

# FARMOWNERS RENTED DWELLING FORM

## AGREEMENT

We provide the insurance described in this policy in return for payment of the premium and subject to the terms and conditions set out. It is a condition precedent to the insurer's agreement to insure under this policy that no part of the premises or any building or other structure on the premises shall be used in whole or in part for any purpose that is prohibited by law, whether or not the insured has knowledge of such purpose. All amounts of insurance, premiums and other amounts expressed in this policy are in Canadian currency.

The Declarations page summarizes the coverages and amounts of insurance we have agreed to provide and the period for which they are provided.

Only the person(s) named on the Declarations page may take legal action against us.

## COVERAGE A – DWELLING BUILDING

We insure:

- your dwelling and attached structures;
- permanently installed outdoor equipment on the premises;
- outdoor "domestic water containers", including swimming pools, hot tubs, saunas and attached equipment on the premises;
- materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of your dwelling or additional buildings/structures on the premises. We insure against theft only when your dwelling is completed and ready to be occupied.

### Building Fixtures And Fittings

We also insure building fixtures and fittings temporarily removed from the premises for repair or seasonal storage.

### Outdoor Trees, Shrubs, Plants And Lawns

You may apply up to 5% in all of the "Amount of Insurance" on your dwelling building as shown on the Declarations Page to trees, plants, shrubs and lawns on your premises. We will not pay more than \$1,000 for any one tree, plant or shrub including debris removal expenses.

We insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicles, riot, vandalism and malicious acts and theft including damage caused by theft.

We do not insure items grown for commercial purposes.

## COVERAGE B – ADDITIONAL BUILDINGS

We insure private buildings or structures, for up to an additional 10% of coverage shown under Coverage A – Dwelling Building, which are detached from the dwelling and on your premises but not insured under Coverage A. If they are connected to the dwelling by only a fence, utility line or similar connection, they are considered to be detached.

## COVERAGE C – PERSONAL PROPERTY

We insure, for up to an additional 10% of coverage shown under Coverage A – Dwelling Building, the following personal property which you own at the described premises:

1. Equipment used for maintenance of the dwelling and premises including lawn mowers and lawn tractors;
2. Refrigerators, stoves, dishwashers, washing machines and clothes dryers but excluding coin operated washing machines and clothes dryers.

### Fair Rental Value

If an Insured Peril makes that part of the dwelling rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the dwelling rented or held for rental.

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

**Fair Rental Value** means the actual total annual gross rent or rental value of the occupied portion(s) of the dwelling building plus the estimated annual rental value of any unoccupied portion(s) of the dwelling building. It shall not include any expense that does not continue while that part of the dwelling rented or held for rental is unfit for occupancy.

### Prohibited Access By Civil Authority

If a civil authority prohibits access to your dwelling as a direct result of damage to neighbouring premises by an Insured Peril under this policy we insure any Fair Rental Value for a period not exceeding 30 days

We do not insure the cancellation of a lease or agreement

## INSURED PERILS

You are insured against All Risks of direct physical loss or damage to the property described in the Declarations Page and subject to the exclusions and conditions of this policy.

## LOSS OR DAMAGE NOT INSURED

We do not insure loss or damage:

1. to buildings or structures used, in whole or in part, for "business" or "farming" purposes unless declared on the Declarations Page;
2. to personal property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
3. occurring after your dwelling has, to your knowledge, been "vacant" for more than 30 consecutive days;
4. resulting from the intentional or criminal acts of, or the failure to act by;
  - a) any person insured by this policy, or
  - b) any other person at the direction of any person insured by this policy;
5. caused by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;

