

Your Premium Rental Dwelling Insurance Policy from HTM Insurance Company

Peace of mind



Hamilton Township Mutual Insurance Company
1185 Elgin Street, Box 201, Cobourg, ON K9A 4K5
Toll Free: 1.800.263.3935

www.HTMinsurance.ca

YOUR PREMIUM RENTAL DWELLING INSURANCE POLICY

A GUIDE TO YOUR POLICY

This policy contains various exclusions and limitations, which eliminate or restrict coverage. Please read it carefully.

Words and phrases shown in “quotations” have special meaning, either as defined under Special Definitions of this Coverage, General Definitions or as otherwise specifically defined within the policy.

Insurance cannot be a source of profit. It is designed to indemnify “you” against actual losses or expenses incurred by “you” or for which “you” are liable, arising from accidental events.

This policy is a legal contract which has been designed for “you”, based on the occupancy, use, services, utilities, and other circumstances pertinent to “your” property which “you” disclosed to “your” broker or agent at the time “you” completed “your” application. When there is a change to any of these circumstances, be sure to notify “your” broker or agent accordingly.

In the event of loss or damage to “your” property, notify “your” broker or us immediately.

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. The “Declaration Page” summarizes the coverages and amounts of insurance “we” have agreed to provide and the period for which they are provided. Failure to comply with any term or condition may result in the denial of a claim under this policy.

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

SECTION 1 PROPERTY COVERAGES

ALL THE STATUTORY AND ADDITIONAL CONDITIONS, GENERAL DEFINITIONS AND GENERAL LOSS OR DAMAGE NOT INSURED ALSO APPLY TO THIS COVERAGE

COVERAGES

The amounts of insurance are shown on the “declaration page” for the coverages “you” have purchased. These amounts include the cost of removal of debris of the property insured by this policy as a result of an Insured Peril. When the damage to the property plus the cost of cleanup and removal of debris exceed the limit of insurance for the damaged property, an additional 5% of the limit of insurance on the damaged “Dwelling” and Detached Private Structures will be available to cover debris removal expenses.

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

COVERAGE A - DWELLING BUILDING

“We” insure:

1. The “dwelling” and attached structures.
2. Permanently installed outdoor equipment on the “premises”.
3. Outdoor swimming pool and attached equipment on the “premises”.
4. Materials and supplies located on or adjacent to the “premises” intended for use in construction, alteration or repair of “your” “dwelling” or private structures on the “premises”. “We” insure against the peril of theft only when “your” “dwelling” is completed and ready to be occupied.

Building Fixtures and Fittings: “You” may apply up to 10% of the amount of insurance on “your” “dwelling” to insure building fixtures and fittings temporarily removed from the “premises” for repair or seasonal storage.

Tear out: If any walls, ceilings or other parts of insured buildings or structures must be torn apart before “water” damage covered by this form can be repaired, “we” will pay the cost of such work and its restoration.

The cost of tearing out and replacing property to repair damage related to “water mains” or outdoor plumbing systems is not insured.

COVERAGE B - DETACHED PRIVATE STRUCTURES

“We” insure structures or buildings separated from the “dwelling” by a clear space, on “your” “premises” but not insured under Coverage A. If they are connected to the “dwelling” by a fence, utility line or similar connection only, they are considered detached private structures.

COVERAGE C - PERSONAL PROPERTY

“We” insure your Personal Property as follows:

1. **ON PREMISES:** “We” insure personal property “you” own, wear or use on the “premises” of “your” rental “dwelling” which is usual to the ownership or maintenance of a rental “dwelling”.

“We” do not insure the personal property of tenants.

2. **OFF PREMISES:** “We” insure personal property “you” own, wear or use, which is usual to the ownership or maintenance of “your” rental “dwelling”, while it is temporarily removed for repairs or maintenance.

Property Not Included As Personal Property

“We” do not insure loss or damage to motorized vehicles, trailers, aircraft, unmanned air vehicles, drones or their equipment, except motorized lawn mowers, lawn and garden tractors, other gardening equipment or snow blowers up to 22 kW (30 HP) for \$15,000 in all.

COVERAGE D – RENT AND RENTAL VALUE

The amount of insurance for Coverage D is the total amount for any one or a combination of the following coverages. The periods of time stated below are not limited by the expiration of the policy. "We" do not insure the cancellation of a lease or agreement.

