

Frequently Asked Questions

Water Defence Coverage



Wawanesa
Insurance

*We are introducing **Water Defence Coverage**, providing policyholders with both **Limited Sewer Backup Coverage** and **Overland Water Coverage** in one comprehensive package.*

What is Overland Water Coverage?

Our Overland Water Coverage Form – 3115L provides protection to the risk from water that accumulates on land which is usually dry, resulting from:

- Unusual and rapid accumulation or runoff of water or natural precipitation, not caused by escape from a “domestic water container” or “watermain” (e.g. heavy rainfall).
- The rising of, breaking out or the overflow of any body of water or watercourse, whether natural or man-made (e.g. riverine flooding). This includes brackish water which is a combination of fresh and salt water.

As well, the Overland Water Coverage – Form 3115L provides cover for sewer backup damage resulting from overland water where there is evidence that the overland water has entered the dwelling or detached private structure where the loss occurred.

Why is the term Overland Water used instead of Flood?

Overland Water Coverage is designed to protect against heavy rainfalls and escape of fresh water from rivers and lakes. The term Flood, as it is defined, includes coastal flooding from salt water, which is not covered under this new endorsement. As well, the term Flood does not include heavy rainfall events, an important component of Overland Water Coverage.

How were the rating territories for Overland Water Coverage created? Are they the same as the Limited Sewer Backup rating territories?

We created territories for both Fluvial Flooding (riverine) and Pluvial Flooding (heavy rainfall) based on data provided by a third party expert who has experience in flood modeling. The modeled flood data forecasts the frequency and severity of overland water losses. Territories are based on the full postal code of the risk.

The overland water territories differ from our sewer backup territories. There may be areas that are eligible for Limited Sewer Backup Coverage but not eligible for Overland Water Coverage.

Why are other products not rated using full postal code? (Hail & Wind, Limited Sewer Backup)

Full postal code rating is new for Wawanesa, but a necessary component when offering Overland Water Coverage. We are not ready to rate our other products by full postal code at this time, however, we are committed to continue to evolve our rating sophistication in the future.

Is Overland Water Coverage available on all risk types?

Currently, Overland Water Coverage is only available on Broad & Special Homeowners risks for both Habitational & Farm products. We will be looking to expand the offering to other forms at a future date.

Can I add this coverage to a risk mid-term?

Yes, this coverage will be available to add on all qualifying risks regardless of the policy effective date.

Will Wawanesa accept requests to add on mass to a broker's portfolio?

No, the premiums for Overland Water Coverage vary greatly based on territory and amount of insurance. It is important to review each request separately.

Will Wawanesa read in the Overland Water Coverage on existing risks?

No, as we are allowing coverage mid-term, we will not be reading coverage on existing policies.

How many policyholders will be eligible for the Overland Water Coverage?

Some form of Overland Water Coverage will be available to more than 95% of our current book of business. Eligibility varies by province.



How much coverage is being provided for loss or damage attributed to Overland Water?

Depending on the risk's eligibility, Overland Water Coverage will be available in limits of \$10,000, \$20,000, \$30,000 or Policy Limits. If Policy Limits are available, full amount of coverage A, B, C and D are provided and they will be shown on the declaration page.

PRICING

Are discounts available on the Water Defence Coverage?

The Overland Water component of the Water Defence Coverage is not eligible for discounts.

Depending on the region, Limited Sewer Backup coverage may be eligible for discounts, including Preventative Measures and the Deductible discount. Please refer to the broker manual for further details.

What can we do to manage the premiums?

We are currently not offering discounts however, certain territories will be able to select a reduced coverage amount for the Overland Water and Limited Sewer Backup. Policyholders can also increase their policy deductible or install preventative measures to reduce their premiums.

ELIGIBILITY

Will properties on lakes and rivers be eligible to purchase Overland Water Coverage?

Yes and no. Eligibility and rating is based on the full postal code of the risk. Some river and lakefront properties may be able to purchase Water Defence Coverage, while others may not.

COVERAGE

How do Guaranteed Replacement Cost and Single Limits work with this coverage?

If the policyholder is eligible and selects Policy Limits for Overland Water Coverage and has Guaranteed Replacement Cost, they will be eligible for up to 125% of Coverage A should the loss exceed the amount of insurance. However, Single Inclusive Limit will not apply to Overland Water or Limited Sewer Backup losses.

What happens if the insured is unable to rebuild on the same location?

If the policyholder is eligible and selects Policy Limits for Overland Water Coverage and in the event of a total loss is unable to rebuild on the same location, they have the option of taking a cash settlement. They can either take the full Coverage A amount and purchase another home OR take the cash settlement and rebuild elsewhere. We will allow up to 125% of the replacement cost as long as the dwelling is of similar size, kind and quality.

