

Commercial Insurance Policy

Renewal

Prepared especially for
Owners of Strata Plan VIS 2720
through the facilities of
SeaFirst Insurance Brokers Ltd



COMMERCIAL INSURANCE POLICY

Effected with certain Lloyd's Underwriters (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")



Policy No. LPC2100653

Declarations

Effective 6/13/2021

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER.

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE

PURPOSE OF THIS DOCUMENT

Renewal-In return for the agreement of the Insured to pay the premium stated, this insurance Policy is continued in force for the period of insurance indicated. It is renewed subject to the limits of insurance and declarations shown herein. Should coverage wordings, riders or endorsements be attached hereto, they will replace the corresponding previous wordings. Otherwise all terms and conditions remain the same.

THE COVERHOLDER

SeaFirst Insurance Brokers Ltd

7178 West Saanich Road

Brentwood Bay, British Columbia V8M 1R3

Main: (250) 652-1141

Web Site: www.seafirstinsurance.com

Fax: (250) 652-4427

2720S-1

NAMED INSURED AND POSTAL ADDRESS

Owners of Strata Plan VIS 2720

c/o Sutton Advantage Property Managers

103 - 4400 Chatterton Way

Victoria, British Columbia V8X 5J2

LOCATION OF RISK

545 Manchester Road & 520 Dunedin Road, Victoria, British Columbia V8T 5H6

PERIOD OF INSURANCE

From June 13, 2021 to June 13, 2022

(12:01 a.m. standard time at the Postal Address of the Insured)

FORM OF BUSINESS

Corporation

DESCRIPTION OF BUSINESS OPERATIONS

108 Unit Residential Strata Complex; Directors and Officers Liability

The Insured is requested to read this policy, and if incorrect, return it immediately for alteration.

In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder whose name and address appears above. All inquiries and disputes are also to be addressed to this Coverholder.

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada.

IN WITNESS WHEREOF THIS POLICY HAS BEEN SIGNED, AS AUTHORIZED BY THE INSURERS BY

Agreement No.

NEW ANNUAL PREMIUM ▶

\$65,771

B0429BA2100007

PER

PREMIUM PAYABLE (EXCL. APPL. TAXES) ▶

\$65,771



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SUMMARY OF INSURANCE COVERAGE AND ANNUAL PREMIUMS

TYPE OF COVERAGE	ANNUAL PREMIUM	MINIMUM RETAINED COVERAGE PREMIUM
Property	Incl	Nil
Legal Expense	Incl	Nil
Crime	Incl	Nil
Liability	Incl	Nil
Pollution Liability	Incl	Nil
Terrorism	Incl	Nil
Cyber Liability	Incl	Nil
Other	Incl	Nil

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LIST OF SUBSCRIBING COMPANIES

(SUBJECT TO CONDITIONS IN LSW1554 AND LSW1550)

THE INSURERS AND COVERAGES INSURED

	SUM(S) INSURED OR PERCENTAGE(S)	PREMIUM	FLAT CHARGE PREMIUM	AUTHORIZED REPRESENTATIVE
Property				
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2100007	40.0%	\$24,794		
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2100747	9.25%	\$5,734		
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2101753	23.25%	\$14,412		
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2103826	19.5%	\$12,087		
Certain Underwriters at Lloyd's of London, England under Agreement No. B0429BA2106514	8.0%	\$4,959		
Total Property	100.0%	\$61,986		
Legal Expense				
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2103197	100.0%	\$415		
Crime				
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2100007	100.0%	Incl		
Liability				
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2000473	100.0%	\$3,070		
Pollution Liability				
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2105833	100.0%	\$125		
Terrorism				
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2100747	100.0%	\$50		
Cyber Liability				
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2100747	100.0%	\$125		
Other				
Certain Underwriters at Lloyd's of London England under Agreement No. B0429BA2100007	100.0%	Incl		

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LIST OF SUBSCRIBING COMPANIES

(SUBJECT TO CONDITIONS IN LSW1554 AND LSW1550)

THE INSURERS AND COVERAGES INSURED

Total Policy Premium

SUM(S)
INSURED OR
PERCENTAGE(S)

PREMIUM
~~\$65,771~~

FLAT
CHARGE
PREMIUM

AUTHORIZED
REPRESENTATIVE

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SUBSCRIPTION POLICY

LSW1554

IN CONSIDERATION OF THE INSURED having paid or agreed to pay each of the INSURERS named in the List of Subscribing Companies forming part hereof, or to INSURERS whose names are substituted therefor or added thereto by endorsement, hereinafter called "THE INSURERS", the Premium set against its name in the List of Subscribing Companies (attached hereto),

THE INSURERS SEVERALLY AND NOT JOINTLY agree, each for the Sum(s) Insured or Percentage(s) and for the Coverage(s) Insured set against its name in the List of Subscribing Companies, and subject always to the terms and conditions of this Policy, that if a loss occurs for which insurance is provided by this Policy at any time while it is in force, they will indemnify the INSURED against the loss so caused; the liability of each insurer individually for such loss being limited to that proportion of the loss payable according to the terms and conditions of this Policy which the Sum Insured or the amount corresponding to the Percentage set against its name in the List of Subscribing Companies, or such other sum or percentage as may be substituted therefor by endorsement, bears to the total of the sums insured or of the amounts corresponding to the percentages of the sums insured respectively set out against the coverage concerned on the Declarations page(s).

That as regards each item of property insured which is lost or damaged at any time while this Policy is in force by a peril for which insurance is provided by the terms and conditions of this Policy, the liability of each Insurer individually shall be limited to whichever is the least of:

- (a) that proportion of the actual cash value of the property at the time of the loss, destruction or damage which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual Insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril, or
- (b) that proportion of the interest of THE INSURED in the property which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this policy in respect of that property against that peril, or
- (c) that proportion of the limit of insurance stipulated in respect of the property lost, destroyed or damaged which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril,

Provided however, that where the insurance applies to the property of more than one person or interest THE INSURERS' total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

If this Policy contains a Co-Insurance Clause or a Guaranteed Amount (Stated Amount) Clause, and subject always to the limit of liability of each Insurer corresponding to the percentage of the sum insured by this Policy as set out above, no Insurer shall be liable for a greater proportion of any loss or damage to the property insured, than the sum insured by such Insurer bears to:

- (a) that percentage, stated in the Co-Insurance Clause, of the actual cash value of the said property at the time of loss, or
- (b) the Guaranteed Amount (Stated Amount) of total insurance stated in the Guaranteed Amount (Stated Amount) Clause, as the case may be.

If the insurance under this Policy is divided into two or more items, the foregoing shall apply to each item separately.

Wherever in this Policy, or in any endorsement attached hereto, reference is made to "The Company", "The Insurer", "This Company", "we", "us", or "our", reference shall be deemed to be made to each of the Insurers severally.

This policy is made and accepted subject to the foregoing provisions, and to the other provisions, stipulations and conditions contained herein, which are hereby specially referred to and made a part of this Policy, as well as such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

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IN WITNESS WHEREOF THE INSURERS through their representative(s) duly authorized by them for this purpose have executed and signed this Policy.

LSW1550

Where LLOYD'S UNDERWRITERS are subscribing insurers to the Policy, the following applies to them:

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been entered into in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to the Agreement shown in the List of Subscribing Companies (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 2220, Montreal, Quebec H3B 2V6.

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder.

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
Property				
PAP1 (7/18)	Property of Every Description (Broad Form)	10,000	90%	
	At Loc 1 (545 Manchester Road & 520 Dunedin Road, Victoria, British Columbia)	10,000	90%	
	Building	10,000	90%	
	2 Buildings + Parkade	10,000	90%	25,640,000
	Building at newly acquired locations			500,000
	Special Provisions Applicable to Condominiums			
SFP061	Underground Services Extension	5,000		
PE1 (7/18)	Replacement Cost Endorsement			
PE2	Stated Amount Co-Insurance Clause - subject to a current appraisal			
PE3 (7/18)	Building Inflation Protection Endorsement			
PE4 (7/18)	Building By-laws Endorsement			
PE8 (7/18)	Sewer Backup Endorsement	25,000		
PE9 (8/18)	Flood Endorsement	25,000		
SFP060	Water Damage Deductible	25,000		
PE10 (7/18)	Earthquake Shock Endorsement			25,640,000
	Deductible percentage	10%		
	Deductible minimum amount	50,000		
PE14 (7/00)	Extended Pollution Cleanup Extension			25,000
PE16 (8/04)	Consequential Loss Coverage Extension (Including Off Premises Power)			
	Sub-limit			50,000
PE18 (7/00)	Property on Loan, Rental or Demonstration Extension			25,000
PE22 (2/01)	Fire Department Service Charges Extension			
	Annual aggregate limit			25,000
PE23 (5/01)	Commercial Condominium Unit Owners Extension			
	At Loc 1 (545 Manchester Road & 520 Dunedin Road, Victoria, British Columbia)			
	Condominium unit owners - Loss assessment	10,000		100,000
PE26 (5/01)	Personal Property of Officers and Employees Increased Limit Extension			10,000
PE27 (5/01)	Automatic Fire Suppression System Recharge Expenses Extension			
PE28 (5/01)	Master Key Coverage Extension	250		10,000
PE48 (5/05)	Fees to Substantiate Loss Extension			10,000
SFP087	Building Damage by Theft Endorsement	10,000		10,000
SFP080	Catch-all Clause Endorsement			50,000
SFP089	Closure by Order of Civil Authority - 2 weeks			
SFP082	Cost to Prepare Proof of Loss Extension			25,000
SFP085	Deferred Sales Extension			50,000
SFP084	Expediting Expense Extension			50,000
SFP088	General Purpose Endorsement - Jewellery Limit			
SFP021	Glass and Sign Extension	250		
SFP086	Home Office Extension Extension			10,000
SFP081	Identity Theft Endorsement			25,000

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
B&M-1	Boiler & Machinery / Equipment Breakdown - Data Processing Equipment Included - Office Equipment Included - Electronic Equipment Included	10,000		25,640,000
PA4 (7/00)	Valuable Papers and Records (Broad Form) Blanket All Locations			50,000
PA5 (7/00)	Accounts Receivable (Broad Form) Blanket All Locations			50,000
BA17 (8/04)	Extra Expense (Broad Form) Blanket All Locations Limit of liability restriction For first month - 100%			50,000
BE4 (7/18)	Off Premises Services Interruption Endorsement Waiting period in hours - 48			

Legal Expense

BA1503197SL Commercial Legal Expense Insurance
EI

Basic Coverage Limit per Claim - Not Applicable
Basic - Aggregate Limit - Not Applicable
Standard Coverage Limit per Claim - Not Applicable
Standard - Aggregate Limit - Not Applicable
Enhanced Coverage Limit per Claim
Enhanced - Aggregate Limit

500 150,000
500 500,000

LEG1SLEI Legal Expense Endorsement #1

Crime

C1 (7/00) Comprehensive Dishonesty, Disappearance and Destruction

Employee dishonesty
Limit per loss (Form A) 10,000
Money and securities
Inside loss 10,000
Outside loss 10,000
Money orders and counterfeit paper currency 10,000
Depositors forgery 10,000

Liability

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
L1 (2/01)	Commercial General Liability (Occurrence Form) (IBC 04/98)			
	Products-completed operations included			
	Aggregate limit			
	Applies to products-completed operations only			5,000,000
	Each occurrence limit			5,000,000
	Personal injury limit			5,000,000
	Tenants' legal liability limit - Any one premises			250,000
	Medical expense limit - Any one person			1,000
	Medical expenses limit - Each Occurrence Limit			10,000
LE7 (7/00)	Tenants' Legal Liability Extension (Broad Form)			
LE8a (10/05)	Advertising Liability Extension			
	Advertising injury limit			3,000,000
	Advertising aggregate limit			3,000,000
LE12a (10/05)	Volunteers as Insureds Extension			
LE39 (7/18)	Broad Form Completed Operations			
LD3a (7/18)	Combined Deductible Endorsement (Bodily Injury and Property Damage)			
	Per occurrence	1,000		
LX5a (7/00)	Professional Services Exclusion			
LX6 (10/05)	Blasting, Pile Driving, Weakness of Support Exclusion			
1453E1292	Incidental Malpractice Endorsement			
1441E1292	Condominium Corporation Endorsement			
SFL226	Liability Wording Amendment			
LX32	Pollution Exclusion			
L14 (5/01)	Non-Owned Automobile Liability			3,000,000
LE25 (5/01)	Contractual Liability Extension (SEF 96)			
LE26 (5/01)	Legal Liability for Damage to Hired Automobiles Extension (SEF 94)			
	Collision or upset	1,000		25,000
	Comprehensive	1,000		25,000
6/1/2008	Group Accident 24Hour Policy			100,000
SFDO20	Strata and Non Profit Directors and Officers Policy			2,000,000
	Prior and Pending Litigation Date: June 13, 2020			
	Notify Claims to: Atrium Underwriters Ltd. c/o SeaFirst Insurance Brokers Ltd. 7178 West Saanich Road, Brentwood Bay, BC V8M 1R3			
	Dedicated Additional Limit of Liability for Insured Person: \$1,000,000.			
	Workplace Violence Expenses Limit: \$250,000.			
	Crisis Consulting Expenses Limit: \$100,000.			
Pollution Liability				
SEIL2015	SeaFirst Strata EIL Endorsement 2015			
	Limit of Liability - each loss and in the aggregate			1,000,000
	Deductible: each and every claim	2,500		