1. **Fair Rental Value:** If loss or damage occurs to "your" rental "dwelling" or detached private structures by an insured peril makes the "dwelling" or detached private structure, rented to others or held for rental by "you" unfit for occupancy, "we" insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the "dwelling" or detached private structure rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the "dwelling" or detached private structure rented or held for rental is unfit for occupancy.
2. **Civil Authority Prohibits Access:** If, as the direct result of damage to neighbouring "premises" by an insured peril, a civil authority prohibits access to "your" rental "dwelling" "we" insure any resulting Fair Rental Value for a period not exceeding 30 days.

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

SPECIAL ADDITIONAL COVERAGES

1. By-Law Coverage:

In the event of direct damage caused by an insured peril, "we" will pay an additional amount up to 2% of the "dwelling" limit for the increased cost of demolition, construction, or repair to comply with any law regulating the zoning, demolition, repair or construction of buildings and their related services. Coverage is extended to pay for:

- (a) loss resulting from the demolition of any undamaged portion of the "dwelling"; or
- (b) the cost of demolishing, and clearing the site of, any undamaged portion of the "dwelling"; or
- (c) any increase in the cost of repairing, replacing, constructing or reconstructing the "dwelling" 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, ordinance or law which:
 - i. regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - ii. is in force at the time of such loss or damage.

"We" will not pay:

- (a) more than the minimum amount required to comply with an enforceable by-law, regulation, ordinance or law;
- (b) the additional costs caused by the enforcement of any by-law, regulation, ordinance or law, which prohibits "you" from rebuilding or repairing on the same site or an adjacent site, or prohibits continuance of like occupancy.
- (c) for the cost of any property that would have been required to meet codes regardless of whether or not an insurance loss occurred (such as fire extinguishers or smoke alarms).

2. Good Samaritan Coverage:

At "your" option, if "your" rental "dwelling" is damaged or destroyed by fire, "we" will pay up to \$5,000 in all, for reasonable costs and expenses to personal property or for additional living expenses of "your" tenant subject to the following:

- (a) the tenant has no other insurance coverage;
- (b) the tenant did not deliberately cause the loss;

This does not remove, reduce or restrict "our" rights for subrogation against any tenant for insured damage they are responsible for.

It is good business practice for landlords to ensure tenants have their own insurance policy.

3. Damage by Non-Domestic Animals:

"We" will pay up to \$20,000 in all, for reasonable costs and expenses for loss or damage caused by skunks, squirrels and raccoons to property insured by this policy.

PERILS INSURED

"We" insure "your" rental "dwelling", detached private structures and personal property, against direct physical loss or damage, subject to the exclusions, limitations, terms and conditions included or referred to in this form:

EXCLUSIONS

Property Excluded

"We" do not insure loss or damage to:

1. "your" insured property when "your" rental "dwelling" has to "your" knowledge, been "vacant" for more than 30 consecutive days;
2. buildings or structures used in whole or in part or designed for farming, commercial or "business" purposes unless declared on the "Declaration Page" whether it is in use, unoccupied, or "vacant";
3. retaining walls not constituting part of any insured building, except for Fire, Lightning, Impact by Land Vehicle or Aircraft or Vandalism and Malicious Acts;
4. books, tools and instruments pertaining to a "business", profession or occupation including samples and goods held for sale.

