order is given as a direct result of physical damage to any property within a 1,000m radius of the Premises by a peril insured against under this Part B. Our maximum limit of liability under this Section 7.1 shall not exceed \$10,000.

**ARTICLE 8  
GENERAL CONDITIONS**

**8.1 Permission**

Permission is hereby granted:

- (a) for other insurance concurrent with this Policy;
- (b) to make additions, alterations or repairs;

- (c) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business.

## **8.2 Breach of Condition**

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Policy, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

## **8.3 Reinstatement**

Loss under any item of this Part B shall not reduce the applicable amount of insurance.

## **8.4 Subrogation**

- (a) Upon making any payment or assuming liability therefore under this Policy, we shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual, or other interest with respect to which insurance is provided by this Policy.
- (b) Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the physical loss or physical damage suffered, that amount shall be divided between us and the Insured in the proportion in which the physical loss or physical damage has been borne us and the Insured.
- (c) Any release from liability entered into by the Insured prior to physical damage shall not affect the right of the Insured to recover.

## **8.5 Property Protection Systems**

The Insured shall notify forthwith us of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

- (a) sprinkler or other fire extinguishing system;
- (b) fire detection system; or
- (c) intrusion detection system;

and shall also notify forthwith us of the cancellation, non-renewal or suspension of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

## **8.6 Alternate Accommodation**

If during the Indemnity Period alternate accommodation shall be provided elsewhere than at the Premises, either by the Insured or by others on the Insured's behalf, the money paid or payable in respect of such accommodation shall be brought into account in arriving at the Rental Income during the Indemnity Period.

## **8.7 Obligation to Minimize Loss**

In the event of Damage in consequence of which a claim is or may be made under this Part B, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the Business or to avoid or diminish the loss.

## **8.8 Premium Adjustment**

If within twelve (12) months after the expiry or anniversary date of this Policy the Insured shall file with us a premium adjustment application form showing that 100% of Rental Income, certified by the Insured's auditors as earned during the Insured's financial year most nearly concurrent with the annual term of the Policy (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve (12) months), was less than the total amount of insurance and Rental Income, then we will allow in respect of the difference a return of premium not exceeding 50% of the premium paid by the Insured under this Part B in respect of such Rental Income.

We reserve the right to inspect the Insured's books and records which relate to this insurance for verification of any statement filed for the purpose of adjusting the premium of this insurance.

## **ARTICLE 9 DEFINITIONS**

### **9.1 Definitions**

When used in this Part B, capitalized terms that are not otherwise defined shall have the meaning set forth immediately below, and shall include the plural as well as the singular:

**“Annual Rental Income”** means the Rental Income during the twelve (12) months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for trends and variations in or other circumstances affecting Rental Income either before or after the Damage or which would have affected the Rental Income had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

**“Business”** the business of the Insured as specified on the Memorandum of Insurance.

**“Coverage Territory”** means Canada.

**“Damage”** means the direct physical loss of or damage to insured property at the Premises from a Peril Insured.

**“Expected Rental Income”** means the Rental Income during the period corresponding with the Indemnity Period in the twelve (12) months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for trends and variations in or other circumstances affecting Rental Income either before or after the Damage or which would have affected the Rental Income had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

**“Indemnity Period”** means the period beginning with the occurrence of the Damage and ending not later than 12 consecutive calendar months (or such other period if so specified on the Memorandum of Insurance as the maximum indemnity period) thereafter during which the results of the Business shall be affected in consequence of the Damage. However, if media for programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon be lost or damaged by a peril insured against then the **“Indemnity Period”** in respect thereof shall not extend beyond:

- (a) thirty (30) consecutive days after the occurrence of such Damage; or
- (b) the date upon which liability ceases under this Part B for loss arising from other property lost or damaged by the same occurrence; whichever shall be the later.

**“Insured”** means the Insured named on the Memorandum of Insurance and any corporation, including any subsidiary, affiliated or associated corporation, through which all or any part of the dental practice of an Insured named on the Memorandum of Insurance is carried on, where such named Insured has an interest, but only to the extent of such named Insured’s financial interest and only at the location specified in the Memorandum of Insurance.

**“Named Perils”** means:

- (a) Fire or Lightning
- (b) Explosion: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss of Rental Income resulting from loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
  - (i)
    - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
    - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
    - c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
    - d) smelt dissolving tanks;
  - (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;

- (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
- (v) gas turbines;

The following are not explosions within the intent or meaning of this section:

- (i) electric arcing or any coincident rupture of electrical equipment due to such arcing;
  - (ii) bursting or rupture caused by hydrostatic pressure or freezing;
  - (iii) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- (c) Impact By Aircraft, Spacecraft Or Land Vehicle: The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.

There shall in no event be any liability hereunder for loss of Rental Income due to cumulative damage or for loss of Rental Income resulting from loss or damage:

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
  - (ii) to aircraft, spacecraft or land vehicles causing the loss;
  - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of Buildings.
- (d) Riot, Vandalism Or Malicious Acts: The term "Riot" includes open assemblies of strikers inside or outside the Premises who have quitted work and of locked-out employees. There shall in no event be any liability hereunder for loss of Rental Income resulting from loss or damage due to:
- (i) cessation of work or by interruption to process or business operations or by change(s) in temperature;
  - (ii) flood or release of water impounded by a dam;
  - (iii) any explosion other than an explosion in respect of which there is insurance under subsection (b) of this definition;
  - (iv) theft or attempt thereat.
- (e) Smoke: The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for loss of Rental Income due to cumulative damage.
- (f) Leakage From Fire Protective Equipment: means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the Premises or for adjoining premises and physical loss or physical damage caused by the fall or breakage or freezing of such equipment. Fire Protective Equipment includes tanks, watermains,

hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - (ii) any watermains or appurtenances located outside of the Premises and forming a part of the public water distribution system;
  - (iii) any pond or reservoir in which the water is impounded by a dam.
- (g) Windstorm Or Hail: There shall in no event be any liability hereunder for loss of Rental Income resulting from loss or damage:
- (i) to the interior of the Buildings insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
  - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, tsunamis, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

**“Premises”** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location(s) described on the Memorandum of Insurance. The Premises must be located within the Coverage Territory.

**“Rental Income”** means the sum of the money paid or payable to the Insured by tenants in respect of rental of the Premises plus a fair rental value of the proportion(s), if any, of the building(s) occupied by the Insured.