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
Terrorism				
NMA2918-W	Terrorism Endorsement	1,000		500,000
Cyber Liability				
SFCYB/16-1	Limited Cyber Liability Aggregate	2,500		100,000
	Customer Notification Sublimit	2,500		5,000
	Public Relations Expense Sublimit	2,500		5,000
	Retroactive Date: June 13, 2020			
	Time Retention: 48 Hours			
SFCYB/19-1E100	Cyber Endorsement			
	1.A. Business Interruption - Rentention \$2,500/12hours whichever is greater			100,000
	1.B. Digital Asset Destruction	2,500		100,000
	1.C. Incident Response Expenses	2,500		100,000
	2.A. Regulatory Defense and Penalties	2,500		100,000
	2.B. Payment Card Industry Fines and Expenses	2,500		100,000
	2.C. Security and Privacy Liability	2,500		100,000
	2.D. Multimedia Liability	2,500		100,000
Other				
LMA5062	Fraudulent Claim Clause			
LMA5022	Law and Jurisdiction			
LMA5484	Cyber Risks Exclusion - Legal Expenses forms			
LMA5393	Communicable Disease Endorsement - Property			
LMA5396	Communicable Disease Endorsements - Liability			
LMA5401	Property Cyber & Data Exclusion			
O10 (8/04)	Illegal Substance Exclusion			
7058	Avian Flu Exclusion			
LW002/18	Asbestos Exclusion			
LW001/18	Electronic Data and Cyber Risk Exclusion			
LW003/18	Mould Exclusion			
R1 (12/09)	Additional Agreements and Conditions			

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
R2 (7/00)	Business Income General Policy Conditions			
R3 (8/04)	Commercial Crime General Conditions and Definitions			
R4 (11/00)	Electronic Data Recognition Exclusion			
R8 (8/04)	Fungi and Fungal Derivatives Exclusion			
R9 (1/08)	Mould, Fungus or Microbial Contamination Exclusion			
LSW1001 (8/94)	Several Liability Clause			
LSW1543D (5/19)	Privacy: Notice Concerning Personal Information			
LSW1542F (9/14)	Lloyd's Policyholders' Complaint Protocol			
LMA5018	Microorganism Exclusion - Absolute			
LMA5096 (8/12)	Several Liability Clause			
LMA3100	Sanction Limitation and Exclusion Clause			
LMA5028A	Service of Suit Clause (Canada)			
LMA5097	Binding Authority Combined			
LSW5185	Made In Canada Clause			
NMA464	War and Civil War Exclusion			
NMA1978A	Nuclear Incident Exclusion Clause			
NMA2920A	Terrorism Exclusion			
NMA1622	Radioactive Contamination Exclusion			
NMA1331	Cancellation Clause			
NMA2915	Electronic Data Endorsement B			
NMA2962	Biological or Chemical Material Exclusion			
NMA2918	War and Terrorism Exclusion Endorsement			

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
NMA2340	Seepage & Pollution & Contamination Exclusion			
LSW1815 (7/12)	Statutory Conditions (British Columbia)			
LSW1589	Avian Influenza and Sars Exclusion			
LSW1565C (10/12)	Lloyd's Underwriters Code of Consumer Rights & Responsibilities			
LSW1135B	Lloyd's Privacy Policy Statement			
LSW1554	Subscription Policy			
LSW1548C	Standard Declarations			
R7 (3/02)	Short Rate Cancellation Table			
LMA5190 (7/12)	Canada Subscription Policy			

Annual Premium:

\$65,771

STRATA Corporations
COMMERCIAL LEGAL EXPENSE ENDORSEMENT #1

Insuring Clauses 1.1-1.6

Basic Cover

- 1.1 Civil Defence**
- 1.2 Criminal Defence**
- 1.3 Personal Injury**

Standard Cover

- 1.1 Civil Defence**
- 1.2 Criminal Defence**
- 1.3 Personal Injury**
- 1.4 Property Disputes**
- 1.5 Defence of Disputes with Owners**

Enhanced Cover

- 1.1 Civil Defence**
- 1.2 Criminal Defence**
- 1.3 Personal Injury**
- 1.4 Property Disputes**
- 1.5 Defence of Disputes with Owners**
- 1.6 Contract Disputes**

A Telephone Legal Advisory Service is provided under each level of Cover

Any Legal Expenses incurred without the Insurer's prior written consent will not be covered. Call the Underwriting Manager (DWF) before consulting a lawyer.

The **Underwriting Manager** under this policy is:

DWF Claims (Canada)
450-111 Queen St. E.,
Toronto, ON Canada M5C 1S2

1-844-953-3353

The Insured must notify the Underwriting Manager in writing immediately they are aware of any cause, event or circumstance which has or could give rise to a claim or legal proceedings which involve the Insured as soon as it comes to their attention.

Notwithstanding the limits of indemnity listed in the Declarations, any fees charged in excess of the Fee Limit (below) are the Insured's responsibility.

Territorial Limits: Canada.

Lawyer: All claims arising under all the Insuring Clauses are to be handled by a lawyer chosen by the Insured only from the list of approved firms, as amended from time to time, which will be provided by the Underwriting Manager to the Insured upon request.

Fee Limit: Legal fees of the Lawyer up to a maximum hourly rate of \$275.00 (two hundred and seventy five dollars).

Minimum Sum In Dispute: \$5000 – Insuring Agreement 1.6 (Contract Disputes) only.

Deductible: \$500 Any One Claim with respect to Legal Expenses other than the Telephone Legal Advisory.

Co-insurance: 10% co-insurance will apply to all claims under all Insuring Clauses where the Legal Expenses exceed \$10,000.

Retroactive Date: Initial inception when the Legal Expense Insurance was included in the Declarations.

Telephone Legal Advisory Service: A Legal Advisory Service is provided during normal business hours (9:00 A.M. – 5:00 P.M.) in conjunction with this insurance.

To contact the Telephone Legal Advisory Service, please phone 1-844-953-3353
(MB, SK, AB, BC, YT, NT)

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 18

1. INDEMNITY AGREEMENT

In the event that any of the insured property is lost or damaged during the policy period by an insured peril, the Insurer will indemnify the Insured against the direct loss or damage so caused to an amount not exceeding whichever is the least of:

- a) the value of the lost or damaged property as determined in Clause 15;
- b) the interest of the Insured in the property;
- c) the amount of insurance specified on the "Declarations Page" for the lost or damaged property.

The inclusion of more than one person or interest shall not increase the Insurer's liability.

2. INSURED PROPERTY

A. This form insures those of the following items for which an amount of insurance is specified on the "Declarations Page" and only while at the "premises":

"Building"
"Equipment"
"Stock"
"Contents"
"All Property"

If **Blanket coverage applies** is indicated on the "Declarations Page", "building" and/or "contents" and/or "equipment" and/or "stock" are insured for the amount of insurance so specified on the "Declarations Page".

B. This form also insures those of the following items for which an amount of insurance is specified on the "Declarations Page":

Temporary Locations: "Contents" other than at a specified location, except while in transit or outside Canada. There shall be no liability under this item at any location owned, rented, or controlled in whole or in part by the Insured.

Building at Newly Acquired Location: "Building" at any newly acquired location within Canada. This coverage attaches at the time of the acquisition and extends for a period of 30 days, or to the date of endorsement of this form adding such location, or until the expiry date of this policy, whichever occurs first. There is no coverage under this item for any "building" that is in the course of construction.

Contents at Newly Acquired Location: "Contents" at any newly acquired location within Canada that is owned, rented or controlled by the Insured in whole or in part. This coverage attaches at the time of the acquisition and extends for a period of 30 days, or to the date of endorsement of this form adding such location, or until the expiry date of this policy, whichever occurs first.

Property in Transit: "Contents" in the course of transit within Canada or the continental United States of America until delivered.

Sales Representative: "Contents", whether in transit or otherwise, within Canada or the continental United States of America while in the custody of a sales representative of the Insured.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified on the "Declarations Page" in any one occurrence.

Should any occurrence give rise to the application of more than one deductible amount for any one "premises", only the highest deductible will be applied.

4. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations Page" and only where the amount of loss or damage exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

The Insured shall maintain insurance concurrent with this form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in Clause 15 by the co-insurance percentage specified on the "Declarations Page". If the Insured fails to do so, the Insured shall be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

5. INSURED PERILS

This form, except as otherwise provided, insures against all risks of direct physical loss of or damage to the insured property.

6. EXCLUSIONS

A. EXCLUDED PROPERTY

This form does not insure loss of or damage to:

- a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the "building", outside communication towers, antennae (including satellite receivers) and attached equipment, streetclocks, or exterior signs. This exclusion does not apply to loss or damage caused directly by "Named Perils";
- b) property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;
- c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 l);
- d) growing plants, trees, shrubs or flowers, all while outside the "building", except as provided in Clause 7 e);
- e) animals, fish or birds. This exclusion does not apply to loss or damage caused directly by "Named Perils" or by theft or attempted theft;
- f) money, "cash cards", bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;
- g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, or precious and semi-precious stones. This exclusion does not apply to:
 - i) the first \$1,000 of any loss otherwise insured; or
 - ii) loss or damage caused directly by "Named Perils";
- i) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- j) property from the time of leaving the Insured's custody if it is:
 - i) loaned or rented or leased to others; or
 - ii) sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

This exclusion j) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;

- k) property in the custody of a sales representative outside the "premises", unless an amount of insurance is shown on the "Declarations Page" for Sales Representative;
- l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- m)
 - i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
 - ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimeters (24 inches) or less used for the storage of hot water for domestic use);

caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use.

This exclusion m) does not apply to:

- 1) manually portable gas cylinders;

- 2) explosion of natural, coal or manufactured gas;
- 3) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;
- n) roadways, walkways, parking lots or other exterior paved surfaces. This exclusion does not apply to the first \$10,000 of any loss otherwise insured;
- o) "equipment" or "stock" while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of "equipment" or "stock". This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 I);
- p) exterior glass or vitrolite and its lettering or ornamentation, except as provided in Clause 7 d). This exclusion does not apply to loss or damage caused directly by "Named Perils".

B. EXCLUDED PERILS

This form does not insure against loss or damage caused directly or indirectly:

- a) in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 I). This exclusion does not apply to property in transit;
- b) in whole or in part by flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in Clause 18 I). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;
- c)
 - i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this form;
 - ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this form;
 - iii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this form;
 - iv) by the entrance of water or natural precipitation diffused over the surface of the roof, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this form;
- d) by centrifugal force, mechanical or electrical breakdown or derangement, in or on the "premises". This exclusion does not apply to loss or damage caused directly by resultant fire;
- e)
 - i) by dampness or dryness of atmosphere;
 - ii) by changes in or extremes of temperature, heating or freezing;
 - iii) by total or partial interruption to the supply of electricity, water, gas or steam;

This exclusion e) does not apply to:

 - 1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph m) of Clause 6.A.;
 - 2) damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph m) of Clause 6.A.;
 - 3) loss of or damage to "building" or "equipment" caused directly by "Named Perils", theft or attempted theft;
 - 4) loss or damage caused directly by an accident to a transporting conveyance;
- f)
 - i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
 - ii) by contamination;

iii) by marring, scratching or crushing.

This exclusion f) does not apply to loss or damage caused directly by:

- 1) "Named Perils";
- 2) rupture of pipes or breakage of apparatus not excluded in paragraph m) of Clause 6.A.;
- 3) theft or attempted theft;
- 4) an accident to a transporting conveyance;

g) by smoke from agricultural smudging or industrial operations;

h) by rodents, insects, bats, raccoons, skunks or vermin. This exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this form;

i) by delay, loss of market, or loss of use or occupancy;

j) in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;

k)

i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Clause 18 I);

ii) by contamination by radioactive material;

l)

i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;

ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;

iii) by any dishonest or criminal act committed by anyone, except as stated in l) ii), when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.

This exclusion l) iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

m) by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 I);

n) by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:

i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;

ii) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;

iii) other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting directly from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimeters (24 inches) or less used for the heating and storage of hot water for domestic use;

iv) moving or rotating machinery or its parts;

v) any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply to other insured property that has been damaged by such explosion;

vi) gas turbines.

This exclusion (n) does not apply to loss or damage caused by resultant fire;

- o) by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this form;
- p) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;

C. POLLUTION EXCLUSION

This form does not insure against:

- a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up". This exclusion does not apply:
 - i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this form, or
 - ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

D. DATA EXCLUSION

- 1) This form does not insure "data".
- 2) This form does not insure loss or damage caused directly or indirectly by a "data problem". This exclusion 2) does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 I);

E. TERRORISM EXCLUSION

This form does not insure 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". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

F. FUNGI AND SPORES EXCLUSION

This form does not insure:

- a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores".
This exclusion does not apply:
 - i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
 - ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

G. OTHER EXCLUDED LOSSES:

This form does not insure:

- a)
 - i) wear and tear;
 - ii) rust or corrosion;
 - iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

This exclusion a) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

- b) the cost of making good:
 - i) faulty or improper material;
 - ii) faulty or improper workmanship;
 - iii) faulty or improper design.

This exclusion b) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

- c) mysterious disappearance, or shortage of "equipment" or "stock" disclosed on taking inventory.

7. EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amounts of insurance applying under this form and are subject to all the conditions of this form.

- a) **Removal:** If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.
- b)
 - i) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this form.

The amount payable under this extension shall not exceed 25% of the sum of:

- 1) the total amount payable for the direct loss of or damage to insured property; and
- 2) the amount of the applicable deductible.
- ii) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises".

Extensions of coverage b i) and b ii) do not apply to costs or expenses:

- 1) to "clean up" "pollutants" from land or water; or
- 2) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Debris removal expense shall not be considered in the calculation of the value as determined in Clause 15 for the purpose of applying co-insurance.