Perils Excluded

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

1. by, or resulting from, contamination or pollution or the release, discharge or dispersal of contaminants or "pollutants", except damage to the "dwelling" caused by the sudden and accidental escape of fuel from a permanently installed "domestic fuel tank" (including any attached equipment, apparatus or piping) that is part of a heating unit for the insured "dwelling" or detached private structure or as included under Additional Coverages - Basic #2;
2. by wear, tear, gradual deterioration, latent defect or mechanical breakdown, rust, corrosion, extremes of temperature, wet or dry rot, condensation "fungi" or spore(s), or contamination;
3. by scratching or marring of any property or breakage of any fragile or brittle articles unless caused by a "Specified Peril" or by theft or attempted theft;
4. by birds, bats, rodents, (such as squirrels and rats), insects (such as moths and termites), vermin (such as skunks and raccoons), or household pets, except loss or damage to building glass, except as included under Special Additional Coverages #3 of this wording;
5. by settling, expansion, contraction, moving, bulging, buckling, or cracking except resulting damage to building glass;
6. by smoke from agricultural smudging or industrial operations;
7. by buildup of smoke. Smoke damage must be sudden and accidental;
8. by any earth movement including, but not limited to, earthquake, landslide, snowslide, or iceslide. If any of these results in fire or explosion, "we" will pay only for the resulting loss or damage;
9. by collapse of:
 - (a) outside property such as awnings, fences, or trellises unless resulting from structural collapse of foundations, walls, floors or roof of a building;
 - (b) patios, driveways, walks or retaining walls, outdoor radio and/or television antennae, towers, satellite receivers and their attachments;
10. by "water" unless the loss or damage directly resulted from:
 - (a) the sudden and accidental escape of "water" from within a "water main", swimming pool or equipment attached;
 - (b) the sudden and accidental escape of "water" or steam from within a heating, sprinkler, air conditioning or plumbing system, "domestic water container" or waterbed which is located inside "your" "dwelling";
 - (c) the sudden and accidental escape of "water" from outdoor plumbing systems, or "domestic water container", which is located outside "your" "dwelling", and on "your" "premises";

- (d) "water" which enters through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
- (e) "water" from the accumulation of ice or snow on the roof or eavestrough, which enters the "dwelling" through the roof as a result of "ice damming";

But "we" do not cover loss or damage:

- i) caused by continuous or repeated "seepage" or "leakage" of "water";
 - ii) caused by "flood", this exclusion applies 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;
 - iii) caused by backing up or escape of "water" from a sewer or drain, sump or septic tank;
 - iv) caused by "ground water" or rising of the water table;
 - v) caused by "surface waters", unless the "water" escapes from a "water main" "domestic water container" located outside "your" "dwelling";
 - vi) to "water mains", heating, sprinkler, air conditioning or plumbing system, or a "domestic water container" from which the "water" escaped;
 - vii) to outdoor plumbing systems, "domestic water containers" and attached equipment located outside "your" "dwelling", and on "your" "premises caused by freezing, "water", or rupture;
 - viii) occurring while the "dwelling" is "under construction" or "vacant", even if permission for construction or vacancy has been given by "us";
 - ix) caused by freezing of any part of a heating, sprinkler, air conditioning or plumbing system or "domestic water container" unless it happens within a "dwelling" heated during the usual heating season and "you" have not been away from "your" "premises" for more than four (4) consecutive days. However, if "you" had arranged for a competent person to enter "your" "dwelling" daily to ensure that heating was being maintained or if "you" had shut off the "water" supply and had drained all the pipes and appliances; and or have "your" heating system connected to an automatic monitoring system or an automatic water shut off device permanently installed. "you" would still be insured;
 - x) caused by freezing in an unheated portion of the "dwelling".
- 11. by change of temperature unless the loss or damage:
 - (a) is to personal property kept in "your" "dwelling"; and
 - (b) is the result of physical damage to "your" "dwelling" or equipment caused by a peril not otherwise excluded;
 - 12. by vandalism or malicious acts caused by "you" or any members of "your" household, or "your" employees, or by any tenant, employee or member of the tenant's household;
 - 13. by vandalism or malicious acts or theft or glass breakage occurring while "your" rental "dwelling" is "under construction" or "vacant" even if permission for construction or vacancy has been given by "us";
 - 14. by theft or attempted theft by any tenant, members of a tenant's household or employees of the tenant;
 - 15. by shoreline ice build-up or by impact of waterborne objects(including ice), all whether driven by wind or not.

BASIS OF CLAIM PAYMENT

When coverage applies, “we” will pay for insured loss or damage up to “your” financial interest in the property but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence.

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

If “you” qualify for a tax credit, the loss payment will be reduced by that amount.

Deductible: In any one occurrence, “we” are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the “Declaration Page”. If one occurrence could lead to the application of more than one deductible, or more than one policy insured with “us”, only the largest deductible will apply.

If “your” claim involves personal property on which the “Special Limits Applicable To Some Personal Property” apply, the limitations apply to losses exceeding the deductible amount.

Loyalty bonus: We will waive 10% of “your” average deductible for:

- (a) each year “you” have been insured with “us”; or
- (b) each year since “your” last claim;

whichever is the shortest period.

Dwelling Building: “we” will pay for insured loss or damage if “you” repair or replace the damaged or destroyed “dwelling” on the same location with materials of similar quality using current building techniques within a reasonable amount of time after the damage.