Is seepage or ground water covered?

No, ground water is not a covered peril. We will provide coverage from loss or damage caused directly or indirectly by the sudden and accidental entrance of water through foundations, basement walls or basement floors, only if it is caused by an overland water event.

Coverage D – Loss of Use – how does this work with Overland Water Coverage?

If the policyholder is eligible and selects Policy Limits when purchasing Overland Water Coverage, when there is an insured loss under this form, the policyholder will have the Coverage D limit available for alternate living expenses showing their home be uninhabitable due to the loss. Additionally, if there are restrictions by an authority from returning to their property due to an overland water event (prohibited access) they will be provided with coverage for up to two weeks.

LIMITED SEWER BACKUP

What changes have been made to Limited Sewer Backup Coverage?

We have revised the Limited Sewer Backup Coverage wording to clarify the intent of coverage and work in conjunction with the new Overland Water Coverage wording. We now allow coverage for sewer backup losses resulting from overland water or flood but not for direct physical loss or damage caused by the overland water or flood. As well, there is no coverage under the Limited Sewer Backup – Form 3114A if overland water or flood has entered the dwelling.

Why did you remove the 72 hour clause from the Limited Sewer Backup Coverage wording?

As we are now providing coverage where there is evidence of overland water entering the dwelling under the Overland Water Coverage – Form 3115L, we felt it necessary to change



the coverage trigger on the Limited Sewer Backup Coverage – Form 3114A to be if the overland water or flood enters the dwelling, there is no coverage. This makes things less complicated and clarifies our intent.

How does the \$1,000 for preventative measures work?

After an insured sewer backup loss, we will provide \$1,000 towards the installation of a mainline backwater valve; it is the best time to install before we start repairing the damage.

Why is it only backwater valves that are eligible for \$1,000?

Sump pumps fail on a regular basis due to burnt out motors, power goes out, or dead batteries. A properly installed backwater valve provides the best protection.

CLAIMS

What's covered, what's not covered?

Events	Limited Sewer Backup Form 3114	Limited Sewer Backup Form 3114A	Overland Water Coverage Form 3115L
Water or sewage in dwelling due to a backup from sewer, septic or sump (no unusual rain or snow melt)	✓	✓	✗
Back up from a sewer, septic or sump and where there is evidence of overland water in dwelling (heavy rain)	✓	✗	✓
River or other body of water overflows and enters through windows and doors	✗	✗	✓
Overland water enters dwelling through windows and doors due to severe rainstorm	✗	✗	✓
Sewer backs up due to severe rainstorm, but no evidence of overland water entering the dwelling	✓	✓	✗
Rising of the water table or ground water enters through cracks in the basement wall	✗	✗	✗
Coastal flooding including storm surges or tsunamis	✗	✗	✗
Intentional Dam Break	✗	✗	✗



The following examples are for illustration purposes only. All claims are unique and the differing circumstances can change whether or not coverage exists or how it is applied.

<p>Claim Example #1</p> <p>Heavy rains (200+ mm) pour down and leave a pool of water on the front lawn of a risk. Water doesn't normally accumulate here. The water is so high, it fills the window wells and subsequently finds its way into the basement. At the same time, a sewer backup occurs.</p>	<p>COVERED?</p> <p>YES, under the Overland Water Coverage – Form 3115L; Policy Limits or Specified Limits coverage applies to the loss.</p>
<p>Claim Example #2</p> <p>Heavy rains (200+ mm) pour down and leave a pool of water on the front lawn of a risk. Water doesn't normally accumulate here. The water is so high, it fills the window wells but does not find its way into the basement. At the same time, a sewer backup occurs.</p>	<p>COVERED?</p> <p>YES, under the Limited Sewer Backup Coverage – Form 3114A; Specified Limits coverage applies to the loss.</p>
<p>Claim Example #3</p> <p>A river overflows. The risk has a sewer backup loss and surface waters have found their way into the home.</p>	<p>COVERED?</p> <p>YES, under the Overland Water Coverage – 3115L; Policy Limits or Specified Limits coverage applies to the loss.</p>
<p>Claim Example #4</p> <p>The water table is rising and ground water enters through cracks in the basement wall.</p>	<p>COVERED?</p> <p>NO, "Ground Water" is excluded under the base policy AND under the Overland Water Coverage – 3115L.</p>
<p>Claim Example #5</p> <p>The water table is rising and ground water enters through cracks in the basement wall. The sump pump fails and there is a sewer backup.</p>	<p>COVERED?</p> <p>YES, but only for the sewer backup damage and subject to the limits insured under Limited Sewer Backup Coverage – Form 3114A. "Ground Water" is not part of the overland water definition and is excluded under the Overland Water Coverage – 3115L.</p>
<p>Claim Example #6</p> <p>Water enters the dwelling due to pooling and ponding from snow melt or rainstorm.</p>	<p>COVERED?</p> <p>YES, under the Overland Water Coverage – 3115L; Policy Limits or Specified Limits coverage applies to the loss.</p>
<p>Claim Example #7</p> <p>Water enters a dwelling due to the accidental bursting of a dam, dike or levee.</p>	<p>COVERED?</p> <p>YES, under the Overland Water Coverage – 3115L; Policy Limits or Specified Limits coverage applies to the loss.</p>