- c) **Personal Property of Officers and Employees:** At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
 - i) shall not attach if it is insured by the owner, unless the Insured is obliged to insure it or is liable for its loss or damage;
 - ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;
 - iii) shall apply only to loss or damage occurring at the "premises".
- d) **"Building" Damage by Theft:** This form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this form. This extension of cover shall be limited to a maximum recovery of \$2,500 for any one occurrence.
- e) **Growing Plants, Trees, Shrubs or Flowers outside the "Building":** This form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the "building" caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 18 I) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of:
 - i) \$500 for each growing plant, tree, shrub or flower; and
 - ii) \$5,000 for any one occurrence.

8. PERMISSION

Permission is granted:

- a) other insurance concurrent with this form;
- b) make additions, alterations or repairs;

- c) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

9. BREACH OF CONDITION

If the Insured does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable.

The Insurer will not deny a claim for this reason if the Insured proves that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if the Insured fails to comply with a condition in part of the "premises" over which the Insured has no control.

10. REINSTATEMENT

Loss under any item of this form shall not reduce the applicable amount of insurance.

11. SUBROGATION

The Insurer, upon making any payment or assuming liability for payment under this form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. All rights of subrogation are waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this policy.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

12. PROPERTY PROTECTION SYSTEMS

It is a condition of this insurance, for the purpose of Clause 9, that the Insured shall immediately notify the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

- a) sprinkler or other fire extinguishing system; or
- b) fire detection system; or
- c) intrusion detection system;

and shall also immediately notify the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

13. PREMIUM ADJUSTMENT

This clause is applicable if a specific amount of insurance is shown on the "Declarations Page" for "stock".

If, within six months after the expiry or anniversary date of each policy period, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the policy period, the value of the "stock" on the last day of each month at each "premises" as commented upon by the Insured's Accountant, the actual premium for the policy period shall then be calculated at the rate applying to each "premises" for the average amount of the total values declared. If the premium paid by the Insured for such "stock" exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 50% of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

14. VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the policy period, or within a year after termination or expiration, to inspect the insured property and to examine the Insured's books, records and such policies as relate to any insured property. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this form.

15. BASIS OF VALUATION

The value of the insured property shall be determined as follows:

- a) unsold "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- b) sold "stock": the selling price after allowance for discounts;
- c) the property of others in the custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended to such time;

- d) tenant's improvements:
 - i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the actual cash value of the tenant's improvements at the time and place of loss or damage;
 - ii) if not repaired or replaced with due diligence and dispatch, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease;
- e) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):
 - i) the cost of blank materials for reproducing the records; and
 - ii) the costs of labour to transcribe or copy the records when there is a duplicate.
- f) all other insured property under this form and for which no more specific conditions have been set out: the actual cash value at the time and place of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.

Actual Cash Value: Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.

16. PROPERTY OF OTHERS

At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or the owner of the property.

17. LOCKED VEHICLE WARRANTY

This clause does not apply to property which is under the control of a common carrier.

Warranted by the Insured that any vehicle in which the insured property is carried is equipped with a fully enclosed body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment, the doors of which are securely locked and the windows closed.

18. DEFINITIONS

Wherever used in this form:

- a) **"All Property"** means "building", "equipment" and "stock".
- b) **"Building"** means:
 - the building(s) described on the "Declarations Page" and includes:
 - i) fixed structures pertaining to the building(s) and located on the "premises";
 - ii) additions and extensions communicating and in contact with the building(s);
 - iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
- c) **"Cash cards"** means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- d) **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- e) **"Contents"** means "equipment" and "stock".
- f) **"Data"** means representations of information or concepts, in any form.

- g) **"Data problem"** means:
 - i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - ii) error in creating, amending, entering, deleting or using "data"; or
 - iii) inability to receive, transmit or use "data".
- h) **"Declarations Page"** means the Declarations Page applicable to this form.
- i) **"Equipment"** means:
 - 1) generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than "building" or "stock";
 - 2) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - 3) tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this form applies as though such tenant's improvements had been made at the expense of the Insured.
- j) **"Fire protective equipment"** includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - iii) any pond or reservoir in which the water is impounded by a dam.
- k) **"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 "spores" or resultant mycotoxins, allergens, or pathogens.
- l) **"Named Perils"** means:
 - (A) **FIRE OR LIGHTNING**
 - (B) **EXPLOSION:** Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - i)
 - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
 - d) smelt dissolving tanks;
 - ii) other vessels and apparatus and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - iv) any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
 - v) gas turbines;

The following are not explosions within the intent or meaning of this section:

- a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - b) bursting or rupture caused by hydrostatic pressure or freezing;
 - c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- (C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms Aircraft and Spacecraft include articles dropped from them.

There shall in no event be any liability for cumulative damage or for loss or damage:

- i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - ii) to aircraft, spacecraft or land vehicles causing the loss;
 - iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
- (D) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.

There shall in no event be any liability for loss or damage:

- i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 18(l)(B);
 - iii) due to theft or attempted theft.
- (E) **SMOKE:** The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.
- (F) **LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT":** The term Leakage From "Fire Protective Equipment" means:
- i) the leakage or discharge of water or other substances from;
 - ii) the collapse of;
 - iii) the rupture due to freezing of; "fire protective equipment" for the "premises" or for adjoining structures.

(G) **WINDSTORM OR HAIL:** There shall in no event be any liability for loss or damage:

- i) to the interior of the "building" or to "contents" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- m) **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- n) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at:
- i) each location described on the "Declarations Page";
 - ii) Temporary Locations and any Newly Acquired Location, if covered by this form;
- and in or on vehicles within 100 metres (328 feet) of such locations.
- o) **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
- p) **"Stock"** means:
- i) merchandise of every description usual to the Insured's business;
 - ii) packing, wrapping and advertising materials; and
 - iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.

- q) **"Surface water"** means water or natural precipitation temporarily diffused over the surface of the ground.
- r) **"Terrorism"** means an ideologically motivated unlawful act or acts, including 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.

SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUMS

This Form does not insure loss or damage to:

- Buildings or contents, if all units, are to the knowledge of the Condominium Corporation vacant or unoccupied for more than 30 consecutive days.

All other terms and conditions of this policy remain unchanged.

Underground Services Extension

It is understood and agreed that, if stated on the Declaration Page, this extension will to cover underground property & services, each occurrence of the insured loss or damage shall be adjusted as a separate claim and, from the total amount of each such separately adjusted claim, the deductible indicated on the declaration page shall be deducted. This coverage shall include the cost of excavation, grading and fill.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW
OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED**

This endorsement modifies insurance provided by forms PA1, PAP1, PAC1, PA2, PA3, PA6, PA11, PA12, PA21, PA22, PA23, PA24, PA26, PA29, PN1, PNP1, PNC1, PN6, PN11, PN12, PN21, PN23, PN24 and PN29, but only if indicated on the "Declarations Page" for the form.

1. The Insurer agrees to amend the Basis of Valuation from actual cash value to "replacement cost" subject to the following provisions:
 - (a) "replacement" shall be effected by the Insured with due diligence and dispatch;
 - (b) "replacement" shall be on the same site or on an adjacent site;
 - (c) settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such "replacement";
 - (d) any other insurance effected by or on behalf of the Insured in respect of the insured perils under this Policy on the property to which this endorsement is applicable shall be on the basis of "replacement cost";
 - (e) failing compliance by the Insured with any of the above provisions, settlement shall be made as if this endorsement had not been in effect.
2. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that lost or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.

3. Exclusions

This endorsement does not apply to:

- (a) "stock";
- (b) patterns, dies, moulds;
- (c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
- (d) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);
- (e) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

4. Definitions

- (a) "replacement" includes repair, construction or re-construction with new property of like kind and quality; and
- (b) "replacement cost" means whichever is the least of the cost of replacing, repairing, constructing or re-constructing the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, Replacement Cost coverage is restricted to the locations so indicated.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

Stated Amount Co-Insurance Extension

PE2

This extension modifies coverage provided by forms PA1, PAP1, PAC1, PA6, PA8, PN1, PNP1 and PNC1, but only if indicated on the Declarations Page for the form.

To qualify for Stated Amount Co-Insurance Extension a certified commercial replacement cost building appraisal must be submitted by the Insured. The appraisal must be provided every three (3) years and the building values will be automatically increased by Five (5) percent every year for the two years preceding the appraisal date (or amended once a new appraisal is supplied)

It is part of the consideration of this policy and basis upon which the rate of premium is fixed that the Insured shall maintain insurance by or concurrent in form, range and wording with this policy on the property hereby insured, so that the total amount of insurance on the said property shall not be less than the amount indicated in the appraisal provided for the replacement cost of the building or by the appraisal amount plus Five (5) Percent increase in the building up to the third year of the appraisal. If this is so met then the co-insurance requirements are considered to be fulfilled under this extension.

If the conditions above are not met, this extension will not be in effect or will cease and the Standard Co-Insurance Clause of this policy will be applicable.

If **Restricted to locations** is indicated on the Declarations Page applicable to this extension, stated amount co-insurance is restricted to the locations so indicated.

All other terms and conditions of this Policy remain unchanged.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This endorsement modifies insurance provided by forms PA1, PAP1, PA8, PN1 and PNP1, but only if indicated on the "Declarations Page" for the form.

It is agreed that:

1. The amount of insurance applicable to "building" shall increase during the policy period by the proportion by which the latest published Statistics Canada Non-Residential Building Construction Price Indexes has increased since the last "premium due date".
2. At the "premium due date", the amount of insurance shall be increased automatically in accordance with the latest published Statistics Canada Non-Residential Building Construction Price Indexes and the appropriate premium charged.
3. If the amount of insurance applicable to "building" is changed at the request of the Insured during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of such change.

4. Definition

"Premium due date" means the inception or renewal date of the Policy. "Premium due date" does not mean the date on which any periodic instalment of the premium is payable.

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, Building Inflation Protection coverage is restricted to the locations so indicated.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This endorsement modifies insurance provided by forms PA1, PAP1, PA8, PN1 and PNP1, but only if indicated on the "Declarations Page" for the form.

1. Indemnity Agreement

This insurance is, without increasing the amount of insurance, and only as a result of an insured peril, extended to indemnify the Insured for:

- (a) loss occasioned by the demolition of any undamaged portion of the "building";
- (b) the cost of demolishing and clearing the site of any undamaged portion of the "building";
- (c) any increase in the cost of repairing, replacing, constructing or reconstructing the "building" 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" and
- (ii) is in force at the time of loss or damage.

2. Exclusions

This endorsement does not insure against:

- (a) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
- (b) direct or indirect loss, damage, cost or expense, arising out of "clean-up" resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants";
- (c) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants"; or
- (d) the enforcement of any by-law, regulation, ordinance or law which would apply in the absence of a loss.

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, Building By-laws coverage is restricted to the locations so indicated.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW
OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED**

This endorsement modifies insurance provided by forms PA1, PAP1, PAC1, PA2, PA6, PA8, PA13, PA21, PA22, PA23, PN1, PNP1, PNC1, PN6, PN11, PN12, PN13, PN18, PN19, PN21, PN23, PN24 and PN29, but only if indicated on the "Declarations Page" for the form.

1. Insured Peril

This insurance is extended to include "sewer back up".

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by "sewer back up" exceeds the amount of the deductible specified on the "Declarations Page" for this endorsement in any one occurrence. This Deductible Clause applies separately to each "premises" to which this endorsement applies.

3. Limit of Insurance

If an amount of insurance is specified on the "Declarations Page" for this endorsement the Insurer shall not be liable for more than that amount.

4. Definition

"Sewer back up" means the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the "Declarations Page", of water from within sewers, sumps, septic tanks or drains other than roof drains. For the purpose of this definition, the building does not include roadways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures.

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, sewer back-up coverage is restricted to the locations so indicated.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This endorsement modifies insurance provided by forms PA1, PAP1, PAC1, PA2, PA3, PA6, PA8, PA23, PA24, PN1, PNP1, PNC1, PN6, PN19, PN21, PN23 and PN29, but only if indicated on the "Declarations Page" for the form.

1. Insured Peril

This insurance is extended to include "flood".

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by "flood" exceeds the amount of the deductible specified on the "Declarations Page" for this endorsement in any one "flood occurrence".

This Deductible Clause applies separately to each "premises" to which this endorsement applies.

3. Exclusions

This endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to "flood":

- (a) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the "Declarations Page", of water from within sewers, sumps, septic tanks or drains;
- (b) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors;
- (c) (i) fire, explosion, smoke, leakage from "fire protective equipment", theft, riot, vandalism or malicious acts.
(ii) leakage from a watermain.

4. Extension of Coverage

The Insurer shall be liable for loss or damage to the insured property caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from "flood".

5. Definitions

- (a) "Flood" means the breaking out or overflow of any natural or artificial body of water and includes "surface water", waves, tides, tidal waves and tsunamis.
- (b) "Flood occurrence" means all flooding which occurs within any 168 consecutive hours commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.
- (c) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, flood coverage is restricted to the locations so indicated.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

Water Damage Deductible

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This Endorsement modifies insurance provided under the property form(s) to which it is attached.

Each claim for water damage that is insured by this policy, except claims for "Flood" or "Sewer Back-Up", shall be adjusted separately and from the amount so determined the deductible amount specified on the "Declaration Page" for this endorsement shall be deducted.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This endorsement modifies insurance provided by forms PA1, PAP1, PAC1, PA2, PA3, PA6, PA8, PA23, PA24, PA25, PN1, PNP1, PNC1, PN6, PN14, PN15, PN19, PN23 and PN29, but only if indicated on the Declarations Page for the form.

This endorsement applies separately to each location for which Earthquake Shock is specified on the "Declarations Page".

1. Insured Peril

This insurance is extended to include "earthquake".