## ENDORSEMENT NO. 10 TO SECTION II

### APPLICABLE TO PART (B) – EXTENDED RENTAL INCOME (BROAD FORM PERILS)

#### EARTHQUAKE ENDORSEMENT

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II and for which an Earthquake Deductible is indicated under the Memorandum of Insurance. If an Earthquake Deductible is not indicated on the Memorandum of Insurance this coverage does not apply.

**This endorsement modifies the coverage provided under the Rental Income Policy to which it is attached as follows:**

This insurance is hereby extended to include loss, as insured by the Policy, resulting from physical loss or physical damage caused directly by the peril of earthquake subject to the following conditions:

#### **EARTHQUAKE**

1. For the purpose of this endorsement, earthquake shall include snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

Each loss caused by earthquake shall constitute a single claim hereunder, provided that more than one earthquake shock occurring within any one hundred and sixty-eight (168) consecutive hours during the term of this Policy shall be deemed a single earthquake within the meaning hereof. Notwithstanding the foregoing, we shall not be liable for any loss or damage caused by any earthquake shock occurring before this endorsement becomes effective nor for any loss or damage caused by any earthquake shock occurring after the expiration of this Policy.

#### **AGGREGATE LIMIT**

Notwithstanding all other limits of insurance shown on the Memorandum of Insurance, the most we will pay for all loss or damage caused directly or indirectly by earthquake in any one (1) policy year, regardless of the number of claims involving earthquake, is the Annual Aggregate limit of insurance shown on the Memorandum of Insurance for earthquake.

“**Annual Aggregate**” means the maximum amount of loss or damage payable in any one (1) policy year, regardless of the number of Occurrences within the same policy year.

#### **DEDUCTIBLE CLAUSE**

2. (a) Earthquake deductible applicable to Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 15% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 15% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$250,000 minimum deductible in any one occurrence.

- (b) Earthquake deductible applicable to Quebec and the Province of British Columbia, excluding Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

- (c) Earthquake deductible applicable to the rest of Canada excluding the Provinces of British Columbia and Quebec:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance at the time of the loss subject to a \$50,000 minimum deductible in any one occurrence.

Should the Named Insured have any other valid policy with us, where insurable property is also insured with earthquake coverage at the insured location shown on the Memorandum of Insurance, only one deductible would apply per earthquake occurrence; whichever deductible is greater.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the Memorandum of Insurance.

## **EXCLUSIONS**

3. This endorsement does not cover physical loss or physical damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to earthquake: fire, explosion, smoke, leakage from fire protective equipment, theft, vandalism and malicious acts, flood of any nature, waves, tidal waves, tsunamis, high water, waterborne objects or ice.

#### **EXTENSIONS OF COVERAGE**

4. We shall be liable for physical loss resulting from physical loss or physical damage to the property insured, caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from an earthquake.

#### **PRO RATA CLAUSE**

5. We shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance covering the peril of fire on the same property. If the Policy covers two or more items this provision shall apply to each item separately.

***Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.***

**ENDORSEMENT NO. 11 TO SECTION II**

**APPLICABLE TO PART (B) – EXTENDED RENTAL INCOME (BROAD FORM PERILS)**

**FLOOD INSURANCE ENDORSEMENT**

The following extension is subject to all terms and provisions of Part B of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Part B and for which a Flood Deductible is indicated under the Memorandum of Insurance. If a Flood Deductible is not indicated on the Memorandum of Insurance this coverage does not apply.

**This endorsement modifies the coverage provided under Part B as follows:**

This insurance is hereby extended to include physical loss, as insured by the Policy, resulting from physical loss or physical damage caused directly by the peril of flood subject to the following conditions:

**1. FLOOD**

For the purpose of this endorsement “**Flood**” shall mean the rising of, the breaking out or the overflow of any body of water whether natural or man-made and includes waves, tides, tidal waves, and tsunamis.

**2. DEDUCTIBLE**

We are liable for the amount by which the loss resulting from physical loss or physical damage caused by flood exceeds in any one occurrence the amount of the Flood Deductible shown on the Memorandum of Insurance.

**3. EXCLUSIONS**

This endorsement does not insure loss resulting from loss or damage caused directly or indirectly by:

- (a) water which backs up through sewers, sumps, septic tanks, or drains;
- (b) 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 other openings in such sidewalks, driveways, foundations, walls, or floors;
- (c) any of the following perils whether or not caused by or attributable to flood: fire, explosion, smoke, leakage from fire protective equipment, leakage from a watermain, theft, riot, vandalism, or malicious acts.

**4. EXTENSION**

We shall be liable for physical loss resulting from physical loss or physical damage to the property insured caused by wind, hail, rain, or snow entering a building through an opening in the roof or walls directly resulting from a flood.

5. **PRO-RATA CLAUSE**

We shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance against the peril of fire on the same property. If Section II of the Policy covers two or more items, this provision shall apply to each item separately.

6. **AGGREGATE LIMIT**

Notwithstanding all other limits of insurance shown on the Memorandum of Insurance for Part B of this Policy, the most we will pay for all loss or damage caused directly or indirectly by Flood in any one (1) policy year, regardless of the number of claims involving Flood, is the Annual Aggregate limit of insurance shown on the Memorandum of Insurance for Flood.

“**Annual Aggregate**” means the maximum amount of loss or damage payable in any one (1) policy year, regardless of the number of Occurrences within the same policy year.

*Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.*

**ENDORSEMENT NO. 12 TO SECTION II**

**APPLICABLE TO PART (B) – EXTENDED RENTAL INCOME (BROAD FORM PERILS)**

**BACKING-UP OF SEWERS EXTENSION**

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II and for which a Sewer Back-Up Deductible and sub-limit is indicated under the Memorandum of Insurance. If a Sewer Back-Up Deductible and a sub-limit is not indicated on the Memorandum of Insurance this coverage does not apply.

**This endorsement modifies the coverage provided under the Rental Income Policy to which it is attached as follows:**

It is agreed that without increasing any existing Limit of Liability, the following extension is provided:

This Part B is extended to insure against physical loss, as insured by the Policy, resulting from physical loss or physical damage caused directly by the backing-up of sewers, sumps, septic tanks or drains.