Will Wawanesa cover overland water losses under the Limited Sewer Backup form until the policyholder's policy comes up for renewal?

No, as we are introducing this as a “live” change, regardless of the renewal date the insured will need to purchase the Overland Water Coverage in order to be protected from these losses.

If an insured does not purchase Overland Water Coverage and an event happens which causes both sewer backup and an overland water loss, how will coverage be determined?

The new Overland Water Coverage and Limited Sewer Backup Coverage work in conjunction with one another. There is a dividing line that when overland water enters the dwelling, the only coverage is provided under Overland Water Coverage – 3115L.

When there is water coming through the foundation of a basement will there be coverage under Overland Water Coverage?

No, not necessarily. Overland Water Coverage provides for water entering through the basement walls when there is an overland water event and the water that came in was sudden and accidental. We are not intending to cover seepage.

If an above ground swimming pool breaks and the water escapes and enters the dwelling, is this considered overland water and would it be covered?

Coverage for this type of loss is provided for under our base policy under the sudden and accidental escape of water from a domestic water container outside the dwelling.

SALES AND NOTIFICATION

How do we quote Overland Water Coverage?

The premium for Overland Water Coverage is based on the full postal code of the insured risk and the amount of Coverage A on the risk. Due to the sheer volume of individual postal codes in a province, we are unable to publish the territories and rates in our broker manual. Instead, you will be able to quote Overland Water Coverage using our Policy Transaction Engine (PTE) and through your quoting tools (Applied Rating Services, PowerQuote, Intelliquote). We have also created a calculator tool which is available on our Broker Portal for quick quotes.

How are policyholders going to be notified about this change?

Wawanesa recognizes the importance of notifying your customers of this change. We have created a letter to inform policyholders of the availability of Overland Water Coverage and will also include an insert with the policyholder's renewal introducing the change.

What additional tools will Wawanesa provide to assist with this change?

We will be providing renewal lists for each brokerage which will indicate whether a risk is eligible for Overland Water Coverage and the premium for each available limit of coverage.

We will also provide a desktop sales card for your brokerage sales team.

What happens with uninsurable losses and the EMO (e.g. intentional dam breach)?

Wawanesa will be contacting the various EMOs to discuss how Water Defence coverage might change the response of the provincial and federal disaster recovery compensation plans. We will also be reaching out to the local provincial insurance regulators to make them aware of the new coverage and discuss the distribution and availability of this endorsement.



OTHER IMPORTANT WORDING CHANGES

Old	New
<p>WATER DAMAGE: caused by freezing during the usual heating season; a) arranged for a competent person to enter “your” “dwelling” and/or private structures each day “you” were away...</p>	<p>WATER DAMAGE: caused by freezing during the usual heating season; a) arranged for a competent person to enter “your” “dwelling” and/or private structures once every three days “you” were away...</p>
<p>“Domestic Water Container” means a device or apparatus for containing, heating, chilling or dispensing water for personal use.</p>	<p>“Domestic Water Container” means a device or apparatus for containing, heating, chilling or dispensing water for personal use, this does not include plumbing, heating, cooling or sprinkler systems.</p>
<p>WATERCRAFT AND MOTORIZED VEHICLES “YOU” OWN (4) self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 25 hp;</p>	<p>WATERCRAFT AND MOTORIZED VEHICLES “YOU” OWN (4) self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 50 hp;</p>
<p>“Specified Perils” 11. HAIL</p>	<p>“Specified Perils” 11. HAIL This peril does not include damage to the outer metal cover of any mobile home unless the cover is punctured by the hail.</p>
<p>MOVING TO ANOTHER HOME “We” insure “your” personal property while “you” are moving from the “premises” shown on the Declarations to a new “dwelling” in Canada which “we” insure:</p>	<p>MOVING TO ANOTHER HOME “We” insure “your” personal property while “you” are moving from the “premises” shown on the Declarations to a new “dwelling” in Canada which “we” insure:</p>
<p>SPECIAL LIMITS OF INSURANCE The following SPECIAL LIMITS OF INSURANCE only apply to losses caused by theft.</p>	<p>SPECIAL LIMITS OF INSURANCE The following SPECIAL LIMITS OF INSURANCE only apply to losses caused by theft or mysterious disappearance.</p>
<p>BASIS OF CLAIM PAYMENT</p>	<p>BASIS OF SETTLEMENT</p>
<p>BUILDING BYLAWS This ADDITIONAL COVERAGE does not apply to losses under the following forms: EARTHQUAKE COVERAGE – FORM 991 CONDOMINIUM UNIT OWNERS EARTHQUAKE COVERAGE – FORM 991C LIMITED SEWER BACKUP COVERAGE – FORM 3114</p>	<p>BUILDING BYLAWS This ADDITIONAL COVERAGE does not apply to losses under the following forms: EARTHQUAKE COVERAGE – FORM 991 CONDOMINIUM UNIT OWNERS EARTHQUAKE COVERAGE – FORM 991C LIMITED SEWER BACKUP COVERAGE – FORM 3114 or 3114A OVERLAND WATER COVERAGE – FORM 3115 OR 3115L</p>
<p>Wording Removed: Limited Sewer Backup Coverage – Form 3114</p>	<p>Prior wording replaced with: Limited Sewer Backup Coverage – Form 3114A</p>