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by "earthquake" exceeds the amount of the deductible specified on the "Declarations Page" for this endorsement in any "earthquake occurrence".

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item separately as specified on the "Declarations Page".

If both an amount and a percentage are specified on the "Declarations Page", whichever deductible is greater shall apply.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the policy.

3. Exclusions

This endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to "earthquake":

- (a) fire, explosion, or smoke;
- (b) leakage from "fire protective equipment";
- (c) theft, or vandalism and malicious acts;
- (d) flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water, waterborne objects or ice.

4. Extension of Coverage

The Insurer shall be liable for loss or damage to the insured property caused by wind, hail, rain or snow entering a "building" through an opening in the roof or walls directly resulting from an "earthquake".

5. Definitions

- (a) "Earthquake" includes snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
- (b) "Earthquake occurrence" means all earthquake shocks which occur within 168 consecutive hours, commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.

All other terms and conditions of the policy to which this endorsement applies remain unchanged.

This extension modifies coverage provided by forms PA1, PAP1, PAC1, PA6, PN1, PNP1, PNC1 and PN6, but only if indicated on the Declarations Page for the form.

1. INDEMNITY AGREEMENT

The Insurer will indemnify the Insured for

A. expenses incurred to "clean up" "pollutants" at the "premises", and

B. loss or damage to property insured caused directly by "pollutants"

provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

(a) is sudden, unexpected and unintended from the standpoint of the Insured,

(b) is not otherwise insured under the form to which this extension is attached, and

(c) first occurs during the policy period.

2. LIMIT OF INSURANCE

The maximum amount of insurance under this extension during any one policy period shall not exceed in the aggregate, the Limit specified on the Declarations Page for this extension.

3. NO AUTOMATIC REINSTATEMENT

Notwithstanding the Reinstatement Clause in the form to which this extension is attached, following a loss under this extension the Limit of Liability specified on the Declarations Page for this extension will be reduced by the amount payable.

4. DEDUCTIBLE

The Insurer is liable for the amount by which the expenses exceed the amount of the deductible, if any, specified on the "Declarations Page" in any one occurrence.

5. ADDITIONAL EXCLUSION

The Insurer shall not be liable for:

(a) expenses for "clean up" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration release or escape of "pollutants", even if the "pollutants" emanated from the "premises";

(b) expenses for "clean up" of or loss or damage to insured property caused directly by any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" that began before the effective date of this extension;

(c) fines, penalties, punitive or exemplary damages;

(d) expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste.

6. ADDITIONAL POLICY CONDITIONS

A. REPORTING PERIOD

It is a condition precedent to recovery under this extension that all expenses insured by this extension must be incurred and reported to the Insurer within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration, or escape of "pollutants" for which "clean up" expenses are being claimed.

B. OTHER INSURANCE

The insurance afforded by this extension shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

7. DEFINITIONS

Wherever used in this extension:

(a) "**Declarations Page**" means the Declarations Page, applicable to the form to which this extension is attached.

(b) "**Clean up**" means the removal, containment, treatment, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes .

(c) "**Premises**" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations Page".

(d) "**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

8. LOCATION RESTRICTION

If **Restricted to locations** is indicated on the Declarations Page applicable to this extension, pollution coverage is restricted to the locations so indicated.

All other terms and conditions of this policy remain unchanged.

Consequential Loss Coverage Extension (Including Off Premises Power)

PE16

This extension modifies coverage provided by forms PA1, PAP1, PAC1, PA6, PN1, PNP1, PNC1 and PN6, but only if indicated on the Declarations Page for the form.

Insurance is extended to include loss, destruction or damage to stock, due to change in temperature resulting from damage caused by perils insured against, to the refrigerating or cooling apparatus, connections or supply pipes and apparatus furnishing power therefor and/or gas and/or water facilities (including their connections and supply or transmission lines and pipes) furnishing or transmitting power and/or gas and/or water to the operations of the Insured.

The foregoing extension is subject otherwise to all the terms and conditions of the policy (as now existing or hereafter changed) and without increasing the amount insured.

If it is further understood and agreed that, if there shall be other fire insurance on the said property, the Insurer shall only be liable by virtue of this extension of liability for not exceeding such proportion of such Consequential Loss as the amount of fire insurance on this policy bears to the total amount of fire insurance on the property, whether such other fire insurance does or does not cover Consequential Loss, and whether or not such other fire insurance be valid or collectible.

No liability is assumed hereunder for any loss specifically excluded under the Riot, Vandalism or Malicious Acts provisions of this Policy.

If a **Sub-limit** is indicated on the Declarations Page applicable to this extension, the sub-limit so indicated applies as the maximum amount payable as a result of a consequential loss claim.

If **Restricted to locations** is indicated on the Declarations Page applicable to this extension, consequential loss coverage is restricted to the locations so indicated.

All other terms and conditions of this policy remain unchanged.

Property on Loan, Rental or Demonstration Extension

PE18

This extension modifies coverage provided by form PA1, PA6, PAP1 and PAC1, but only if indicated on the Declarations Page for the form.

Property insured under Form PA1 - Building, Equipment and Stock (Broad Form) is extended to include Property on Loan, Rental or Demonstration, but only when such property is within Canada and the continental United States of America (excluding Alaska).

All other terms and conditions of this policy remain unchanged.

This extension modifies coverage provided by form PA1, PAP1, PAC1, PA6, PN1, PNP1, PNC1 and PN6, but only if indicated on the Declarations Page for the form.

1. This extension indemnifies against expenses directly incurred by the Insured for fighting fire on the premises owned and/or leased and/or occupied by the Insured.
2. The Insurer shall not be liable for more than the amount of insurance, being the **Annual aggregate limit**, specified on the Declarations Page for this extension.
3. This insurance shall not cover any Consequential Loss or Damage of any kind or description whatsoever.
4. If the Insured incurs expenses for fighting fire on property not owned and/or leased by them, the Insured agrees to subrogate to the Insurer the right of recovery against any individual or corporation for expenses incurred on such other property.
5. Insurance provided herein shall extend to include expenses and costs incurred by or assessed against the Named Insured (or others on behalf of the Named Insured) for fighting fire on premises used, owned, leased, occupied or being logged by the Named Insured or by their contractors (including any property adjacent thereto).
6. Expenses and costs shall include, but not be limited to, charges for the use of fire fighting equipment and supplies of the Insured or of others, salaries of personnel operating such equipment or otherwise fighting the fire, and the cost of transporting such equipment to and from the fire.
7. Expenses and costs incurred after this Policy's expiry date for fighting fires which originated prior to the expiry date are insured herein.
8. Any portion of the described expenses that is recovered by the Insured from any Governmental department or agency or other party is not recoverable hereunder.
9. **SHUTDOWN:** Insurance under this item shall be void in the event of violation by the Insured of regulations relative to shutdown during the dry season, made or published by the Forestry Department of the Province in which the insured property is located.
10. Notwithstanding the warranty contained in Clause 9, permission is hereby granted the Insured to use and operate the equipment necessary for the fighting of fires, or for the towing of logs in any body of water; to repair and keep their trucks, railroad rolling stock and machinery, provided such repairs and upkeep are done at a safe distance from their actual logging operations; to make and repair roads other than in the logging area; to keep and maintain log dumps and booming grounds; to operate camps.
11. **DEDUCTIBLE:** Each occurrence resulting in a claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim shall be deducted the amount, if any, stated on the Declarations Page for this extension. Losses net of each and every loss deductible will be applied to the **Annual aggregate limit** until exhausted.

All other terms and conditions of this policy remain unchanged.

This extension modifies coverage provided by forms PA1, PAP1 and PAC1, but only if indicated on the Declarations Page for the form.

This extension covers for amounts stated on the Declarations Page applicable to this extension, as follows:

Coverage A - Condominium Unit

This Form Insures the Insured's interest (excluding any interest in improvements and betterments made or acquired by the Insured) in the described Condominium "Unit" owned by the Insured, to the extent that it is not so insured by the "Condominium Corporation" or to the extent that the Insurance placed by the "Condominium Corporation" is not effective or is inadequate.

In the event of loss or damage to the Condominium "Unit" insured herein during the term of this Policy by the peril(s) insured against, the liability of the Insurer shall be determined as follows;

- (i) If the property is repaired or replaced with due diligence and dispatch, the Insurer shall pay the actual expense (if any) incurred by the Insured for such repair or replacement with materials of like kind and quality without deduction for depreciation, less any recovery for the benefit of the Insured for loss or damage to the "Unit" owned by the Insured, from any Insurance covering the collective interests of the "Unit" owners.
- (ii) If the property is not repaired or replaced with due diligence and dispatch, the Insurer shall pay the actual cash value of the damaged or destroyed "Unit", less any recovery for the benefit of the Insured for loss or damage to such "Unit" owned by the Insured, from any Insurance covering the collective interests of the "Unit" owners.

Coverage B - Unit Improvements And Betterments

This Form insures Improvements and Betterments to the "Unit" made or acquired by the Insured including;

- (i) Any building, structure or swimming pool situated on the premises; and
- (ii) Materials and supplies on the premises intended for such use in such Improvements and Betterments.

Coverage C - Condominium Unit Owners - Loss Assessment

In the event of any loss or damage to any portion of the common elements of the building of which the Insured's "Unit" forms a part caused by a peril insured against, this Form covers the Insured's share of an assessment against all "Unit" owners made by the "Condominium Corporation", provided such assessment is for actual expenditure for repair or replacement made necessary by such loss or damage which is in excess of any recovery for the benefit of the Insured as owner of the "Unit" from Insurance covering the collective interest of the Condominium "Unit" owners.

This Form does not include coverage for any portion of an assessment made necessary by a deductible in any insurance covering the collective interests of the Condominium "Unit" owners.

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount of each adjusted claim the amount, if any, stated on the Declarations Page applicable to this extension shall be deducted.

Subrogation

The Insurer, upon making any payment or assuming liability therefore under this Form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Except with respect to arson, fraud, or vehicle impact, the Insurer agrees to waive its right of subrogation as to any claim against the "Condominium Corporation", its directors, property managers, agents and employees. Independent contractors shall not be considered to be agents or employees of the "Condominium Corporation", its directors, property managers, or of the "Unit" owners.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by each.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

Definitions

"Condominium Corporation" means a corporation constituted under provincial legislation relating to condominiums or co-ownership by declaration and includes a strata corporation and in Quebec means the meeting of co-proprietors duly constituted.

"Unit" means the unit as defined in provincial legislation relating to condominium or co-ownership by declaration and includes a strata lot, and in Quebec exclusive portion as defined.

Loss, if any, under this Form shall be payable to the Insured.

All other terms and conditions of this policy remain unchanged.

Personal Property of Officers and Employees Increased Limit Extension

PE26

This extension modifies coverage provided by form PA1, PAP1, PAC1, PA6, PN1, PNP1, PNC1 and PN6, but only if indicated on the Declarations Page for the form.

The maximum recovery in respect of any one officer or employee is increased from \$250 to the limit indicated on the Declarations Page applicable to this extension.

All other terms and conditions of this Policy remain unchanged.

Automatic Fire Suppression System Recharge Expenses Extension

PE27

This extension modifies coverage provided by form PA1, PAP1, PAC1, PA6, PN1, PNP1, PNC1 and PN6, but only if indicated on the Declarations Page for the form.

This Insurance covers automatic fire suppression system recharge expenses incurred by the Insured due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at the Insured's premises where such discharge or leakage is caused by or results from a peril insured.

All other terms and conditions of this Policy remain unchanged.

Master Key Coverage Extension

PE28

This extension modifies coverage provided by form PA1, PAP1, PAC1, PA6, PN1, PNP1, PNC1 and PN6, but only if indicated on the Declarations Page for the form.

This Insurance covers loss caused by the necessary replacement of locks and keys and the necessary reasonable increased cost of security required to protect property until the replacement of locks and keys has been completed, following burglary or robbery of master keys from premises shown on the Declarations Page for the form to which this extension applies, subject to the Deductible, if any, indicated on the Declarations Page applicable to this extension.

All other terms and conditions of this Policy remain unchanged.

This extension modifies coverage provided by the Property, Business Interruption and Business Income forms, but only if indicated on the Declarations Page for the form.

This Form insures Fees to Substantiate Loss, being reasonable fees, not to exceed the Limit stated on the Declarations Page applicable to this Form, charged by "Independent Consultants" retained by the Insured for the purpose of producing and/or certifying particulars and details required by the Insurer in connection with an insured loss.

This extension may also apply to any Business Interruption or Business Income loss covered under this Policy. This extension of coverage shall not be considered for the purpose of determining the application of any Coinsurance clause.

"Independent Consultants" means auditors, accountants, lawyers, architects, engineers or other professionals, excepting the Insured's own employees.

All other terms and conditions of this policy remain unchanged.

Building Damage by Theft Endorsement

It is hereby understood and agreed to that form PAP1 Property of Every Description (Broad Form) is amended to read as follows:

(d) **"Building" Damage by Theft:** This form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such "building" or is liable for such damage and the "building" is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of five thousand dollars (\$10,000.) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.

All other terms and conditions remain unchanged.

Catch All Clause

In the event of a claim being made under any Extension specified under *Extensions of Coverage*, and, following the application of all terms, deductibles, and conditions applicable to the Extension, if the amount of insurance is insufficient to fully indemnify the Insured for loss or damage, then the insurance under this Form is extended to provide additional coverage, in excess of any such adjusted claim.

In no event shall the Insurer be liable, in any one occurrence, for more than:

1. The difference between the amount payable, under the adjusted claims(s), and the amount required to fully indemnify the Insured; or
2. The amount of insurance specified for this Extension in the Declaration for this Extension; whichever is the lesser amount.