6. caused by contamination from radioactive material;
7. caused by war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
8. resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
9. caused by birds, vermin, insects, raccoons or rodents, except loss or damage to building glass;
10. caused by wet or dry rot, mould, condensation, acid rain or contamination;
11. caused by smoke from agricultural smudging or industrial operations;
12. caused by snowslide, earthquake, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only the resulting loss or damage;
13. caused by settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
14. caused by theft or attempted theft of property in or from a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and ready to be occupied;
15. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or "vacant" even if permission for construction or vacancy has been given by us;
16. caused by water, unless the loss or damage resulted from:
  - a) the sudden and accidental escape of water from a "water main";
  - b) the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or air conditioning system or "domestic water container", which is located inside your dwelling;
  - c) the sudden and accidental escape of water from a "domestic water container" located outside your dwelling but such damage is not covered when the escape of water is caused by freezing;
  - d) water which enters through an opening which has been created suddenly and accidentally by an Insured Peril other than water damage;
  - e) water from the accumulation of ice or snow on the roof or eaves trough, which enters the dwelling through a roof;

but we do not insure loss or damage:

- i. caused by freezing during the usual heating season:
  1. within a normally heated portion of your dwelling if the heat has been intentionally turned off by you or at your direction; or
  2. within a normally unheated portion of your dwelling;
- ii. caused by continuous or repeated seepage or leakage of water;
- iii. caused by the backing up or escape of water from a sewer, storm drain, drain, sump or septic tank;
- iv. caused by "ground water" or rising of the water table;
- v. caused by "surface waters" including flood, unless the water escapes from a "water main" or from a "domestic water container" located outside your dwelling;
- vi. caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
- vii. to a "water main";
- viii. to a plumbing, heating, cooling, sprinkler or air conditioning system or "domestic water container" from which the water escaped;
- ix. occurring while the building is under construction or "vacant" unless we have given permission for construction or vacancy.

nor do we insure:

17. wear and tear, inherent vice, latent defect, mechanical breakdown, deterioration, rust or corrosion;
18. the cost of making good faulty material or workmanship;
19.
  - i) data
  - ii) loss or damage caused directly or indirectly by data problem. However, if loss or damage caused by data problem results in occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke leakage from fire protective equipment, water damage, this exclusion shall not apply to such resulting loss or damage;
20. scratching, abrasion or chipping of any personal property, or accidental breakage of any fragile or brittle articles;
21. to any property illegally acquired, kept, stored, or transported or the proceeds of crime;
22. loss or damage caused directly or indirectly by any of the following perils, whether or not caused by or attributable to earthquake: flood of any nature, waves, tidal waves, tsunami, high water, waterborne objects or ice.

## BASIS OF CLAIM SETTLEMENT

### When Coverage Applies

We will pay claims for insured loss or damage up to your financial interest in the property, but not more than the applicable amount(s) of insurance for any loss or damage arising out of one "occurrence".

Any payment for loss or damage will not reduce the amounts of insurance provided under Coverage(s) A, B or C.

Insurance cannot be a source of profit. It is only designed to indemnify you against actual losses or expenses incurred by you for which you are liable.

### Deductible

All coverages under Coverage(s) A, B and C are subject to a deductible, unless otherwise stated. The deductible amount is shown on the Declarations Page.

The deductible applying to Vandalism and Malicious Acts caused by tenants is two (2) times the deductible shown on the Declarations Page.

### Coverage A – Dwelling Building And Coverage B – Additional Buildings

If you repair or replace the damaged or destroyed building(s), on the same site, with a building of the same occupancy, constructed with materials of similar quality, within a reasonable time after the damage, we will pay the cost of repairs or replacement (whichever is less) without deduction for depreciation.

We provide **Guaranteed Replacement Cost** on **Coverage A – Dwelling Building** which means:

we will pay the cost of repairs or replacement, on the same site, even if it is more than the Rented Dwelling Building replacement cost amount shown on the Declarations Page, provided:

- the Rented Dwelling Building replacement cost amount, shown on the Declarations Page on the inception date of the policy, or the most recent renewal date, or the increased amount under the inflation protection coverage on the date the increase took effect, was not less than 100% of the cost to replace the Rented Dwelling Building, as determined by a valuation guide acceptable to us;
- the Rented Dwelling Building replacement cost amount has not been reduced below the amount determined by the valuation guide; and

- you notified us, within 90 days of the start of the work, if any improvement, extension or addition has been made to your Rented Dwelling Building that will increase the replacement value by more than \$10,000.