Old	New
<p>LOSS OR DAMAGE NOT INSURED (9) Loss or damage caused by or resulting from vermin, birds, insects, rodents, raccoons, skunks or squirrels, except loss or damage to building glass;</p>	<p>LOSS OR DAMAGE NOT INSURED (9) Loss or damage caused by or resulting from vermin, birds, insects, rodents, bats, raccoons, skunks or squirrels, except loss or damage to building glass or caused by the "Specified Perils";</p>
<p>(23) "pollutant" unless the escape of the "Pollutant(s)" arises as a result of a peril not otherwise excluded;</p>	<p>(23) Loss or damage caused directly or indirectly by a "pollutant" or the release, discharge or dispersal of a "pollutant", unless the release, discharge or dispersal of the "pollutant" occurs as a result of a "Specified Peril";</p>
<p>ACTUAL CASH VALUE Actual cash value will take in account such things as the cost of replacement less any depreciation, and in determining depreciation, "we" will consider the condition immediately before the damage, the resale value and the normal life expectancy. For "dwelling" and/or private structures, if the conditions of this policy are not met, "we" will pay the actual cash value of the damage at the date of the "occurrence".</p>	<p>ACTUAL CASH VALUE If the Declarations indicate ACTUAL CASH VALUE applies: Actual cash value will take in account such things as the cost of replacement less any depreciation, and in determining depreciation, "we" will consider the condition immediately before the damage, the resale value and the normal life expectancy. For "dwelling" and/or private structures, if the conditions of this policy are not met, "we" will pay the actual cash value of the damage at the date of the "occurrence".</p>
<p>SINGLE INCLUSIVE LIMIT *no reference to restricted forms</p>	<p>SINGLE INCLUSIVE LIMIT This coverage does not apply to the following forms: EARTHQUAKE COVERAGE – FORM 991 CONDOMINIUM UNIT OWNERS EARTHQUAKE COVERAGE – FORM 991C LIMITED SEWER BACKUP COVERAGE – FORM 3114 or 3114A OVERLAND WATER COVERAGE – FORM 3115 OR 3115L</p>
<p>GUARANTEED REPLACEMENT COST *Addition of paragraph after (4) *Addition of new final paragraph</p>	<p>GUARANTEED REPLACEMENT COST If the Declarations indicate GUARANTEED REPLACEMENT COST – COVERAGE A – DWELLING BUILDING and OVERLAND WATER COVERAGE – FORM 3115, "we" will pay for the insured loss to "your" "dwelling" up to a maximum of 125% of the Amount of Insurance shown on the Declarations for COVERAGE A – DWELLING BUILDING, provided "you" satisfy condition (1) to (4) listed above. Otherwise the basis of claim payment in the policy will apply as if this coverage had not been in effect. In determining the cost of repairs or replacement "we" will not pay or include the increased costs of repair or replacement due to the operation of any law or ordinance regulating the zoning, demolition, repair or construction of buildings and heir related services.</p>
<p>PERSONAL PROPERTY "We" will pay of the basis of Replacement Cost for all personal property except: (1)...</p>	<p>PERSONAL PROPERTY If the Declarations indicate that REPLACEMENT COST ON CONTENTS is included "we" will pay on the basis of Replacement Cost for all other personal property except: (1)...</p>