If the amount of insurance for more than one Extension is insufficient, this Catch All Clause may be applied to one or more Extensions in any one loss occurrence. In the event that claim is made under this Catch All Clause, the insured shall elect which Extensions shall receive the benefit of this Catch All Clause.

The insurer shall not be liable for more than the amount show in the Declaration page in any one occurrence, no matter how many Extension limits are insufficient.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Closure by Order of Civil Authority

This Form is extended to include the actual loss as covered hereunder during the period of time not exceeding 2(two) weeks, while access to the described Premises is prohibited by order of civil authority, but only when such order is given as a direct result of damage, to neighbouring premises, by a peril that would have been insured against had the loss occurred on the Premises.

All other terms and conditions of this policy remain unchanged.

Cost to Prepare Proof of Loss Extension

Subject to the Professional Fees Extension, the insurance under this Form is extended to indemnify the Insured for reasonable costs incurred in the preparation of any Proof of Loss form required by the Insurer in connection with any claim made under this Policy.

All other terms and conditions of this policy remain unchanged.

Deferred Sales Extension

In the event that property insured, sold by the Insured under conditional sale or installment or deferred payment plan, is lost or damaged by a peril insured against prior to the Insured receiving complete payment, the Insurance under this Form is extended to cover the Insured's interest in such lost or damaged property while in transit to or following delivery to the purchaser, however the Insurer shall not be liable, under this extension, for loss resulting from default by the purchaser, of any such conditional sale or installment or deferred payment plan.

All other terms and conditions of this policy remain unchanged.

Expediting Expense Extension

In the event of loss of or damage to property insured, the insurance under this Form is extended to cover the extra cost to make reasonable temporary repairs, or to expedite reasonable permanent repairs and to expedite permanent replacement of the lost or damaged property.

All other terms and conditions of this policy remain unchanged.

General Purpose Endorsement – Jewellery Limit

It is hereby understood and agreed to that PAP1 Property of Every Description (Broad Form) is amended as follows:

6. Exclusions

A. Property Excluded

- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones, and pre-recorded video tapes but this exclusion does not apply to:
 - (i) the first ten thousand dollars (\$10,000.) of any loss insured herein;
 - (ii) any loss or damage caused directly by "Named Perils";

All other terms and conditions remain unchanged.

Glass & Signs Extension

This endorsement modifies insurance provided under the Property of Every Description (PAP1) as follows:

Paragraph 6 (Exclusions), Section A (Property Excluded), Item A is amended to read as follows and not as previously shown:

a) sewers, drains or water mains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, streetclocks, but this exclusion does not apply to loss or damage caused directly by "Named Perils."

The Insurer is liable for the amount by which loss or damage (to any covered exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon) caused by any of the perils insured against exceeds the amount of the deductible specified on the "Declarations Page" in any one occurrence.

Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

ALL OTHERS TERMS AND CONDITIONS REMAIN UNCHANGED.

Home Office Extension

The Insurance under this Form is extended to cover insured property while away from the Premises at the home office of the Insured or the Insured's Employees.

All other terms and conditions of this policy remain unchanged.

Identity Theft Endorsement

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DESCRIBED IN THE DEFINITIONS.

1. INDEMNITY AGREEMENT

We will reimburse the named insured(s) as shown on the "declarations" for expenses arising from an act of "identity theft" committed against the named insured(s) provided that they first became aware of the occurrence of identity theft during the policy period. The insurer will provided the coverage described and limited in this endorsement to the named insured(s) who are individuals, partners, or corporations (including their shareholders with at least 20% equity in the ownership of the corporation), subject to the terms and conditions set out provided the following events have occurred:

2. COVERAGE

The maximum amount of Insurance under this endorsement during any one policy period shall not exceed \$25,000 in the aggregate, to reimburse the Insured for the following costs and expenses incurred as a result of an "identity theft" regardless of the number of named insured(s) involved or affected:

- (a) The costs incurred for notarizing affidavits or similar documents for law enforcement agencies, financial institutions or similar credit grantors and credit agencies;
- (b) Fees for re-application of loans which have been declined due to erroneous information;
- (c) Long distance telephone costs to businesses, law enforcement agencies or financial institutions;
- (d) Registered mail costs to businesses, law enforcement agencies or financial institutions;
- (e) Legal costs incurred for the named insured(s) defense from any suit(s) by businesses or their collection agencies;
- (f) Legal costs incurred for the removal of any criminal or civil judgments wrongly entered against the named insured(s);
- (g) Legal costs associated with any challenge to the information in the named insured(s) consumer credit report;
- (h) Lost wages resulting from time required away from the named insured(s) employment, up to \$250 per day, to a maximum of \$2,000.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "declarations" in any one occurrence.

4. EXCLUSIONS

This form does not insure:

- (a) Any losses covered under any credit card, forgery and counterfeit money coverage, within the underlying wordings to which this endorsement is attached;
- (b) Any losses covered by credit card insurance, bank insurance or any other coverage provided to the named insured(s). Other insurance will be considered primary and this endorsement will apply only after these other coverages have been exhausted;
- (c) Any losses resulting from the Insured(s) non-compliance with the terms and requirements stipulated with the issuance of any bank card or credit card including secure storage of PINS (Personal Identification Numbers) and personal information; nor do we insure direct or indirect loss or damage, in whole or in part;
 - (d) caused by or arising out of the named insured(s) fraudulent, dishonest or criminal acts;
 - (e) caused by or arising out of the named insured(s) non-business pursuits;
 - (f) caused by or arising out of named insured(s) own use of their identity;
 - (g) caused by or arising out of the named insured(s) intentional misuse of your identity;

regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

5. NOTICE TO AUTHORITIES

The named insured(s) shown on the "declarations" must promptly notify an applicable law enforcement agency when they become aware that an "identity theft" has occurred.

6. DEFINITIONS

Wherever used in this form;

- (a) **"Identity Theft"** means the act of knowingly transferring or using, without lawful authority, the named insured(s) means of identity which constitutes a violation of federal law or a crime or offence under any applicable federal, provincial, territorial or local law. "Identity Theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

"Identity Theft" does not include the unauthorized use of a valid credit card, credit account or bank account.

"Identity Theft" does not include the fraudulent use of a business name, trade name, or brand identity or other method of identifying a business activity.

- (b) **"Declarations"** means the declarations page applicable to this form.

All other terms and conditions of this policy remain unchanged.

INSURING AGREEMENTS

In consideration of the Premium charged, the Insurer agrees with the Insured named in the Declarations respecting loss from an Accident, as defined herein, occurring during the Period of Coverage, to an Object, as defined herein, while the Object is in use or connected ready for use at the Location specified for it in the Declarations, subject to the Declarations, this Form and any endorsements issued, as follows:

1. PROPERTY DAMAGE

To pay for loss to property of the Insured and to the property of others in the care, custody or control of the Insured for which the Insured is legally liable, directly damaged by such Accident (or, if the Insurer so elects, to repair or replace such damaged property);

2. EXPEDITING EXPENSES

To pay for the reasonable extra cost of temporary repair and of expediting the repair of such damaged property of the Insured, including overtime and the extra cost of express or other rapid means of transportation;

EXCLUSIONS

This Policy does not apply:

1. to loss from an Accident caused directly or indirectly by:
 - a) war, bombardment, invasion, insurrection, rebellion, revolution, military or usurped power, enemy attack including any action or measure taken in resisting, combating, or delaying the enemy;
 - b) operations of armed forces while engaged in hostilities, whether war be declared or not; or
 - c) the explosion of a concentration of munitions or explosives being manufactured, stored or transported in Canada.
2. to loss, whether it be direct or indirect, proximate or remote:
 - a) from an Accident caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled; or
 - b) from nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by an Accident;
nor shall the Insurer be liable for any loss covered in whole or in part by any contract of insurance, carried by the Insured, which also covers any hazard or peril of nuclear reaction or nuclear radiation.
3. under Insuring Agreement 1 to loss:
 - a) from fire concomitant with or following an Accident or from the use of water or other means to extinguish fire;
 - b) from an Accident caused directly or indirectly by fire, smoke or from the use of water or other means to extinguish fire;
 - c) from a combustion explosion outside the Object concomitant with or following an Accident;
 - d) from an Accident caused directly or indirectly by a combustion explosion outside the Object;
 - e) from flood unless an Accident ensues and the Insurer shall then be liable only for loss from such ensuing Accident;
 - f) from an Accident caused directly by wind, including but not limited to cyclone, tornado, hurricane or by hail;
 - g) from an Accident caused directly or indirectly by or resulting from earth movement, including but not limited to earthquake, tidal wave, tsunami, landslide, mudflow, subsidence or volcanic eruption;
 - h) from an Accident directly caused by or resulting from lightning if coverage for that cause is provided by any other policy of insurance in effect at the time of the loss;
 - i) from delay or interruption of business or manufacturing or process;
 - j) from lack of power, light, heat, steam or refrigeration; and
 - k) from any other indirect result of an Accident.

CONDITIONS

1. **LIMIT OF LIABILITY – PER ACCIDENT:** The Insurer's total liability for loss from any One Accident shall not exceed the amount so indicated, stated in the Declarations as "Limit per Accident" for the Location of the Object to which the Accident occurred. If One Accident occurs to more than one Object, the Limit per Accident applicable to said One Accident shall not exceed the highest Limit per Accident specified as applicable to any one of the said Objects. The term "One Accident" shall be taken as including all resultant or concomitant Accidents whether to one Object or to more than one Object or to part of an Object. The inclusion herein of more than one Insured shall not operate to increase the limits of the Insurer's liability.
2. **LIMIT OF LIABILITY – EXPEDITING EXPENSES:** The limit of the Insurer's liability shall be an amount equal to the difference between the Limit per Accident or Combined Direct Damage and Business Interruption Limit and the amount paid under Insuring Agreement 1 provided that the Insurer's total liability under Insuring Agreement 2 shall not exceed the Limit of Liability specified in the Declarations for "Expediting Expenses".
3. **COMBINED DIRECT DAMAGE AND BUSINESS INTERRUPTION LIMIT:** The Insurer's total liability for loss of the kind insured against this Policy or under the Endorsements forming a part thereof, resulting from any One Accident shall in no event exceed the Limit of Liability as stated in the Declarations as "Combined Direct Damage and Business Interruption Limit".

- a) **ORDER OF PAYMENT:** Payments shall be determined in the following fixed order and the portion of the limit for any One Accident applicable to each coverage of the Policy shall be the extent of any indemnity remaining after payment of all loss as may be required under all preceding coverage(s):
- i Insuring Agreement 1 of this Policy;
 - ii Insuring Agreement 2 of this Policy;
 - iii Business Interruption.

4. **PROPERTY VALUATION**

- a) **ACTUAL CASH VALUE - INSURING AGREEMENT 1:** (Applies unless "Repair or Replacement Included" is indicated in the Declarations for this Form). The limit of the Insurer's liability for loss on the property of the Insured shall not exceed the actual cash value thereof at the time of the Accident. If, as respects the damaged property of the Insured, the repair or replacement of any part or parts of an Object is involved, the Insurer shall not be liable for the cost of the such repair or replacement in excess of the actual cash value of said part or parts in excess of the actual cash value of the Object, whichever value is less. Actual cash value in all cases shall be ascertained with proper deductions for depreciation, however caused.
- b) **REPAIR OR REPLACEMENT – INSURING AGREEMENT 1:** (Applies if "Repair or Replacement Included" is indicated in the Declarations for this Form). The Insurer agrees that loss on property of the Insured as specified in Insuring Agreement 1 shall mean the amount actually expended by the Insured to repair or replace such property of the Insured, all subject to the following provisions:
- i the damaged property shall be repaired or replaced within 12 (twelve) months from the date of the Accident unless such period is extended with written consent of the Insurer;
 - ii the Insurer's liability for any repair or replacement shall be limited to the least of the following:
 - (1) the cost at the time of the Accident to repair the said property; or
 - (2) the cost at the time of the Accident to replace the said property on the same site with property of like kind, capacity, size and quality; provided that in the event the replacement is by property of a better kind or quality or of larger capacity or size, the liability of the Insurer shall not exceed the amount that would be paid if the replacement had been made by property of like kind, capacity, size and quality;
 - iii the Insurer shall not be liable for:
 - (1) any increase to the cost of repair or replacement necessitated by an ordinance or law regulating or restriction repair, construction or installation;
 - (2) loss or damage to property useless to the Insured or obsolete to the Insured; or
 - (3) the cost of repairing or replacing any part or parts of an Object which is in excess of the cost of repairing or replacing the entire Object;
 - iv if any damaged property is not repaired or replaced, the Insurer's liability as respects such property shall be limited to the amount that would have been paid had "Repair or Replacement Included" not been shown in the Declarations for this Form.
- c) **CAST IRON SECTIONAL BOILERS – INSURING AGREEMENT 1:** In the event that replacement for any section, or sections, forming part of a cast iron boiler that is damaged by an Accident as defined in the Policy are unavailable, the liability of the Insurer shall be limited to no more than that proportion of the cost of installing a replacement unit of like kind, capacity, size and quality, than the number of damaged sections bears to the total number of sections comprising the complete boiler, or the actual cash value of the Object at the time of the loss, whichever is less.

5. **BY-LAWS:** If indicated in the Declarations as applicable, the Insurer shall, subject to the Limit per Accident be liable for loss of property of the Insured occasioned by the enforcement of any provincial or municipal law, by-law or ordinance which necessitates the rebuilding and reconstruction (including any necessary demolition and site clearing costs) of any portion of the property of the Insured, provided such loss results from an Accident to an Insured Object designated and described in any Schedules or Endorsements forming a part of this Policy.

