

**ROOF AND SIDING LIMITATION ENDORSEMENT**

THIS ENDORSEMENT AMENDS COVERAGE UNDER YOUR POLICY. PLEASE READ IT CAREFULLY.

For the purpose of this endorsement, the following changes are made to your policy.

This endorsement limits the Basis of Claim Payment under your policy wording. It may reduce the claim payment for insured damage to roofs and siding. The basis of claim payment is not changed in the event of a total loss of the insured building(s).

| DEFINITIONS:   |   |
|--|---|
| This section explains the definitions that are in addition to the ones that appear within SECTION I - PROPERTY COVERAGES of the base policy that we use within this endorsement. These words appear in bold, capitalized or not. |   |
| WHEN WE SAY  | WHAT WE MEAN  |
| “Flat Roof”  | Means a roof with a pitch no greater than 10 degrees.   |
| “Roof”   | Means a system of roofing components including but not limited to trusses, joists, roof decks, membranes, vapor barriers, insulation, eavestrough, gutters and roof covering materials. |
| “Siding”   | Means material used for surfacing the outside walls of a building.  |
| “Tornado”  | As classified by Environment Canada.  |

**BASIS OF CLAIM PAYMENT**

For loss or damage caused by hail, windstorm (except tornado) or the weight of ice, snow or sleet, to the roof(s) and siding of the buildings insured by this policy, we will settle your claim on the basis of the Age Adjusted Cost described below, not exceeding the applicable amount(s) of insurance for any loss or damage arising out of any one occurrence. This basis of claim payment applies only to the specific types of roofing and siding materials listed below.

Age Adjusted Cost means the cost including labour, on the date of the loss or damage that is the lesser of either repairing or the replacement of the insured property with materials of similar kind, quality and usefulness.

Both options are subject to the cumulative reductions shown in the following table based on the age of the material calculated from the installation date of the material to date of loss or damage.

If you do not repair or replace, we will pay the actual cash value but not greater than the Age Adjusted Cost.

| ROOFING MATERIAL                          | AGE REDUCTION DURING FIRST 5 YEARS | AGE REDUCTION STARTING AFTER YEAR 5 to YEAR 10 | AGE REDUCTION STARTING AFTER YEAR 10 | MAXIMUM REDUCTION |
|---|------------------------------------|--|--------------------------------------|-------------------|
| Tar and Gravel - Flat Roof                | 0%                                 | 5% per year                                    | 5% per year                          | 75%               |
| Membrane - Flat Roof                      | 0%                                 | 0%   | 5% per year                          |                   |
| Asphalt Shingle (Excluding Class 4 Rated) | 0%                                 | 0%   | 5% per year                          |                   |

| SIDING MATERIAL          | AGE REDUCTION DURING FIRST 20 YEARS | AGE REDUCTION STARTING AFTER YEAR 20 | MAXIMUM REDUCTION |
|--------------------------|-------------------------------------|--------------------------------------|-------------------|
| Vinyl or Aluminum Siding | 0%                                  | 5% per year                          | 50%               |

**DEDUCTIBLE**

In the event of an insured loss to your roof and/or siding, we will apply the higher of either the deductible under this endorsement or your location deductible.

If “Disappearing Deductible” appears on the Certificate of Insurance, it will not apply in the event of a loss to your roof and/or siding.

**Additional Payment for Loss Mitigation**

After an insured loss to your roof and/or siding, we will pay an additional amount up to \$2,500 for expenses incurred by you to upgrade your entire building(s) roof and/or siding material to a material that is recognized by us as being resistant to hail.

These are the only acceptable hail resistant materials to the Company.

| ROOFING MATERIAL   | SIDING MATERIAL  |
|--|--|
| <ul style="list-style-type: none"> <li>• Class 4 Rated Asphalt Shingles</li> <li>• Concrete tiles, Clay tiles, Slate Tiles</li> <li>• Rubber</li> <li>• Wood Shakes</li> </ul> | <ul style="list-style-type: none"> <li>• Cement Fiber Board</li> <li>• Masonry (Brick, stone, cement)</li> </ul> |

The replacement or repair must be completed within one (1) year of the date of loss. This additional payment only applies if the loss exceeds the applicable deductible.

All other terms and conditions of this policy remain unchanged.