We are liable for the amount by which the loss resulting from physical loss or physical damage caused by any of the perils insured against under this endorsement exceeds in any one occurrence the deductible specified on the Memorandum of Insurance.

We are not liable for loss or damage caused by any of the perils insured against in any one occurrence in excess of the sub limit specified in the Memorandum of Insurance.

*Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.*

**TRIPLEGUARD INSURANCE – SECTION II**

**PART C– EQUIPMENT BREAKDOWN**

**ARTICLE 1  
INSURING AGREEMENT**

**1.1 Objects Insured**

Coverage is provided only if a limit of insurance is shown on the Memorandum of Insurance for Equipment Breakdown Coverage comprising of boilers, pressure vessels, mechanical and electrical equipment, air conditioning units and refrigerating units, data processing, computing and electronic equipment, as included in the definition of “Object”.

**1.2 Insuring Agreement**

In the event of loss from an Accident to an insured Object, we shall indemnify the Insured as set out in this Part C. The loss must occur during the policy period shown in the Memorandum of Insurance.

**ARTICLE 2  
COVERAGE A – LOSS TO PROPERTY OF INSURED**

**2.1 Loss To Property Of Insured**

We shall pay for loss to the property of the Insured and property of others in the care, custody or control of the Insured for which the Insured is legally liable, directly damaged by an Accident (or, if we so elect, to repair or replace such physically damaged property).

**ARTICLE 3  
COVERAGE B – EXPEDITING EXPENSES**

**3.1 Expediting Expenses**

We shall pay for the reasonable extra cost of temporary repair and of expediting the repair of such physically damaged property directly damaged by an Accident, including overtime and the extra cost of express or other rapid means of transportation.

**ARTICLE 4  
COVERAGE C – BUSINESS INTERRUPTION**

**4.1 Business Interruption/Extra Expense**

We shall pay the Insured for loss due to Business Interruption/Extra Expense which results solely from an Accident. The amount payable shall be separate from and in addition to the Limit of Liability specified on the Memorandum of Insurance. This Limit of Liability, however, shall not exceed the limit of Business Interruption/Extra Expense specified for this coverage in the Policy.

**ARTICLE 5  
COVERAGE D – CONSEQUENTIAL DAMAGE**

**5.1 Consequential Damage**

We shall pay for loss to perishable property due to spoilage resulting solely from an Accident.

**ARTICLE 6  
EXTENSIONS OF COVERAGE**

**6.1 Hazardous Substances**

If property of the Insured as defined in Coverage A, is damaged, contaminated or polluted by a Hazardous Substance as a result of an Accident to insured equipment, we shall be liable for:

- (a) the increase in cost for the clean-up, repair or replacement or disposal of the property,
- (b) the increase in the Business Interruption/Extra Expense which results from the presence of the Hazardous Substance,

but the total amount payable under this extension shall not exceed \$50,000, such amount being in addition to the Property Damage Limit on the Memorandum of Insurance.

**6.2 By-laws**

- (a) If property of Insured is physically damaged as a result of an Accident to insured equipment, we shall be liable for any increase in the cost of repairing, replacing, or constructing or reconstructing (including the necessary demolition and site clearance costs), occasioned by the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which is in force at the time of the Insured loss and which regulates zoning, or the demolition, repair or construction of the physically damaged property.
- (b) If Business Interruption/Extra Expense is covered by this Part C, we shall be liable for the increase in Business Interruption/Extra Expense which results solely from the enforcement of the by-law, regulation, ordinance or law.

**6.3 Professional Fees**

If professional fees are covered by the Policy, we shall be liable for professional or auditors' fees subject to the limit specified for this coverage in the Policy.

**6.4 Service Interruption**

If an Accident occurs to equipment not owned or operated by the Insured, we shall be liable for any resulting Business Interruption/Extra Expense loss provided that:

- (a) the equipment satisfies the definition of "Object";
- (b) the equipment is located within three hundred (300) meters of the Insured location;

- (c) the equipment is used to supply electricity, steam, water, gas, heating, air conditioning, refrigeration or telephone services to the Insured location; and
- (d) the equipment is owned by the building owner at the premises of the Insured or by a public utility insurer.

We shall also be liable for loss to perishable property due to spoilage.

## **6.5 Data Coverage**

If as a result of an Accident to insured equipment, Data is physically lost or physically damaged, we shall be liable for:

- (a) the cost of gathering or reproducing the Data;
- (b) the business interruption/extra expense resulting from the loss or damage to the Data;

but the total amount payable under this Section 6.5 shall not exceed the amount specified for Data on the Memorandum of Insurance, which is in addition to the other Limits specified.

We shall not be liable for Data which is lost or damaged as a result of programming errors.

## **ARTICLE 7 EXCLUSIONS**

### **7.1 Exclusions**

This Policy does not apply:

- (a) To loss or damage:
  - (i) from fire or smoke concomitant with or following an Accident or from the use of water or other means to extinguish fire;
  - (ii) from an Accident caused directly or indirectly by fire or smoke or from the use of water or other means to extinguish fire;
  - (iii) from a combustion explosion outside the object concomitant with or following an Accident;
  - (iv) from an Accident caused directly or indirectly by a combustion explosion outside the Object;
  - (v) from flood unless an Accident ensues and we shall then be liable only for physical loss or physical damage from such ensuing Accident;
  - (vi) from an Accident caused directly or indirectly by earthquake, including snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock;
  - (vii) from wind, including but not limited to cyclone, tornado or hurricane;

- (viii) from a sudden and accidental explosion of gas or unconsumed fuel within the furnace of any Object or within the gas passages therefrom to the atmosphere;
  - (ix) caused by or resulting from lightning, if coverage for that cause of loss is provided by any other policy of insurance in effect at the time of loss;
  - (x) to property of the Insured damaged by water, resulting from an Accident if coverage is provided by any other insurance in effect at the time of the loss;
  - (xi) to Data used with electronic computer or electronic Data processing equipment unless a Limit of Insurance is shown on the Memorandum of Insurance applicable to this Part C, nor
  - (xii) from any other indirect result of an Accident.
- (b) To loss or damage from an Accident caused directly or indirectly by war, bombardment, invasion, insurrection, rebellion, revolution, military or usurped power, enemy attack including any action or measure taken in resisting, combatting, or delaying the enemy by operations of armed forces while engaged in hostilities, whether war be declared or not, or by the explosion of a concentration of munitions or explosives being manufactured, stored or transported in Canada.
- (c) To loss or damage, whether it be direct or indirect, proximate or remote:
- (i) from an Accident caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled;
  - (ii) from nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by an Accident, nor shall we be liable for any loss covered in whole or in part by any contract of insurance, carried by the Insured, which also covers any hazard or peril of nuclear reaction or nuclear radiation.
- (d) To any increase in loss:
- (i) necessitated by any ordinance, law, regulation, rule or ruling, regulating or restricting repair, alteration, use, operation, construction or installation, except as provided in Part C Article 6.
  - (ii) as a result of damage, contamination or pollution by a Hazardous Substance except as provided in Part C Article 6.

