

# RENTED CONDOMINIUM 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 Coverage Summary 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 Coverage Summary page may take legal action against us.

## 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.

**Burglary** means theft of personal property from the insured building or outbuilding following illegal and forcible entry or exit, leaving visible marks at the point of forced entry or exit.

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

**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.

**Civil Authority** means any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under Federal, Provincial or Territorial legislation with respect to the protection of persons and property in the event of an emergency.

**Common Elements** means collectively owned condominium property.

**Condominium Corporation** means a condominium or strata corporation and in Quebec the meeting of co-proprietors established under provincial legislation.

**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.

**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 Spore(s) or resultant mycotoxins, allergens, or pathogens.

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

**Illegal Substance** means any substance that is not legal for you or any other party of interest, your employees or agents, your tenants or any person to whom your property may be entrusted, to possess, obtain, produce, provide, sell, traffic or use, and includes any controlled substance enumerated in the Schedules of the Controlled Drugs and Substances Act currently in force.

**Illegal Substance Activity** means any activity relating to the growing, cultivating, propagating or harvesting, manufacturing, distributing, storing or selling of any Illegal Substance.

**Insured** means the person(s) named as Insured on the Coverage Summary 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 Coverage Summary page.

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

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

**Premises** means your unit, and includes garages, outbuildings, and private approaches reserved for your use or occupancy only.

**Residence Employee** means a person employed by you to perform household or domestic services or duties of a similar nature in connection with the maintenance or use of the insured premises but not persons performing duties in connection with any business you conduct.

**Spore(s)** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any Fungi.

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

**Terrorism** means an ideologically motivated unlawful act or acts, included 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.

**Unit** means the condominium unit, strata lot or exclusive portion described in the Condominium Declaration or Co-ownership Declaration owned by you and occupied as a private dwelling.

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

- 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,
- in the case of a newly constructed dwelling or unit, no occupant has yet taken up residence.

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

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

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

## PROPERTY COVERAGES

### CONDOMINIUM PROTECTION

We will pay up to the amount of insurance shown on the Coverage Summary page in any one occurrence for loss or damage caused by an Insured Peril. The amount of insurance for this section applies to any one or a combination of the following coverages.

#### Unit Improvements And Betterments

Improvements and betterments made or acquired by you, including:

- any building, structure or outdoor domestic water container, including swimming pools, hot tubs, saunas and attached equipment on the premises;
- materials and supplies on the premises for use in such improvements and betterments.

#### Unit Additional Protection

We insure your unit if the Condominium corporation has no insurance, its insurance is inadequate, or it is not effective.

We will cover the portion of any insured loss to your unit that is excluded under the deductible clause in the Condominium Corporation insurance policy and for which you are responsible.

#### Common Elements Loss Assessment

We will pay your share of any special assessment if the assessment is valid under the Condominium Corporation's governing rules and it is made necessary by a direct loss to common elements.

This includes an assessment due to a deductible in the Condominium Corporation policy. If an assessment is made necessary by an earthquake deductible we will not pay more than \$2,500.

You may apply up to 10% of this insurance to insure building fixtures and fittings pertaining to your unit while temporarily removed from the premises for repair or seasonal storage.

You may apply up to 5% of this insurance to insure 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.

#### Cost to Find New Tenants

We will pay up to \$250 for costs incurred by you for finding new tenants if an insured peril causes you to lose your current tenants. These charges can include advertising, credit checks, and/or reference checks.

#### Personal Property

If you have purchased this coverage we insure the following personal property, which you own while on your premises described on the Coverage Summary page:

- equipment used for maintenance of the dwelling and premises including lawn-mowers and lawn tractors;
- refrigerators, stoves, dishwashers, washing machines and clothes dryers but excluding coin operated washing machines and clothes dryers.

If you must remove insured property from the premises to protect it from loss or damage, it is insured by this policy for 30 days or until your policy term ends - whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all property at the time of loss.

#### Fair Rental Value

You have this coverage only if a limit of insurance is shown for it on your Coverage Summary page.

We insure the Fair Rental Value of your dwelling building:

- if an Insured Peril makes that part of the dwelling rented to others or held for rental by you unfit for occupancy. Payment shall be for the reasonable time required to repair or replace that part of the dwelling rented or held for rental.
- if a civil authority prohibits access to your dwelling as a direct result of damage to neighbouring premises by an Insured Peril. Payment shall be for a period not exceeding 2 weeks.

The periods of time stated above are not limited by the expiration of the policy.

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.

We do not insure the cancellation of a lease or agreement.

#### Debris Removal

The amounts of insurance shown on the Coverage Summary page include the cost of removing debris caused by loss or damage to property insured by this form as a result of an Insured Peril.

### INSURED PERILS

You are insured against All Risks of direct physical loss or damage to the property described on the Coverage Summary page and subject to the exclusions and conditions of this form.

### 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 Coverage Summary 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. any property illegally acquired, kept, stored, or transported, or the proceeds of crime;
4. occurring after your dwelling has, to your knowledge, been vacant for more than 30 consecutive days;

5. 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;
  6. 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;
  7. caused by contamination from radioactive material;
  8. caused by war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
  9. resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
  10. caused by birds, vermin, insects, raccoons or rodents, except loss or damage to building glass;
  11. caused by rust, corrosion, wet or dry rot, fungi or spores, bacteria, condensation, acid rain or contamination;
  12. caused by smoke from agricultural smudging or industrial operations;
  13. 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;
  14. caused by settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
  15. 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;
  16. 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;
  17. 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:
    1. 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;
    2. caused by continuous or repeated seepage or leakage of water;
    3. caused by the backing up or escape of water from a sewer, storm drain, drain, sump or septic tank;
    4. caused by ground water or rising of the water table;
    5. caused by surface waters including flood, unless the water escapes from a water main or from a domestic water container located outside your dwelling;
    6. caused by shoreline ice build-up or by waterborne objects or ice, all whether driven by wind or not;
    7. to a water main;
    8. to a plumbing, heating, cooling, sprinkler or air conditioning system or domestic water container from which the water escaped;
    9. occurring while the building is under construction or vacant unless we have given permission for construction or vacancy;
  18. insured property however caused, which results directly or indirectly from any Illegal Substance Activity. This exclusion will apply regardless of whether you are aware or unaware of such Illegal Substance Activity or whether you are able or unable to control such Illegal Substance Activity.
- nor do we insure:
19. wear and tear, inherent vice, latent defect, mechanical breakdown, deterioration;
  20.
    - 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;
  21. 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 the loss or damage, but you are still insured for ensuing loss or damage which results directly from fire or explosion;
  22. the cost of making good faulty material or workmanship;
  23. scratching, abrasion or chipping of any personal property, or accidental breakage of any fragile or brittle articles;
  24. 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:

- to your unit, less any amount recoverable from any insurance covering the collective interests of the unit owners;
- to personal property and unit improvements and betterments;

as described below, 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 by this form.

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 Property Coverages are subject to a deductible, unless otherwise stated. The deductible amount is shown on the Coverage Summary page.

We pay only the amount by which the insured loss or damage exceeds the applicable deductible amount in any one occurrence.

For losses from Vandalism and Malicious Acts caused by tenants, we pay only the amount by which the loss or damage exceeds 2 times the deductible amount shown on the Coverage Summary page.

**Unit Additional Protection And Unit Improvements And Betterments**

If you repair or replace the damaged or destroyed unit or unit improvements and betterments, on the same site, with a unit 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.

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

**Personal Property**

We will pay on the basis of Replacement cost except for:

- 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.