- a) Article 4(b)(ii)(2) is deleted and the following substituted therefore:
- (2) the cost at the time of the Accident to replace the said property with property of like kind, capacity, size and quality; provided that in the event the replacement is by property of a better kind or quality or of larger capacity or size, the liability of the Insurer shall not exceed the amount that would be paid if the replacement had been made by property of like kind, capacity, size and quality;
- b) Article 4(b)(iii)(1) is deleted in its entirety.

6. **AUTOMATIC COVERAGE:** Any Object (except any Object of the portable type moved from place to place so that its operation customarily would not be restricted to one location) within Canada similar to any Object designated and described in the Declarations:

- a) hereafter installed by the Insured at any Location specified in the Declarations shall be considered as added to the Policy as of the time said Object is first placed in operation by the Insured, subject to the Limit per Accident or Combined Direct Damage and Business Interruption Limit specified for the Location where the Object is installed, and subject to the insurance applicable to another similar Object at the Location where the Object is installed except that if there are no other similar Objects at said Location, such Object hereafter installed shall be subject to the insurance (excluding Business Interruption, Consequential Damage, and any other indirect insurance) applicable to another similar Object at any Location, or
- b) existing in any property hereafter acquired by the Insured shall be considered as added to this Policy as of the time said Object is first placed in operation by the Insured, subject to the insurance (excluding Business Interruption, Consequential Damage, and any other indirect insurance) applicable to any similar Object insured under the Policy and all subject to the highest Limit per Accident or Combined Direct Damage and Business Interruption Limit applicable to any similar Object at any specified location;

provided that the Insured notifies the Insurer in writing within 90 (ninety) days after said date of first operation, but not otherwise, and agrees to pay the required additional premium for insurance on said Object in accordance with the Insurer's Manual of Rules and Rates in force on the date said Object is first placed in operation by the Insured.

7. **MALICIOUS MISCHIEF:** Subject to Exclusions, an Accident, as defined, arising out of strike, riot, civil commotion, acts of sabotage, vandalism or malicious mischief, shall be considered "Accidental" within the terms of said definition.
8. **OTHER INSURANCE – INSURING AGREEMENT 1:** The words "joint loss", as used herein, shall mean loss to which both this insurance and other insurance carried by the Insured apply. In the event of such "joint loss"
 - a) the Insurer shall be liable under this Policy only for the proportion of the said joint loss that the amount which would have been payable under this Policy on account of said joint loss, had no other insurance existed, bears to the combined total of the said amount and the amount which would have been payable under all other insurance on account of said joint loss, had there been no insurance under this Policy but
 - b) in case the Policy or Policies affording such other insurance do not contain a clause similar to Clause 7(a) above, the Insurer shall be liable under this Policy only for the proportion of said joint loss that the amount insured under this Policy applicable to said joint loss, bears to the whole amount of insurance, applicable to said joint loss.
9. **NOTICE OF ACCIDENT AND ADJUSTMENT:** When an Accident occurs, notice shall be given by or on behalf of the Insured to the Insurer or any of its authorized agents as soon as practicable. The Insured shall give like notice of any claim made on account of such Accident. The Insurer shall have reasonable time and opportunity to examine the property and the Premises of the Insured before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made by the Insured in such form as the Insurer may require. If suit is brought against the Insured for loss to which this insurance is applicable, the Insured shall immediately forward to the Insurer any summons or other process served upon the Insured. The Insured upon request of the Insurer shall render every assistance in facilitating the investigation and adjustment of any claim, submitting to examination and interrogation by any representative of the Insurer. The Insured shall not voluntarily assume any liability or incur any expenses, other than at the Insured's own cost, or interfere in any negotiation for settlement or any legal proceeding, without the consent of the Insurer previously given in writing.
10. **SUBROGATION:** In the event of any payment under this Policy, the Insurer shall be subrogated to the Insured's rights of recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after the Accident to prejudice such rights.
11. **INSPECTION AND SUSPENSION:** The Insurer shall be permitted at all reasonable times during the Period of Coverage to inspect any Object and the Premises where said Object is located. Upon the discovery of a dangerous condition with respect to any Object, any representative of the Insurer may immediately suspend the insurance with respect to an Accident to said Object by written notice mailed or delivered to the Insured at the address of the Insured, as specified in the Declarations, or at the Location of the Object, as specified for it in the Declarations. Insurance so suspended may be reinstated by the Insurer, but only by an Endorsement issued to form a part of this Policy. The Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata, for the period of suspension.
12. **ACTION AGAINST INSURER:** No action shall lie against the Insurer unless, as a condition precedent thereto, the Insured shall have fully complied with all terms of this Policy, nor unless commenced within 14 (fourteen) months from the date of the Accident.
13. **ASSIGNMENT – BANKRUPTCY:** The assignment by the Insured of an interest in the property insured under this Policy shall not bind the Insurer until its consent is endorsed hereon. Where the Insured dies or is adjudged bankrupt or insolvent during the Period of Coverage, this Policy, unless cancelled shall, if written notice be given to the Insurer within 60 (sixty) days after the date of such death or adjudication, cover the Insured's legal representative as though the Insured.
14. **CANCELLATION:** This Policy may be cancelled by the Insured by mailing to the Insurer written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Insurer by mailing to the Insured at the address of the Insured, as specified in the Declarations, written notice stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall be equivalent to mailing. If the Insured cancels, the earned premium shall be computed in accordance with the standard Short Rate Cancellation Table. If the Insurer cancels, the earned premium shall be computed pro rata. The determination of the return premium for any cancellation shall be subject to the Minimum Premium Requirements Rules set forth in the Insurer's Manual of Rules and Rates applicable.
15. **CHANGES:** By accepting this Policy, the Insured agrees that this Policy embodies all agreements existing between the Insured and the Insurer or any of its agents relating to this insurance. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this Policy or stop the Insurer from asserting any rights under this Policy nor shall the terms of this Policy be waived or changed except by Endorsement issued to form a part of this Policy. The additional or return premium for any such Endorsement shall be computed in accordance with the Insurer's Manual of Rules and Rates applicable to such change.
16. **DEDUCTIBLE:** If a Deductible is specified on the Declarations or on any Schedules or Endorsements forming part of this Policy, as applicable to an Object designated and described in this Policy from the total amount of loss and expense of the kinds for which the Insurer is liable under Insuring Agreements 1 and 2 of this Policy with respect to an Accident to said Object, there shall first be deducted the Deductible specified for said Object, but if two or more Objects are involved in One Accident the total amount to be deducted shall be the largest Deductible specified for any one of the said Objects; and the insurance under the said Insuring Agreements 1 and 2 shall not apply to any part of such amount deducted.
17. **MORTGAGE INTEREST:** If any loss payee is noted in the Declarations or in the Locations and Loss Payees Schedule as "Mortgagee" with respect to any Location described in the Declarations, loss, if any, under Insuring Agreement 1, on property of the Insured at the said Location, shall be adjusted with and payable to the Insured and the said Mortgagee, as their interests may appear. The Insurer reserves the right to cancel the Policy as provided in the Cancellation Condition of the Policy and in such case the Insurer agrees to mail to said Mortgagee, at the address specified with the name of said Mortgagee, a copy of the written cancellation notice mailed or delivered to the Insured, but in no event earlier than 30 (thirty) days after the day of mailing of said copy of notice to said Mortgagee. The Insurer reserves the right to suspend insurance (which shall include any insurance applying to the interest of said Mortgagee) on any Object at the said Location in accordance with the Inspection and Suspension Condition of the Policy, and the Insurer agrees to furnish said Mortgagee, at the address specified with the name of said Mortgagee, a copy of the suspension notice.

18. ADDITIONAL INSURED: Any name mentioned as Additional Insured in the Declarations, or in any Schedules or Endorsements as may be attached to the Policy, shall be considered as an Insured, as their interest may appear, with respect only to loss from an Accident to any of the Objects insured under the Policy at the location for which the Additional Insured is shown.

19. OPTIONAL COVERAGE:

- a) PROFESSIONAL FEES: If stated in the Declarations as "Professional Fees", and without increasing any limit(s) of liability stated as applicable to Conditions 1, 2, or 3 of this Form, this Policy is extended to include reasonable fees payable to auditors, accountants, lawyers, architects, engineers or other professionals, excepting the Insured's own employees, for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the loss payable under this Policy in the event of a claim, but the Insurer shall not be liable for more than the Limit of Liability stated in the Declarations for this coverage.

This coverage under "Professional Fees" applies only to fees incurred in establishing the quantum of a loss, liability for which is otherwise accepted by the Insurer.

DEFINITIONS

1. OBJECT: "Object" shall mean any equipment or apparatus described below while located on the Premises of the Insured, subject to the exclusions specified herein:

- a) Any boiler, any fired vessel, any metal unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping, or any metal piping and its accessory equipment and including any boiler or pressure vessel mounted on mobile equipment, but Object shall not include:
- i any boiler setting, any refractory material or insulating material;
 - ii any hose, any sewer piping, any buried piping, any piping forming a part of any sprinkler system or its accessory equipment, or any drainage piping, or any water piping other than:
 - (1) feedwater piping between any boiler and its feed pumps or injectors, or
 - (2) boiler condensate return piping, or
 - (3) water piping forming a part of a refrigerating or air conditioning system or hot water heating system;
 - iii any oven, stove or furnace, or any fired kiln of the rotating type;
 - iv any mechanical machine or apparatus, nor any cylinder containing a moveable plunger or piston.
- b) Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power, but "Object" shall not include:
- i any maintenance machine;
 - ii any production machine or apparatus which processes, forms, cuts, shapes, grinds, or conveys raw materials, materials in process, or finished goods, but not excluding: any pump, compressor, fan, blower, engine, turbine or electrical equipment used with such machine or apparatus, however, if coverage is indicated, as stated in the Declarations as Production Machinery Included then this exclusion 1(b)(ii) shall not apply;
 - iii any structure or foundation other than a bedplate of a machine;
 - iv any vehicle, elevator, conveyor, crane, hoist, power shovel, or dragline, but not excluding any electrical equipment used with any such machine;
 - v any data processing, calculating or computing equipment unless used solely to control, operate or protect an insured Object, however, if coverage is indicated, as stated in the Declarations as "Data Processing Equipment Included" then this exclusion 1(b)(v) shall not apply;
 - vi any electronic machine, device or instrument, unless used solely to control, operate or protect an insured Object, however, if coverage is indicated in the Declarations as Electronic Equipment Included then this exclusion 1(b)(vi) shall not apply;
 - vii any X-ray machine, electron microscope, particle accelerator, Beta gauge, or Spectrograph;
 - viii any refractory material; or
 - ix any oven, stove or furnace, or any fired kiln of the rotating type.
 - x Office Equipment, meaning communication equipment, duplicating equipment, fax machine, printer, calculator and all other office equipment using electricity, however, if coverage is indicated, as stated in the Declarations as "Office Equipment Included" then this exclusion 1(b)(x) shall not apply;
- c) Equipment not owned or operated by the Insured, (i) of a type described under Definitions 1. Object; (ii) located on or within 300 (three hundred) metres of the Location; (iii) owned either by the building owner at the Location, a public utility or a company contracted by the Insured for said services, which is used to supply steam, gas, air, water, refrigeration or electricity to a location specified in the Declarations.

2. ACCIDENT: "Accident" shall mean a sudden or accidental breakdown of the Object, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but, Accident shall not mean:

- a) depletion, deterioration, corrosion, or erosion of material;
- b) or that which directly or indirectly results from corrosion or erosion, but not excluding explosion;
- c) wear and tear;
- d) the cracking of any part of any turbine exposed to the products of combustion;
- e) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- f) the breakdown of any vacuum tube, gas tube or brush;
- g) the breakdown of any structure or foundation supporting the Object or any part thereof;
- h) the functioning of any safety device or protective device;
- i) the sudden and accidental explosion of gas or unconsumed fuel within the furnace of any Object or within the gas passages therefrom to the atmosphere;
- j) the rupture or bursting of any hot water heating piping and its accessory equipment due to freezing, however, if coverage is indicated, as stated in the Declarations as "Freezing of Hot Water Piping Included" then this exclusion 2(j) shall not apply.

3. ONE ACCIDENT: "One Accident" shall mean all resultant or concomitant Accidents whether to one Object or to more than one Object or to part of an Object.
4. SPECIFIED PROPERTY: "Specified Property" shall mean property specifically described in the Declarations, or in any Schedules or Endorsements as may be attached to the Policy.

SPECIAL PROVISIONS

1. As respects any boiler, fired or unfired vessel, refrigerating system or piping, the Insurer shall not be liable for loss from an Accident while said Object is undergoing a Hydrostatic, Pneumatic or Gas Pressure Test.
2. As respects any boiler or fired vessel, the furnace of the Object and the gas passages therefrom to the atmosphere shall be considered as "outside the Object."
3. As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel shall be considered as "connected ready for use" within the terms of the Policy.
4. As respects any electrical machine or electrical apparatus, the Insurer shall not be liable for loss from an Accident while said Object is undergoing an insulation breakdown test or is being dried out.
5. As respects any electrical machine or electrical apparatus, Exclusion 3(a) of the Policy is changed to read:
 - a) from fire outside the Object concomitant with or following an Accident or from the use of water or other means to extinguish fire;
6. As respects any boiler of the chemical-recovery type, the Insurer shall not be liable for loss from an explosion within the furnace of any such boiler or within the passages from the furnace to the atmosphere, whether or not such explosion is:
 - a) contributed to or aggravated by an Accident to any part of said boiler that contains steam or water; or
 - b) caused in whole or in part, directly or indirectly, by an Accident to any Object, or part thereof.
7. As respects any Object described in and covered by this Form, the Insurer shall not be liable for loss resulting from an Accident to such Object occurring prior to the time such Object has been completely installed, tested and contractually accepted by the Insured.
8. The Insurer's liability for loss, including salvage expense, with respect to damage by ammonia contacting or permeating property under refrigeration or in process requiring refrigeration, resulting from an Accident to any system of refrigerating or air conditioning vessels and piping, shall not exceed the Limit of Liability stated in the Declarations for this Form as "Ammonia Contamination Limit", such Limit of Liability being part of and not in addition to the Limit per Accident or Combined Direct Damage and Business Interruption Limit.
9. The Insurer's liability for loss, including salvage expense, on property damaged by water, resulting from an Accident to any system of refrigerating or air conditioning vessels and piping, including any vessel or piping connected to or used with such system, shall not exceed the Limit of Liability stated in the Declarations for this Form as "Water Damage Limit", such Limit of Liability being a part of and not in addition to the Limit per Accident or Combined Direct Damage and Business Interruption Limit.
10. With respect to any Object described in Paragraph C of Definition of Object, the limit per Accident with respect to loss under Section 1 of the Insuring Agreement of the policy shall be \$1.00, and Section 2 is eliminated from the Insuring Agreement.