## **ARTICLE 8 DEFINITIONS**

### **8.1 Definitions**

When used in this Part C, capitalized terms that are not otherwise defined shall have the meaning set forth immediately below, and shall include the plural as well as the singular:

“**Accident**” shall mean a sudden and accidental breakdown of the Object, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but “**Accident**” shall not mean or include:

- (a) depletion, deterioration, corrosion, or erosion of material;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) the breakdown of any structure or foundation supporting the Object or any part thereof; nor
- (e) the functioning of any safety device or protective device.

Subject to Section Part C 7.1(b), any Accident arising out of strike, riot, civil commotion, acts of sabotage, vandalism or malicious mischief shall also be considered “**Accidental**” within the terms of the definition of “**Accident**”.

“**Coverage Territory**” means Canada.

“**Data**” shall mean facts, information, knowledge or software in a machine readable form capable of being processed by data processing or other computerized equipment.

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

“**Hazardous Substance**” shall mean:

- (a) any substance declared by a Governmental Agency to be hazardous to health or the environment, and
- (b) any Fungi or Spores

“**Media**” shall mean material on which Data is recorded, such as magnetic tapes, hard discs or floppy discs.

“**Object**” shall mean any equipment or apparatus described below and located in the Coverage Territory, subject to the exclusions specified herein:

- (a) Any boiler, fired pressure vessel, metal unfired vessel or any A.S.M.E. approved fibreglass reinforced plastic vessel normally subject to vacuum or internal pressure other than static pressure of contents, metal piping and its accessory equipment, but “**Object**” shall not mean or include:
  - (i) any refractory or insulating material, non-metallic lining or covering, or boiler setting.
  - (ii) any oven, stove, furnace or incinerator, nor
  - (iii) any sewer piping, buried piping which is not contained within a duct, tunnel or runway, piping forming a part of a sprinkler system or water piping other than:

- (A) feed water piping between any boiler and its feed pumps or injectors;
  - (B) boiler condensate return piping;
  - (C) any arrangement of piping used in conjunction with a hot water heating system, together with valves, radiators and fittings connected to such system;
- (iv) any refrigerating or air conditioning vessels and piping.
- (b) Any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power, but “**Object**” shall not mean or include:
- (i) any structure or foundation other than the bedplate of a machine;
  - (ii) any oven, stove, furnace or incinerator;
  - (iii) any vehicle, aircraft, or any floating vessel or structure;
  - (iv) any elevator, escalator, conveyor, crane or hoist, but not excluding any electrical equipment mounted on, or forming a part of any such machine or apparatus;
  - (v) any data processing, calculating or computing equipment, or any electronic machine, device or instrument;
  - (vi) any X-ray machine, electron microscope, laser, particle accelerator, Beta gauge, spectrograph, or any equipment or apparatus utilizing radioactive materials;
  - (vii) any refrigerating unit or air conditioning unit including all compressors, driving motors, fans, blowers and all other ancillary equipment.
- (c) Any refrigerating unit or air conditioning unit, including:
- (i) any refrigerating or air conditioning vessels and piping;
  - (ii) any water piping connected to and forming a part of refrigerating or air conditioning vessels and piping;
  - (iii) all compressors, driving motors, fans, blowers and all other auxiliary equipment;
- (d) Any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

“**Spores**” includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any Fungi.

## **POLICY CONDITIONS AND LIMITATIONS – APPLICABLE TO PART C**

### **1. DEDUCTIBLE**

We will deduct the Deductible specified on the Memorandum of Insurance from the total amount of loss and expense for which we are liable with respect to an Accident as described herein.

### **2. ELECTRICAL EQUIPMENT**

As respects any electrical equipment forming a part of any insured Object, Section 1.1(g)(i) is changed to read "from fire or smoke outside said electrical equipment concomitant with or following an Accident or from the use of water or other means to extinguish fire".

### **3. INSPECTION**

We shall be permitted but not obliged to inspect, at all reasonable times, any Object designated and described in the Policy. Neither our right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named Insured or others, to determine or warrant that such Object is safe or healthful.

### **4. NOTICE OF ACCIDENT AND COMMENCEMENT OF LIABILITY**

When an Accident occurs, written notice shall be given to us by or on behalf of the Insured as soon as practicable. The Insured shall give notice of any claim made on account of such Accident. We shall have reasonable time and opportunity to examine the property and the premises of the Insured before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made by the Insured in such form as we may require. Upon our request, the Insured shall render every assistance facilitating the investigation and adjustment of any claim, submitting to examination and interrogation by any of our representatives.

With respect to Coverage C (Business Interruption/Extra Expense) our liability shall commence (1) at the time of the Accident or (2) twenty-four hours before the Notice of Accident is received, whichever is later.

### **5. OTHER INSURANCE**

In the event a recoverable loss exists, should a dispute arise between Property and Boiler Insurers as to which insurer is liable or as to the proportion of loss to be paid by each insurer, the IBC Agreement "Respecting Disputed Losses Between Property Insurance and Boiler and Machinery Insurance Policies" shall apply with respect to those participating insurers who are signatories to this Agreement, or have agreed in writing to be bound by its contents. It is hereby understood and agreed that the IBC Property/Boiler Disputed Loss Agreement supersedes and replaces any master or individual Insurers "Joint Loss" Agreement previously issued.

### **6. REPAIR OR REPLACEMENT**

We shall be liable for loss from any one Accident on property of the Insured as specified in Coverage A of the Insuring Agreements of this Policy, for the amount actually expended by the Insured to repair or replace the damaged property, subject to the Property Damage Limit and the following provisions:

- (a) The damaged property shall be repaired or replaced within twelve months from the date of the Accident unless such period is extended with our written consent.