If you decide not to repair or replace the damaged or destroyed building we will pay the actual cash value of the damage at the date of the "occurrence".

### **Coverage C – Personal Property**

1. We will pay on the basis of Replacement cost for all other personal property except:
  - a) property that has not been maintained in good or workable condition;
  - b) property that is no longer used for its original purpose; for which we will pay only on the basis of actual cash value.

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

- repairing the personal property with materials of similar kind and quality; or,
- new articles of similar kind, quality and usefulness;

without any deduction for depreciation.

We will pay on the basis of replacement cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible, but in no case more than 1 year after the date of loss. Otherwise, we will pay on the basis of actual cash value.

You may choose payment on the basis of actual cash value initially. If you later decide to replace any destroyed or stolen property, you may make an additional claim for the difference between the actual cash value and the replacement cost.

### **Actual Cash Value**

The Actual Cash Value is what the property is worth and takes into account such things as the cost of replacement less any depreciation and obsolescence. In determining depreciation, we will consider the condition of the property immediately before the damage occurred, the resale value and the normal life expectancy.

## **ADDITIONAL COVERAGES**

All additional coverages provided in this section are subject to the perils, exclusions, conditions, definitions, terms and provisions of this form.

### **Debris Removal**

The amounts of coverage shown on the Declarations Page include the cost of removing debris caused by loss or damage to property insured by this policy as a result of an Insured Peril.

However, when the amount payable for loss or damage to property equals the amounts of coverage, we will pay up to an additional 5% of the "Amount of Insurance" on Coverage A - Dwelling Building for debris removal expenses provided that the replacement of the buildings takes place on the same site.

### **Fire Department Charges**

The Insurer will reimburse the "Insured" for fire department service charges for a total limit of \$5,000 for any one "occurrence" when:

- (a) The "Insured" has assumed such charges by Municipal contract or agreement prior to the loss;
- (b) The Fire department is called to save or protect the insured property from a peril insured against; and
- (c) The insured property is on the "premises" described in the Declaration(s) Page.
- (d) The "Insured" becomes legally obligated to pay to protect property from imminent hostile fire

Hostile fire means a fire that becomes uncontrollable or breaks out from where it was intended to be.

This coverage is not subject to a deductible.

The limit stated above does not reduce the amount of insurance.

### **Inflation Protection**

If there is a loss insured under Coverage(s) A, B or C, we will automatically increase the amounts of insurance shown on the Declarations Page, by amounts which are solely attributable to the inflation increase

- since the inception date of this policy, or
- the latest renewal date, or
- from the date of the most recent change to the amounts of insurance shown on the Declarations Page,

whichever is the latest.

On the renewal date of your policy, if required, we will automatically increase the amounts of insurance shown on the Declarations Page, under Coverages A, B and C, by amounts which are solely attributable to the inflation increase since the inception date of this policy or the latest renewal date.

### **Permission to Remove Property**

If you must remove insured property from your premises to protect it from loss or damage covered by this policy, it is insured by this policy for 90 days or until your policy ends - whichever occurs first. The "Amount of Insurance" will be divided in the proportions that the value of the property removed bears to the value of all property insured at the time of loss.

### **Tear Out**

If any walls, ceilings or other parts of insured buildings or structures must be torn apart so that water damage covered by this policy can be repaired, we will pay the cost of repairing that which had to be torn apart.

The cost of tearing out and replacing property to repair damage related to outdoor "domestic water containers" or public "water mains" is not insured.