Insuring Agreement

In consideration of the Premium charged and subject to the Exclusions and Conditions of this Form, the Insurer hereby agrees with respect to the Premises described in the Declarations, to pay the Insured the amount of Extra Expense, as defined in this Form, necessarily incurred by the Insured in order to continue as nearly as practicable the normal operation of the Insured's business, provided such Extra Expense is incurred solely as a result of an Accident, as defined, to an Object insured under B&M 1, which Object is in use or connected ready for use. The foregoing is subject to the amount stated in the Declaration for this Form as "limit of Liability" for any one Accident.

Exclusions

The Insurer shall not be liable for payment for any Extra Expense:

1. Resulting from any loss to which any of the exclusions per B&M 1 apply, except this Form does not exclude loss:
 - a) from delay or interruption of business or manufacturing process;
 - b) from lack of power, light, heat, steam or refrigeration;
 - c) from any other indirect result of an Accident;
2. For any time during which Business would not or could not have been carried on if the Accident had not occurred; or
3. Resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume Business.

If, following an Accident, any lease, license or order is suspended, lapsed or cancelled, the Insurer shall not be liable for payment under this Form occurring after the time when Business could have been resumed if said lease, license or order had not lapsed or had not been suspended or cancelled.

In the event that an Accident occurs to an Object, to which any special provision applies, (whether such special provision is stated in the Declarations, or in any Section of the Policy, or in any Schedules or Endorsements as may be attached to the Policy) and which special provision affects the property loss payable, then the Insurer's liability for any payment under this Form resulting from the damage causing the loss shall be subject to any such special provision.

Conditions

1. **Limit of Liability:** The limit of the Insurer's liability hereunder shall in no event exceed that percentage stated in the Declarations for this Form as "Limitation of insurer's liability based on Period of Restoration" for the determined Period of Restoration stated.

The liability of the Insurer under this Form, on account of any One Accident, shall not exceed the Limit of Liability stated in the Declarations for this Form as "Limit of Liability". The Limit of Liability shall apply irrespective of any Limit per Accident specified.

In the event that Extra Expense, incurred by the Insured during the longest Period of Restoration for which provision is made, does not exhaust the insurance hereby provided, then such unexhausted insurance shall apply for the remainder of the Period of Restoration.

If more than one Insured is named, the Insurer shall not be liable under this Form for any payments in excess of that for which it would have been liable if only one Insured had been named.

2. **Period of Restoration:** The Insurer shall be liable for such Extra Expense for not exceeding such length of time, herein referred to as the "Period of Restoration" commencing with the date of the Accident and not limited by the date of the expiration of this Policy, as shall be required with the exercise of due diligence and dispatch to restore the normal operation of the Insured's business on the Premises described in the Declarations.
3. **Notice of Accident:** The Insured shall send immediate Notice of Accident to the Insurer, at any of its offices, by facsimile or letter, at the Insurer's expense, and the liability of the Insurer under this Form shall commence at that later of:
 - a) the actual time of the Accident, or
 - b) 24 hours prior to the receipt of such notice by the Insurer.
4. **Other Insurance:** The words "joint loss", as used herein, mean loss to which both this insurance and other insurance carried by the Insured apply. In the event of such "joint loss",
 - a) The Insurer shall be liable under this Form only for the proportion of said joint loss that the amount which would have been payable under this Form on account of said joint loss, had no other insurance existed, bears to the combined total of the said amount and the amount which would have been payable under all the other insurance on account of said joint loss, had there been no insurance under this Form; but
 - b) In case the Policy or Policies affording such other insurance do not contain a clause similar to Clause 4(a) above, the Insurer shall be liable under this Form only for the proportion of said joint loss that the amount insured under this Form, applicable to said joint loss, bears to the whole amount of insurance, applicable to said joint loss.

Definitions

1. **Extra Expense:** The term "Extra Expense" wherever under in this Form shall mean the additional cost to conduct the Insured's business during the Period of Restoration over and above the cost that normally would have been incurred to conduct the business during the same period had no Accident occurred; such additional cost to include the expense of obtaining and using other property or facilities of other concerns or other necessary emergency expenses. In no event, however, shall the Insurer be liable under this Form for loss of income, nor for Extra Expense in excess of that necessary to continue as nearly as practicable the normal conduct of the Insured's business, nor for the cost of repairing or replacing any property that has been damaged or destroyed by an Accident, except such cost incurred for the purpose of reducing the total amount of Extra Expense; the Insurer's liability to such cost, however, shall not exceed the amount by which the total Extra Expense otherwise payable under this Form is reduced. Any salvage value of substitute or temporary equipment or property remaining after resumption of normal operations shall be taken into consideration in the adjustment of any loss hereunder.
2. **Month:** "Month" shall mean a period of 30 (thirty) consecutive days.
3. **Normal:** The word "normal" wherever used in this Form shall mean the condition that would have existed had no Accident occurred.
4. **Object:** The definition of "Object" as used in this Form shall be the definition of "Object" in B&M 1.
5. **Accident:** The definition of "Accident" as used in this Form shall be the definition of "Accident" in B&M 1.
6. **One Accident:** The definition of "One Accident" as the term is used in this Form shall be the definition of "One Accident" as specified in Policy.

B&M-5 (0500)

Consequential Damage

Endorsement

INSURING AGREEMENTS

In consideration of the Premium charged and subject to the Exclusions and Conditions of this Form, the Insurer hereby agrees:

1. To pay the Insured the amount of loss on Specified Property of the Insured;
2. To pay the amount of loss on Specified Property of others which the Insured shall become obligated to pay by reason of the liability of the Insured for such loss; and
3. To pay that amount of expense which is reasonably incurred by the Insured to reduce or avert such loss, but only to the extent that the total amount, that otherwise would have been paid under Insuring Agreements 1 and 2 of this Form, is thereby reduced; provided such loss is due to spoilage from lack of power, light, heat, steam or refrigeration, resulting solely from an Accident, as defined, to an Object insured under B&M 1, which Object is in use or connected ready for use. All of the foregoing is subject to the Limit of Liability specified in the Declarations for said Object for any One Accident, except that in the event One Accident occurs to more than one Object, the Limit of Liability for said One Accident shall not exceed the highest Limit of Liability specified for any one of the said Objects.

EXCLUSIONS

The Insurer shall not be liable for payment:

1. Resulting from any loss to which any of the exclusions per B&M 1 apply, except this Form does not exclude loss:
 - a) from delay or interruption of business or manufacturing process;
 - b) from lack of power, light, heat, steam or refrigeration;
 - c) from any other indirect result of an Accident;
2. As respects the Specified Property of the Insured damaged or destroyed, for more than the actual cash value thereof at the time of the Accident, with proper deductions for depreciation, however caused;
3. For any loss resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means to protect the Specified Property from damage, following an Accident.

In the event that an Accident occurs to an Object, to which any special provision applies, (whether such special provision is stated in the Declarations, or in any Section of the Policy, or in any Schedules or Endorsements as may be attached to the Policy) and which special provision affects the property loss payable, then the Insurer's liability for any payment under this Form resulting from the damage causing the loss shall be subject to any such special provision.

CONDITIONS

1. LIMIT OF LIABILITY

The Insurer's total liability under this Form for loss from any One Accident shall not exceed the amount stated in the Declarations for this Form as "Limit of Liability". The Limit of Liability shall apply irrespective of any Limit per Accident specified. If more than one Insured is named, the Insurer shall not be liable under this Form for any payment in excess of that for which it would have been liable if only one Insured had been named.

The liability of the Insurer under this Form shall not be limited by the expiration of the Policy.

2. REDUCTION OF PAYMENT

As soon as possible after an Accident the Insured shall utilize every available means, including surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock, which may be owned, controlled or used by the Insured, which might reduce the amount for which the Insurer would otherwise be liable under this Endorsement. The Insurer may take such means as will in the opinion of the Insurer reduce or avert the loss, in whole or in part, including the disposition or salvage of Specified Property. All Extra Expense so incurred by the Insured as permitted in Insuring Agreement 3 of this Endorsement or by the Insured at the written direction of the Insured or by the Insurer, shall be a part and not in addition to the Limit of Liability.

3. COINSURANCE

The Insurer shall not be liable under this Form for the payment of a greater proportion of the amount of loss resulting from any One Accident, than the applicable Limit of Liability specified in the Declarations bears to the total amount obtained by applying the applicable percentage specified in the Declarations for this Form as "Coinsurance" to the actual cash value, at the time of the Accident, of all Specified Property.

B&M-5 (0500) page 2

4. OTHER INSURANCE:

The words "joint loss", as used herein, mean loss to which both this insurance and other insurance carried by the Insured apply. In the event of such "joint loss",

- a) The Insurer shall be liable under this Form only for the proportion of said joint loss that the amount which would have been payable under this Form on account of said joint loss, had no other insurance existed, bears to the combined total of the said amount and the amount which would have been payable under all other insurance on account of said joint loss, had there been no insurance under this Form; but
- b) In case the Policy or Policies affording such other insurance do not contain a clause similar to Clause 4(a) above, the Insurer shall be liable under this Form only for the proportion of said joint loss that the amount insured under this Form, applicable to said joint loss, bears to the whole amount of insurance, applicable to said joint loss.

5. DEDUCTIBLE

It is agreed that with respect to any One Accident that from the total amount of any loss and exposure for which the Insurer is liable, there shall first be deducted the amount specified in the Declarations for this Form as "Deductible" and the insurance shall not apply to any part of such amount deducted.

DEFINITIONS

1. **OBJECT:** The definition of "Object" as used in this Form shall be the definition of "Object" in B&M 1.
2. **ACCIDENT:** The definition of "Accident" as used in this Form shall be the definition of "Accident" in B&M 1.
3. **ONE ACCIDENT:** The definition of "One Accident" as the term is used in this Form shall be the definition of "One Accident" as specified in the Policy.
4. **SPECIFIED PROPERTY:** "Specified Property" shall mean property specifically described in the Declarations, or in any Schedules or Endorsements as may be attached to the Policy.

Except as otherwise provided in this Endorsement, all Agreements, Exclusions, Definitions, and Conditions of this Policy shall have full force and effect.

Hazardous Substances Endorsement

It is hereby understood and agreed that if a Hazardous Substance is involved in or released by an Accident, the Insurer shall be liable under coverage described in B&M 1, Insuring Agreement 1 Property Damage, for the increase in the cost to repair, replace, clean up or dispose of affected insured property, however, the limit of the Insurers liability for such increase shall not exceed the limit of the liability stated in the Declarations for this endorsement.

The Insurer shall not be liable for any increase in loss under any Business Interruption coverage. The Insurer shall not be liable, under this endorsement, for loss or damage caused by Ammonia Contamination.

In respect of coverage under this endorsement, the increase in cost or increase in loss shall mean that cost or loss beyond that which would have been incurred had no Hazardous Substance been present.

All other terms and conditions of the Policy remain unchanged.

B&M-12 (0102)
Terrorism Exclusion

This endorsement modifies Boiler & Machinery coverage forms, as provided by the Policy.

1. This Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any such activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

2. Definition:

"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group, organization or government for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

All other terms and conditions of the Policy remain unchanged.

This endorsement modifies Boiler & Machinery coverage forms, as provided by the Policy.

1. This Policy does not insure:

- i) "Data";
- ii) loss or damage caused directly or indirectly by "Data problem".

If loss or damage caused by "Data Problem" results in an "Accident" ("Breakdown") to any other "Insured Object" ("Equipment"), then this exclusion 1. ii) shall not apply to any loss or damage from such ensuing "Accident" ("Breakdown").

2. Definitions:

"Data" wherever used in the Policy, means representations of information or concepts, in any form.

"Data Problem" means:

- erasure, destruction, corruption, misappropriation, misinterpretation of "Data";
- error in creating, amending, entering, deleting or using "Data"; or
- inability to gain access to, receive, transmit or use "Data".

This endorsement modifies Boiler & Machinery coverage forms, as provided by the Policy.

B&M-14 (0403)
Fungi & Fungal Derivatives Exclusion

This endorsement modifies Boiler & Machinery coverage forms, as provided by the Policy.

1. Notwithstanding any other cause or event that contributes currently or in any sequence to loss or damage , this policy does not insure:

- a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any **fungi** or **spores**;
- b) the cost or expense for any testing, monitoring, evaluating or assessing of **fungi** or **spores**.

2. Definitions:

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 "Spores" or resultant mycotoxins, allergens, or pathogens.

Spores includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "Fungi"

This endorsement modifies Boiler & Machinery coverage forms, as provided by the Policy.