- (b) Our liability for any repair or replacement shall be limited to the lesser of
  - (i) the cost at the time of the Accident to repair the damaged property; or
  - (ii) the cost at the time of the Accident to replace the damaged property on the same site with property of like kind, capacity, size and quality; provided that in the event the replacement is by property of a better kind, quality or of larger capacity or size, our liability shall not exceed the amount that would be paid if the replacement had been made by property of like kind, capacity, size and quality.
- (c) We shall not be liable for
  - (i) loss or damage to property useless to the Insured or obsolete to the Insured;
  - (ii) the cost of repairing or replacing any part or parts of an Object which is in excess of the cost of repairing or replacing the entire Object.
- (d) If any damaged property is not repaired or replaced our liability as respects such property shall be limited to its Actual Cash Value at the time of the Accident.

## **7. PROPERTY VALUATION**

- (i) As respects Media, our liability shall be limited to the cost of blank material.
- (ii) As respects exposed film, records, manuscripts and drawings, our liability shall be limited to the cost of blank material plus the cost of transcription.
- (iii) Our liability as respects perishable property of the Insured physically damaged or physically destroyed shall be limited to the actual cash value thereof at the time of the Accident, with proper deductions for depreciation, however, caused.

## **8. SUSPENSION**

Upon the discovery of a dangerous condition with respect to any Object, any of our representatives may immediately suspend the insurance with respect to an Accident to said Object by written notice mailed or delivered to the Insured at the address of the Insured, as specified in the Memorandum of Insurance, or at the location of the Object, as specified for it in the Memorandum of Insurance. Insurance so suspended may be reinstated by us, but only by the issuance of new Memorandum of Insurance. The Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.

**EXCLUSIONS APPLICABLE TO SECTION II - TRIPLEGUARD™ PLAN**  
**APPLICABLE TO BUILDING COVERAGE, PART A, PART B AND PART C**

**1. COMMUNICABLE DISEASE EXCLUSION**

1. Notwithstanding any other provision of this policy to the contrary, Section II of this Policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this Section, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - (a) for a Communicable Disease, or
  - (b) any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a “**Communicable Disease**” means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - (a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - (b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - (c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

**2. CYBER AND DATA EXCLUSION**

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, Section II of this Policy excludes any:
  - (a) Cyber Loss, unless subject to the provisions of paragraph 2;
  - (b) loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, Section II of this Policy cover physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in

connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.

3. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then Section II of this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, Section II of this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
4. In this Section, “**Computer System**” means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

“**Cyber Act**” means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System;

“**Cyber Incident**” means:

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

“**Cyber Loss**” means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident;

“**Data**” means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

“**Data Processing Media**” means any property insured by Section II of this Policy on which Data can be stored but not the Data itself.

### 3. **POLLUTION EXCLUSION**

1. This Section II does not insure against:
  - (a) The presence, suspected presence, discharge, release, escape, dispersal, seepage or migration of a Pollutant.

- (b) Any cost or expense to clean up, remove, treat, detoxify, or neutralize an actual, alleged, potential or threatened, discharge, release, escape, dispersal, seepage or migration of a Pollutant. However, if loss or damage described in subsections (a) or (b) directly results from a loss covered by this Policy, this exclusion does not apply to loss or damage caused by the loss covered by this Policy.
  - (c) The loss or damage, including salvage expense, caused by ammonia contacting or permeating covered property under refrigeration or in a process requiring refrigeration, as the result of an Occurrence resulting from sudden and accidental mechanical breakdown or machinery breakdown.
  - (d) The cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened discharge, release, escape, dispersal, seepage or migration of a Pollutant.
2. **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. **“Waste”** includes materials to be recycled, reconditioned or reclaimed.

**4. FUNGI AND FUNGI DERIVATIVES EXCLUSION ENDORSEMNT**

1. This Policy does not insure:
- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any Fungi or Spores unless such Fungi or Spores are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Policy;
  - (b) the cost or expense for any testing, monitoring, evaluating or assessing of Fungi or Spores.
2. We shall not be liable for “Extra Expense”, loss of “Gross Income”, loss of “expediting and extra expense” or any other loss attributable to any interruption of business resulting from loss or damage consisting of or caused directly or indirectly, in whole or in part, by any Fungi or Spores unless such Fungi or Spores are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Policy. .
3. **“Fungi”** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any Fungi or Spores or resultant mycotoxins, allergens, or pathogens.
4. **“Spores”** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any Fungi.

**5. TERRORISM EXCLUSION ENDORSEMENT**

1. This This Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government 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 such physical loss or physical damage. This exclusion, however, does not apply to ensuing physical loss or physical damage which directly results from fire or explosion of natural, coal or manufactured gas. This exception only applies to the extent that such loss or damage would otherwise be insured under this Policy.

2. We shall not be liable for Extra Expenses, loss of Gross Income, loss of expediting and extra expense or any other loss attributable to the interruption of business, provided such coverage is currently included in the Policy, resulting from loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government 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 such loss or damage.
3. “**Terrorism**” means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

**6. TRADE AND ECONOMIC SANCTIONS LIMITATIONS**

Notwithstanding any other terms under this agreement, no insurer shall be deemed to provide coverage or will make any payments or provide any service or benefit to any insured or other party to the extent that such cover, payment, service, benefit and/or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

## GENERAL POLICY CONDITIONS

### including Statutory Conditions, Exclusions and Standard Mortgage Clause

This Policy is made and accepted subject to the provisions, stipulations and conditions printed herein which are hereby specially referred to and made a part of this Policy together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No term or condition of a contract shall be deemed to be waived by us in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by us. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of a contract by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the contract. By the acceptance of this Policy the Insured acknowledges the cancellation, from the effective date of this Policy, of any previous Policy, or the renewal thereof, which is stated as being replaced.

### POLICY CONDITIONS (Provinces other than Quebec)

These Policy Conditions and Statutory Conditions apply to all coverages and all perils (including fire) insured by this Policy.

#### **Misrepresentation**

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

#### **Property of others**

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
  - (a) otherwise specifically stated in the contract, or
  - (b) the interest of the insured in that property is stated in the contract.