“You” may choose as the basis of loss settlement either (A) or (B) below; otherwise settlement will be as in (B).

- A.** The cost of repairs or replacement (whichever is less) without deduction for depreciation up to the applicable amount of insurance shown on the “Declaration Page” for the dwelling building.

Additional Amount available

If the amount of insurance for the Dwelling Building is inadequate to rebuild “your” damaged or destroyed “dwelling”, “we” will pay an additional amount of up to 25% of the limit shown for the Dwelling Building to cover additional costs to rebuild the “dwelling” provided:

1. The amount of insurance shown on the “Declaration Page” for the Dwelling Building represents 100% of the cost to rebuild the insured “dwelling” on the same site with materials of similar quality as determined by a building valuation guide acceptable to “us”;
2. “You” agree to accept each annual adjustment in the amounts of insurance as recommended by “us” and pay the additional premium; and
3. “You” notify “us” within 30 days of the start of any additions or other physical changes to the building(s), which may increase the rebuilding cost of the structure by 5% or more, and pay any resulting additional premium.

If Guaranteed Replacement Cost coverage is shown on the “Declaration Page”, there is no limit applied for the additional amount required to rebuild the insured “dwelling”.

- B.** The “Actual Cash Value” of the damage at the date of the occurrence.

Detached Private Structures: If “you” repair or replace the damaged or destroyed building on the same location with materials of similar quality within a reasonable amount of time after the damage, “you” may choose as the basis of loss settlement either (A) or (B) below; otherwise, settlement will be as in (B).

- A.** The cost of repairs or replacement (whichever is less) without deduction for depreciation, in which case “we” will pay in the proportion that the applicable amount of insurance bears to 80% of the replacement cost of the damaged building at the date of damage, but not exceeding the actual cost incurred.
- B.** The “Actual Cash Value” of the damage at the date of the occurrence.

Personal Property: “We” agree to pay any loss insured for Personal Property based on “replacement cost” provided that:

- (a) the property, at the time of loss, was useable for its original purpose and is not obsolete;
- (b) “you” have repaired or replaced the property promptly;
- (c) “electronic media” is reproduced from duplicates or from originals of the previous generation of the media (“we” will not pay the cost of gathering or assembling information or “data” for reproduction;
- (d) records, including books of account, drawings or card index systems are transcribed or copied from duplicates.

Otherwise, the basis of claim payment will be the “Actual Cash Value” of the damage on the date of the occurrence.

Loss of items such as fine arts, antiques, paintings and articles, which, by their inherent nature, cannot be replaced with a comparable article, will not be settled on a Replacement Cost basis.

If the loss or damage is not replaced or repaired within a reasonable time, “we” will pay the “Actual Cash Value” of the loss or damage at the date of the occurrence.

Insurance Under More Than One Policy: If “you” have insurance on specifically described property, our policy will be considered excess insurance and “we” will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, our policy will pay its ratable proportion of an insured loss.

SPECIAL DEFINITIONS

“Actual Cash Value” will consider the cost to repair or replace the lost or damaged property, whichever is less, with new materials of similar kind, quality, and usefulness, but with proper deduction for depreciation.

In determining the proper deduction for depreciation, “we” will consider:

1. the condition of the property immediately before the loss or damage;
2. the use of the property and its obsolescence;
3. its resale value; and
4. its normal life expectancy.

“Dwelling” means the building described on the “Declaration Page” occupied by or available to be occupied by a tenant as a private residence.

“Replacement Cost” means the cost, at the time of loss, of repairs or replacement (whichever is lower), with new property of similar kind and quality and usefulness, without deduction for depreciation.

“Spouse(s)” means either of two persons who are:

1. married to each other or who have together entered into a marriage that is voidable or void; or
2. living together in a conjugal relationship outside marriage and have so lived together continuously for a period of three years or, if they are the natural or adoptive parents of a child, for a period of one year; or
3. considered “spouses” under the Family Law Act, or its equivalent, in the jurisdiction in which the policy was issued.

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

“We”, “our” or “us” means the Company or Insurer providing this insurance.

“You” or “your” means the person(s) named as Insured on the “Declaration Page” and, while living in the same household, his or her “spouse”, the relatives of either or any person under the age of 21 in their care. This also includes any “student” insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university.