### **Arson or Theft Conviction Reward**

We will pay up to \$1,000 to any person, excluding law enforcement officers or agencies, for information which leads to a conviction for either arson or theft in connection with loss or damage to property insured by this policy. This coverage may increase the amount payable under the policy. However, the \$1,000 limit is the maximum we will pay regardless of the number of persons providing the information.

This coverage is not subject to a deductible.

### **By-Laws Coverage**

Insuring Agreement

1. We will pay the additional cost of demolition, construction or repairs which is required to comply with any law regulating demolition, construction or repairs of the buildings for insured loss or damage, up to \$30,000, unless a specific amount for this coverage is shown on your Declarations page.
2. This includes:
  - loss resulting from the demolition of any undamaged portion of the building or structure; or cost of demolishing and clearing the site of any undamaged portion of the building or structure; or
  - any increase in the cost of repairing, replacing, or constructing the buildings or structures on the same site and for the same use or occupancy.

3. We will not pay:

- (a) more than \$30,000, unless a specific amount for this coverage is shown on your Declarations page;
- (b) more than the minimum amount required to comply with any law;
- (c) the additional cost, unless your property is actually repaired, rebuilt or replaced on the same site, even if the by-law, regulation, ordinance or law prohibits rebuilding on the same site.

## Definitions:

**"Amount of Insurance"** means the maximum amount we will pay for any one "occurrence" or incident no matter how many people covered by this policy are involved. Different amounts apply to different coverages and these amounts are shown on the Declarations Page.

**"Business"** means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation.

**"Business Premises"** means premises on which a business is conducted, premises rented in whole or in part to others, or held for rental.

**"Business Property"** means property pertaining to a business, trade, profession or occupation.

**"Data"** means representations of information or concepts in any form

**"Data Problem"** means:

- erasure, destruction, corruption, misappropriation or misinterpretation of data;
- error in creating, amending, entering, deleting or using data; or
- inability to receive, transmit or use data

**"Domestic Water Container"** means a device or apparatus for personal use on the premises for containing, heating, chilling or dispensing water.

**"Farming"** means the ownership, maintenance or use of premises and machinery for the production of crops or the care or raising of livestock, including all necessary operations. Farming also includes the operation of roadside stands and farm markets maintained principally for the sale of your own farm products.

**"Ground Water"** means water in the soil beneath the surface of the ground, including but not limited to water in wells and in underground streams, and percolating waters.

**"Insured"**, if an individual, means the person(s) named as Insured on the Declarations page and, while living in the same household:

- his or her spouse;
- the relatives of either; and
- any person under 21 in their care.

Spouse means a person

- who is married to or has entered into a civil union with another person and is living with that person; or
- who has been living with another person of the opposite or the same sex and has been publicly represented as that person's spouse for at least two (2) years; or
- in the following cases, for at least one (1) year if:
  - a child has been born or is to be born of their union; or
  - they have adopted a child together; or
  - one of them has adopted a child of the other.

In addition, a student who is enrolled in and attends a school, college or university and who is dependent on the Named Insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principal residence stated on the Declarations Page.

**"Insured Peril"** means a cause of loss or damage insured under the coverage form stated on the Declarations page.

**"Occurrence"** means a loss to insured property caused by one or more of the insured perils.

**"Rented Dwelling Building"** means the building described on the Declarations page occupied in whole or in part as a private residence by persons other than you.

**"Surface Waters"** means water on the surface of the ground where water does not usually accumulate in ordinary watercourses, lakes or ponds.

**"Vacant"** refers to the circumstance where, regardless of the presence of furnishings:

- (a) all occupants have moved out with no intention of returning to take up residence at the dwelling and no new occupant has taken up residence; or,
- (b) in the case of a newly constructed dwelling, no occupant has yet taken up residence.

**"Water main"** means a pipe forming a part of a water distribution system, which conveys consumable water but not wastewater.

**"We", "us" or "our"** means the company providing this insurance.

**"You" or "your"** refers to the **"Insured"**