#### **Change of interest**

3. The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

#### **Material change in risk**

4.
  - (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
    - (a) material to the risk, and
    - (b) within the control and knowledge of the insured.
  - (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
  - (a) terminate the contract in accordance with Statutory Condition 5, or
  - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2) applies in respect of the unearned portion of the premium.

### **Termination of insurance**

5.
  - (1) The contract may be terminated
    - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered in the event of nonpayment, or 30 days' notice of termination by registered mail or personally delivered for any other reason,
    - (b) by the insured at any time on request.
  - (2) If the contract is terminated by the insurer,
    - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
    - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
  - (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
  - (4) The 15 day period referred to in subparagraph (1)(a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

### **Requirements after loss**

6.
  - (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
    - (a) immediately give notice in writing to the insurer,
    - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,

- (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
  - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
  - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
  - (iv) stating the amount of other insurances and the names of other insurers,
  - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
  - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
  - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
- (i) produce books of account and inventory lists,
  - (ii) furnish invoices and other vouchers verified by statutory declaration, and
  - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

### **Fraud**

7. Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

### **Who may give notice and proof**

8. Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made
- (a) by the agent of the insured, if
    - (i) the insured is absent or unable to give the notice or make the proof, and
    - (ii) the absence or inability is satisfactorily accounted for, or

- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

### **Salvage**

- 9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.  
  
(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

### **Entry, control, abandonment**

- 10. After loss or damage to insured property, the insurer has
  - (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
  - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
    - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
    - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

### **In case of disagreement**

- 11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.  
  
(2) There is no right to a dispute resolution process under this condition until
  - (a) a specific demand is made for it in writing, and
  - (b) the proof of loss has been delivered to the insurer.

### **When loss payable**

- 12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

### **Repair or replacement**

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.  
  
(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

### **Notice**

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.  
  
(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

### **Outstanding Premium**

15. We may deduct any outstanding premium from any loss payable.

## GENERAL CONDITIONS

### (Province of Quebec)

This Policy is subject to the Civil Code of Quebec.

Preference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

#### 1. STATEMENTS

##### 1.1 Representation of risk (Article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

##### 1.2 Material change in risk (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the Policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the Policy ceases to be in force.

##### 1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

##### 1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

## **2. GENERAL PROVISIONS**

### **2.1 Insurable interest (Articles 2481 and 2484)**

(Applicable only to property insurance)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate physical damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest as null.

### **2.2 Changes (Article 2405)**

The terms of this Policy shall not be waived or changed except by endorsement.

### **2.3 Assignment (Articles 2475 and 2476)**

This Policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

### **2.4 Books and records**

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this Policy and the three subsequent years.

### **2.5 Inspection**

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, give the Insured reports on the conditions found and recommend changes. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

### **2.6 Currency**

All limits of insurance, premiums and other amounts in this Policy are in Canadian currency.

## **3. LOSSES**

### **3.1 Notice of loss (Article 2470)**

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice. In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the physical damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates. However, if the occurrence of the event insured against entails the loss of both movable and immovable property, or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police

(Applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(Applicable to property insurance only)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and cooperation (Article 2504)

The Insured shall cooperate with the Insurer in the processing of all claims.

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own cost.

3.8 Right of action (Article 2502)

(Applicable to liability insurance only)

The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.

**4. COMPENSATION AND SETTLEMENT**

4.1 Basis of settlement (Articles 2490, 2491 and 2493)

(Applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property, the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity, in the event of partial loss.

4.2 Pair and set

(Applicable to property insurance only)

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

4.3 Parts

(Applicable to property insurance only)

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

4.4 Replacement (Article 2494)

(Applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at this request, all relevant information and vouchers.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others

(Applicable to property insurance only)

Where a claim is made as a result of physical loss of or physical damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the Policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

4.8 Action against Insurer

The Insured may not bring any action to recover the amount of a claim under this Policy unless the requirements of this Policy have been complied with nor until the amount of the loss has been ascertained by arbitration or by judgment against the Insured or by agreement between the parties with the written consent of the Insurer.

4.9 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this Policy shall be commenced within three years from the date the right of action has arisen.

4.10 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this Policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

## **5. OTHER INSURANCE**

### **5.1 Property insurance (Article 2496)**

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specified insurance, which constitutes primary insurance.

### **5.2 Liability insurance**

The liability insurance provided under this Policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the insured's liability under this Policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this Policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

#### **- Contribution by equal share:**

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

#### **- Contribution by limits:**

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this Policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

## **6. CANCELLATION (Articles 2477 and 2479)**

This Policy may be cancelled at any time:

- (a) By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.

- (b) By the Insurer giving written notice to each Named Insured. The termination takes effect:
  - (i) if the Policy is cancelled for non-payment of premium, 15 days after notice is received by the Insured at the Insured's last known address;
  - (ii) if the Policy is cancelled for any other reason, 30 days after notice is received by the Insured at the Insured's last known address.

Termination takes effect under section (b)(i) 15 days following receipt of such notice by the Insured at his last known address, and under section (b)(ii) 30 days following receipt of such notice by the Insured at his last known address, and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) and (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words "Premium actually paid" mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

## **7. NOTICE**

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

## **STATUTORY CONDITIONS, GENERAL CONDITIONS AND OTHER CONDITIONS**

Please refer to the Statutory Conditions, General Conditions and Other Conditions applicable to your Province(s)/Territory(ies).

### **1. Statutory Conditions**

All Provinces/Territories except:

- a. Alberta, British Columbia and Quebec.
- b. Conditions 5. (Termination) and 15. (Notice) do not apply to Ontario, please see Other Conditions for the Termination and Notice conditions that apply in Ontario.
- c. Condition 14. (Action) does not apply to Manitoba, please see Other Conditions for the Action condition that applies in Manitoba.

Alberta (see below)

British Columbia (see below)

### **2. General Conditions**

Quebec (see below)

### **3. Other Conditions (see below)**

#### **Statutory Conditions**

(For all provinces except Alberta, British Columbia and Quebec, except that paragraph 14 does not apply to Saskatchewan).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

#### **1. Misrepresentation**

Where a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate a circumstance which is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

#### **2. Property of Others**

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured is stated in the contract.

### **3. Change of Interest**

The Insurer shall be liable for loss or damage occurring after an authorized assignment under the *Bankruptcy Act* (Canada) or change of title by succession, by operation of law or by death.

### **4. Material Change**

A change material to the risk and within the control and knowledge of the Insured shall void the contract as the part affected by it, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured shall, within 15 days of the receipt of the notice pay to the Insurer an additional premium; and in default of the payment the contract shall no longer be in force and the Insurer shall return the unearned portion of the premium paid.

### **5. Termination**

- (1) This contract may be terminated.
  - (a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail or five days written notice of termination personally delivered;
  - (b) by the Insured at any time on request.
- (2) Where this contract is terminated by the Insurer,
  - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportional premium for the expired time, but, in no event shall the proportional premium for the expired time be considered to be less than any minimum retained premium specified; and
  - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be considered to be less than a minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or by cheque payable at par.
- (5) The 15 days mentioned in clause (1) (a) of this condition start to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### **6. Requirements After Loss**

- (1) Upon the occurrence of a loss of or damage to the insured property, the Insured shall, where the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
  - (a) forthwith give notice of the loss or damage in writing to the Insurer;

- (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
    - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    - (ii) stating when and how the loss occurred, and where caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
    - (iii) stating that the loss did not occur through a wilful act or neglect or the procurement, means or connivance of the Insured,
    - (iv) showing the amount of other insurances and the names of other insurers,
    - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
    - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
    - (vii) showing the place where the property insured was at the time of loss:
  - (c) where required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
  - (d) where required, and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses 1 (c) and (d) of this condition shall not be considered proof of loss within the meaning of conditions 12 and 13.

## **7. Fraud**

A fraud or a wilfully false statement in a statutory declaration in relation to the above particulars, shall vitiate the claim of the person making the declaration.

## **8. Who May Give Notice and Proof**

Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or where the Insured refuses to do so, by a person to whom a part of the insurance money is payable.

## **9. Salvage**

- (1) The Insured, in the event of any loss or damage to the property insured under the contract, shall take all reasonable steps to prevent further damage to the property so damaged and to prevent damage to other property insured under the contract including, where necessary, its removal to prevent damage or further damage to the property.

- (2) The Insurer shall contribute proportionally towards reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (1) of this condition according to the respective interest of the parties.

#### **10. Entry, Control, Abandonment**

After loss or damage to insured property, the Insurer shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer shall not be entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

#### **11. Appraisal**

In the event of a disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act*, or the *Insurance Contracts Act* in the case of Newfoundland and Labrador, before there can be a recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for an appraisal is made in writing and until after proof of loss has been delivered.

#### **12. When Loss Payable**

The loss shall be payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

#### **13. Replacement**

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention to do so within 30 days after receipt of the proof of loss.
- (2) In that event the Insurer shall start to repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall after that time proceed with all due diligence to the completion of the property.

#### **14. Action**

Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within 1 year next after the loss or damage occurs.

#### **15. Notice**

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or her or by registered mail addressed to him or her at his or her latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

## STATUTORY CONDITIONS

**(APPLICABLE IN THE PROVINCE OF ALBERTA). SUBJECT TO CERTAIN EXCEPTIONS SET OUT IN THE INSURANCE ACT AND REGULATIONS THEREUNDER, THE STATUTORY CONDITIONS ARE DEEMED TO BE PART OF EVERY CONTRACT OF INSURANCE IN FORCE IN THE PROVINCE OF ALBERTA. (STATUTORY CONDITIONS 1 AND 6 TO 13 APPLY ONLY TO CONTRACTS THAT INCLUDE INSURANCE AGAINST LOSS OR DAMAGE TO PROPERTY).**

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

### 1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### 2. Property of Others

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

### 3. Change of Interest

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

### 4. Material Change in Risk

- (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
  - (a) material to the risk, and
  - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
  - (a) terminate the contract in accordance with Statutory Condition 5, or

- (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2)(a) applies in respect of the unearned portion of the premium.

## **5. Termination of Insurance**

- (1) The contract may be terminated
  - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
  - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
  - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
  - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15-day period referred to in subparagraph (1)(a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

## **6. Requirements After Loss**

- (1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
  - (a) immediately give notice in writing to the insurer,
  - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration
    - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,

- (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
  - (iv) stating the amount of other insurances and the names of other insurers,
  - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
  - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
  - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
- (i) produce books of account and inventory lists,
  - (ii) furnish invoices and other vouchers verified by statutory declaration, and
  - (iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## **7. Fraud**

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

## **8. Who May Give Notice and Proof**

Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made

- (a) by the agent of the insured if
  - (i) the insured is absent or unable to give the notice or make the proof, and
  - (ii) the absence or inability is satisfactorily accounted for,or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

## **9. Salvage**

- (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property

insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

#### **10. Entry, Control, Abandonment**

After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
  - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
  - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

#### **11. In Case of Disagreement**

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act* whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
  - (a) a specific demand is made for it in writing, and
  - (b) the proof of loss has been delivered to the insurer.

#### **12. When Loss Payable**

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

#### **13. Repair or Replacement**

- (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

## **14. Notice**

- (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

## **15. Action**

Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

## **Statutory Conditions**

**(APPLICABLE IN THE PROVINCE OF BRITISH COLUMBIA). SUBJECT TO CERTAIN EXCEPTIONS SET OUT IN THE INSURANCE ACT AND REGULATIONS THEREUNDER, THE STATUTORY CONDITIONS ARE DEEMED TO BE PART OF EVERY CONTRACT OF INSURANCE IN FORCE IN THE PROVINCE OF BRITISH COLUMBIA. (STATUTORY CONDITIONS 1 AND 6 TO 13 APPLY ONLY TO CONTRACTS THAT INCLUDE INSURANCE AGAINST LOSS OR DAMAGE TO PROPERTY).**

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

### **1. Misrepresentation**

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### **2. Property of others**

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

### **3. Change of interest**

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

#### **4. Material change in risk**

- (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
  - (a) material to the risk, and
  - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
  - (a) terminate the contract in accordance with Statutory Condition 5, or
  - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

#### **5. Termination of insurance**

- (1) The contract may be terminated
  - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
  - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
  - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
  - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

## **6. Requirements after loss**

- (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
  - (a) immediately give notice in writing to the insurer,
  - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
    - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
    - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
    - (iv) stating the amount of other insurances and the names of other insurers,
    - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
    - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
    - (vii) stating the place where the insured property was at the time of loss,
  - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
  - (d) if required by the insurer and if practicable,
    - (i) produce books of account and inventory lists,
    - (ii) furnish invoices and other vouchers verified by statutory declaration, and
    - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## **7. Fraud**

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

## **8. Who may give notice and proof**

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

- (a) by the agent of the insured, if
  - (i) the insured is absent or unable to give the notice or make the proof, and
  - (ii) the absence or inability is satisfactorily accounted for, or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

## **9. Salvage**

- (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

## **10. Entry, control, abandonment**

After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
  - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
  - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

## **11. In case of disagreement**

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
  - (a) a specific demand is made for it in writing, and
  - (b) the proof of loss has been delivered to the insurer.

## **12. When loss payable**

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

## **13. Repair or replacement**

- (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

## **14. Notice**

- (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

## **15. Action**

Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

## **General Conditions**

(This Policy is subject to the Civil Code of Quebec)

*Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.*

These General Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these General Conditions, the conditions more favourable to the insured will prevail.

For all coverages except where inapplicable.

### **1. Statements**

#### **1.1 Representation of risk (Article 2408)**

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

### **1.2 Material change in risk (Articles 2466 and 2467)**

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

### **1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)**

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

### **1.4 Warranties (Article 2412)**

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

## **2. General Provisions**

### **2.1 Insurable interest (Articles 2481 and 2484)**

*(Applicable to property insurance only)*

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

### **2.2 Changes (Article 2405)**

The terms of this policy shall not be waived or changed except by endorsement.

### **2.3 Assignment (Articles 2475 and 2476)**

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

## **2.4 Books and records**

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

## **2.5 Inspection**

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

## **2.6 Currency**

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

# **3. Losses**

## **3.1 Notice of loss (Article 2470)**

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

## **3.2 Information to be provided (Article 2471)**

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

## **3.3 False representation (Article 2472)**

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

### **3.4 Intentional Fault (Article 2464)**

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

### **3.5 Notice to police**

*(Applicable to property insurance only)*

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

### **3.6 Safeguarding and examination of property (Article 2495)**

*(Applicable to property insurance only)*

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

### **3.7 Admission of liability and cooperation**

The Insured shall cooperate with the Insurer in the processing of all claims.

*(The following two paragraphs are applicable to liability insurance only: Article 2504)*

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own risk.

### **3.8 Right of action (Article 2502)**

*(Applicable to property insurance only)*

The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.

## **4. Compensation and Settlement**

### **4.1 Basis of settlement (Articles 2490, 2491, 2493)**

*(Applicable to property insurance only)*

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property, the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity, in the event of partial loss.

### **4.2 Pair and set (Applicable to property insurance only)**

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

### **4.3 Parts (Applicable to property insurance only)**

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

### **4.4 Replacement (Article 2494)**

*(Applicable to property insurance only)*

Subject to the rights of preferred and hypothecary creditors, the Insurer re-serves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

### **4.5 Time of payment (Articles 1591, 2469 and 2473)**

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

#### **4.6 Property of others**

##### ***(Applicable to property insurance only)***

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

#### **4.7 Waiver**

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

#### **4.8 Limitation of actions (Article 2925)**

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

#### **4.9 Subrogation (Article 2474)**

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

### **5. Other Insurance**

#### **5.1 Property insurance (Article 2496)**

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

#### **5.2 Liability insurance**

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance

apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

– Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

– Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

## **6. Cancellation** (Articles 2477 and 2479)

This policy may be cancelled at any time:

- (a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each of the Named Insureds. Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words “premium actually paid” mean the premium actually paid by the Insured to the Insurer or its representative, but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

## **7. Notice**

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

## **Other Conditions**

The Conditions shown below are deemed to be part of every contract of insurance in force in the province of Ontario:

### **Termination**

- (1) This contract may be terminated,
  - (a) by the insurer giving to the insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent;
  - (b) by the insured at any time on request;
- (2) Where this contract is terminated by the insurer,
  - (a) the insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and
  - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### **Notice**

- (1) Written notice may be given to the insurer in the following ways:
  - (a) It may be personally delivered at the chief agency or head office of the insurer in the Province.
  - (b) It may be sent by registered mail to the chief agency or head office of the insurer in the Province.
  - (c) It may be delivered by electronic means.
- (2) Written notice may be given to the insured named in the contract in the following ways:
  - (a) It may be personally delivered.

(b) It may be delivered by prepaid courier to the latest address of the insured on the records of the insurer if there is a record by the person who has delivered it that the notice has been sent.

(c) It may be sent by registered mail to the latest address of the insured on the records of the insurer.

(d) It may be delivered by electronic means, if the insured consents to delivery by electronic means.

(3) In this condition, the expression “registered” means registered in or outside Canada.

The Condition shown below is deemed to be part of every contract of insurance in force in the province of Manitoba:

**Action**

Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act.

## STANDARD MORTGAGE CLAUSE

(approved by The Insurance Bureau of Canada)

This clause is only applicable where the Interest of the Mortgagee is on the Building(s), and does not apply to any other type of property insured under the Policy. This clause also only applies to those mortgages who are specifically listed on the Memorandum of Insurance as loss payees.

IT IS HEREBY PROVIDED AND AGREED THAT:

### **BREACH OF CONDITIONS BY MORTGAGOR, OWNER OR OCCUPANT**

1. This insurance and every documented renewal thereof - AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the properly insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond sixty (60) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE, and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

### **RIGHT OF SUBROGATION**

2. Whenever the Insurer pays the Mortgagee any loss award under this Policy and claims that - as to the Mortgagor or Owner - no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

### **OTHER INSURANCE**

3. If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable there under shall be taken into account in determining the amount payable to the Mortgagee.

### **WHO MAY GIVE PROOF OF LOSS**

4. In the absence of the Insured, or the inability, refusal or neglect of the Insured, to give notice of loss or deliver the required Proof of Loss under the Policy, the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

### **TERMINATION**

5. The term of this mortgage clause coincides with the term of the Policy, PROVIDED ALWAYS that the Insurer reserves the right to cancel the Policy as provided by Statutory provision but agrees that the Insurer

will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.

#### **FORECLOSURE**

6. Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any Policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this Policy is made payable to the Mortgagee.



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