Boiler and Machinery Definition Amendment

B&M 1, insuring agreements and conditions are amended to include the following.

DEFINITIONS

1. Object:
 - (a) (ii) (4) sewage pipes within 10 feet of lift and pump stations.

All other terms and conditions of the Policy remain unchanged.

B&M 1 Repair and Replacement Clause

B&M Section 4 (b) Repair and Replacement clause included.

All other terms and conditions of the Policy remain unchanged.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 7

1. INDEMNITY AGREEMENT

In the event that any of the property insured be lost or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declarations Page" in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declarations Page".

2. PROPERTY INSURED

This Form insures "Valuable Papers and Records" owned by the Insured or held by the Insured in any capacity: provided the insurance applies only to the interest of the Insured in such property, including the Insured's Liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's Proof of Loss.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible, if any, specified on the "Declarations Page" in any one occurrence.

4. PERILS INSURED

This Form, except as herein provided, insures against all risks of direct physical loss of or damage to the property insured.

5. EXCLUSIONS

This Form does not insure loss or damage:

- (a) due to any fraudulent, dishonest or criminal act by any insured, a partner therein, or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;
- (b) directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
- (c) due to electric or magnetic injury, disturbances or erasure of electronic recordings, except by lightning;
- (d) due to wear and tear, gradual deterioration, vermin or inherent vice;
- (e) to property not specifically scheduled if such property cannot be replaced with other of like kind and quality;
- (f) to property held as samples or for sale or delivery after sale.

6. SPECIAL CONDITIONS

A PROTECTION - It is a condition of this insurance that the "Valuable Papers and Records" insured hereunder shall be contained in the "Premises" described on the "Declarations Page" and

- (a) if the limit of liability is \$25,000 or less, be kept in metal filing cabinets at all times when not in use;
- (b) if the limit of liability exceeds \$25,000, be kept in fire resistive receptacles at all times when not in use.

B AUTOMATIC EXTENSION - This insurance also applies while the "Valuable Papers and Records" are being conveyed outside the "Premises" and while temporarily within other "Premises", except for storage, provided the Insurer's liability for such loss or damage shall not exceed whichever is least of ten percent of the total limit of liability provided hereunder, or \$5,000.

C REMOVAL - This insurance also applies while the "Valuable Papers and Records" are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the insured gives written notice to the Insurer of such removal within ten days thereafter.

7. DEFINITIONS

Wherever used in this form:

- (a) **"Valuable Papers and Records"** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean "Money" or "Securities".
- (b) **"Declarations Page"** means the Declarations Page applicable to this Form.
- (c) **"Premises"** means the interior of that portion of the building at the location described on the "Declarations Page" which is occupied by the Insured for the business purposes stated.
- (d) **"Money"** means currency, coins, bank notes and bullion; and traveller's checks, register checks and money orders held for sale to the public.
- (e) **"Securities"** means all negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes revenue and other stamps in current use, tokens and tickets but does not include "Money".

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 7

1. INDEMNITY AGREEMENT

In the event that any of the property insured be lost or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declarations Page" in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declarations Page".

2. PROPERTY INSURED

This Form insures the interest of the Insured in the Insured's records of accounts receivable and does not apply to the interest of any other person or organization unless included in the Insured's proof of loss.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible, if any, specified on the "Declarations Page" in any one occurrence.

4. PERILS INSURED

This Form, except as herein provided, insures against all risks of direct physical loss of or damage to the Insured's records of accounts receivable.

5. EXCLUSIONS

This form does not insure:

- (a) loss due to any fraudulent, dishonest or criminal act by any Insured, a partner therein, or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;
- (b) loss due to bookkeeping, accounting or billing errors or omissions;
- (c) loss, the proof of which, as to factual existence, is dependent upon an audit of records, or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (d) loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;
- (e) loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.

6. SPECIAL CONDITIONS

A PROTECTION - It is a condition of this policy that the records of accounts receivable insured hereunder shall be contained in the "premises" described on the "Declarations Page" and

- (a) if the limit of liability is below \$100,000, be kept in a metal filing cabinet at all times, when not in use;
- (b) if the limit of liability is \$100,000 or more, be kept in fire resistive receptacles at all times when not in use.

B REMOVAL - This insurance also applies while the records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured gives written notice to the Insurer of such removal within ten days thereafter.

C ADJUSTMENT OF LOSS - In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date loss occurs, such amount shall be based on the Insured's monthly statements and shall be computed as follows:

- (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which loss occurs;
- (b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has provided monthly statements to the Insurer as compared with such average for the same months of the preceding year;
- (c) the amount determined in paragraph (a), increased or decreased by the percentage calculated under paragraph (b) shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- (d) the amount determined in paragraph (c) shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

In determining the amount of the Insurer's liability for any loss hereunder there shall be deducted from the total amount of accounts receivable the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

- D RECOVERIES - After payment of loss all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Insurer by the Insured up to the total amount of loss paid by the Insurer; but all recoveries in excess of such amounts shall belong to the Insured.
- E REPORTING - If **Reporting basis applies** is indicated on the "Declarations Page" the following clauses apply:
- (a) PREMIUM - The Insured shall, within twenty days after the end of each fiscal month during the policy period, provide the Insurer with a written statement of the total amount of accounts receivable, with deferred payments and charge accounts segregated as of the last day of each such month. The premium charged is provisional only. Upon each anniversary and upon termination of this policy, the sum of the monthly amounts of accounts receivable for the preceding twelve months shall be averaged and the earned premium shall be computed on such average at the rate specified on the "Declarations Page" as **Adjustment rate**, whether or not such average exceeds the applicable limit of insurance under this Form. If the earned premium thus computed exceeds the provisional premium paid, the Insured shall pay the excess to the Insurer. If less, the Insurer shall return to the Insured the unearned portion paid by the Insured, but such earned premium shall not be less than any amount stated as **Minimum premium** on the "Declarations Page".
 - (b) INSPECTION AND AUDIT - The Insurer shall be permitted to inspect the premises and the receptacles in which the records of accounts receivable are kept by the Insured and to examine and audit the Insured's books and records at any time during the policy period and any extension thereof and within three years after the final termination of this policy, as far as they relate to the premium basis or the subject matter of this insurance, and to verify the statements of any outstanding record of accounts receivable submitted by the Insured and the amount of recoveries of accounts receivable in which the Insurer has made any settlement.

7. DEFINITIONS

Wherever used in this form:

- (b) "**Declarations Page**" means the Declarations Page applicable to this Form.
- (b) "**Premises**" means the interior of that portion of the building at the location described on the "Declarations Page" which is occupied by the insured for the business operations stated.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 7

1. INDEMNITY AGREEMENT

This Form insures, up to the amount stated in the Declarations, the necessary "Extra Expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the business of the Insured following damage to or destruction by the perils insured against to the building(s) or additions thereto or contents thereof, for the "period of restoration".

2. AMOUNT OF INSURANCE

The liability of the Insurer shall in no event exceed that percentage of the amount of this insurance at the time of loss which is stated below for the determined "period of restoration".

The percentage indicated on the "Declarations Page" as **Limit of liability restriction - For first month** when the "period of restoration" is not in excess of 1 "month";

The percentage indicated on the "Declarations Page" as **Limit of liability restriction - For first two months** when the "period of restoration" is in excess of 1 "month" but not in excess of 2 "months";

The percentage indicated on the "Declarations Page" as **Limit of liability restriction - For first three months** when the "period of restoration" is in excess of 2 "months" but not in excess of 3 "months";

In the event that "extra expense" incurred by the Insured during the longest "period of restoration" for which provision is made does not exhaust this insurance, then such unexhausted insurance shall apply for the remainder of the "period of restoration".

3. RESUMPTION OF OPERATIONS

As soon as practicable after any loss, the Insured shall resume complete or partial business operations of the property described and insofar as practicable, reduce or dispense with such extra expenses as are being incurred.

4. INTERRUPTION BY CIVIL AUTHORITY

This Form as extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the described premises is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by a peril insured against.

5. ADDITIONAL EXCLUSIONS

The Insurer shall not be liable for:

- (a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, unless the liability is otherwise specifically assumed by endorsement hereon;
- (b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- (d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order;
- (e) the cost of compiling books of account, abstracts, drawings, card omindex systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing.

6. WAIVER OF TERM OR CONDITION

No term or condition of this Policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by the person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Policy.

7. DEFINITIONS

- (a) **"Declarations Page"** means the Declarations Page applicable to this Form.
- (b) **"Extra Expense"** means the excess of the total cost during the "period of restoration" for the purpose of continuing the business of the Insured over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. The cost in each case to include expense of using other property or facilities of other businesses or other similar necessary emergency expenses. In no event shall the Insurer be liable under this Form for loss of income nor for "extra expense" in excess of that necessary to continue as nearly as practicable the "normal" conduct of the business of the Insured, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by perils insured against, except cost in excess of the "normal" cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "extra expense"; liability for such excess cost shall not exceed the amount by which the total "extra expense" otherwise payable under this Form is reduced. The Insurer shall also be liable for "extra expense" incurred in obtaining property for temporary use during the "period of restoration" necessarily required for the conduct of the business of the Insured. Any salvage value of such property remaining after resumption of "normal" business operations shall be taken into consideration in the adjustment of any loss hereunder.

- (c) **"Month"** means 30 consecutive days.
- (d) **"Normal"** means the condition which would have existed had no loss occurred.
- (e) **"Period of Restoration"** means the interval of time, commencing with the date of the loss and not limited by the date of expiration of this Form, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or additions thereto or contents thereof as may be destroyed or damaged.

All other terms and conditions of this Policy remain unchanged.

Off Premises Services Interruption Endorsement

BE4

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This endorsement modifies insurance provided by forms BA1, BA2, BA3, BA4, BA5, BA11, BA12, BA13, BA14, BA18, BN1, BN2, BN3, BN4, BN5, BN11, BN12, BN13, BN14 and BN18, but only if indicated on the "Declarations Page" for the form.

1. Indemnity Agreement

Subject to all the terms, definitions, limitations, provisions and other conditions of the policy, physical loss of or damage caused directly to property that is located within 1 kilometre of the "premises", by an Insured Peril under the Business Income section of this policy, shall be deemed to be "damage". Such property must be used to generate or supply "services" to the premises.

This endorsement only applies to loss, as insured by the Business Income section of this policy, due to "service interruption".

2. Limit of Insurance

The maximum amount payable under this endorsement for any one occurrence, regardless of the number of persons and interests insured under the Business Income section, is the amount of insurance specified for this endorsement on the "Declarations Page".

3. Exclusions

This endorsement does not cover loss, as insured by the Business Income section of this policy:

- (a) during the first 24 consecutive hours of loss of "services"; or
- (b) directly or indirectly arising from:
 - (i) loss of or damage to electrical transmission lines or distribution lines or their supporting structures;
 - (ii) loss of or reduction of "services" due to lack of sufficient capacity; or
 - (iii) an intentional reduction in the supply of "services".

4. Definitions

- (a) "services" means electricity, water, gas or steam.
- (b) "service interruption" means loss of "services" for a period exceeding 24 consecutive hours.

All other terms and conditions of the policy to which this endorsement applies remain unchanged.



Commercial Legal Expense Insurance
for Strata Corporations

Policy of Insurance

ALL PROVINCES AND TERRITORIES OF CANADA

LEGAL EXPENSE
INSURANCE



Underwritten by certain Underwriters at Lloyd's of London and
serviced by DWF Claims, 450-111 Queen St. E.,
Toronto, ON, Canada M5C 1S2

AtaGlance
Commercial Legal Expense Insurance for Strata Corporations

Who is the Insured?

This policy provides cover to the corporation which is named as Insured in the Declarations. At the request of the Insured it can be extended to include cover for any director, officer, council member or similar office holders who are appointed or elected to that office, provided they were acting within the scope of their position and with respect to the Business Operations of the Insured.

What is the Business Operations?

This is management and maintenance of Strata units by the Insured for the benefit of the owners.

Who is the Insurer?

This policy is underwritten by certain Lloyd's Underwriters, London, England and provided through your broker.

Telephone Legal Advisory Service

The Insured can obtain legal advice from a lawyer by calling 1-647-256-3666 from 8:00 am to 5:00 pm in all Canadian Time Zones. The advice being sought must relate to the management activities of the Insured. Such calls are unlimited in number.

Insurance Cover

Please refer to the Declarations page to verify which of the following Insuring Clauses have been purchased:

Basic Cover: this provides protection for the following matters

- a) Civil Defence;
- b) Criminal Defence;
- c) Personal Injury

Standard Cover: this provides protection for the following matters

- a) Civil Defence;
- b) Criminal Defence;
- c) Personal Injury;
- d) Property Disputes; and
- e) Defence of Disputes with Owners

Enhanced Cover: this provides protection for the following matters

- a) Civil Defence;
- b) Criminal Defence;
- c) Personal Injury;
- d) Property Disputes;
- e) Defence of Disputes with Owners; and
- f) Contract Disputes

The Policy Wording contains full details of cover including the specific exclusions for each Insuring Clause together with the General Exclusions which also apply.

How to make a Claim

As soon as the Insured is aware of any situation that might result in a claim they must report it immediately to the Underwriting Manager (DWF Claims Canada) by calling 1-647-256-3525 or email online notifications@dwfclaims.com. The Insured will be assisted by qualified loss adjusters and legal professionals in determining an appropriate course of action. Any legal fees which the Insured incurs prior to consent being given by DWF will not be covered. Such consent will be given when it is determined that there are reasonable prospects of a successful defence or mitigation of loss or that there are reasonable prospects of recovery of damages or other remedy.

Selection of a Lawyer

The Insured may select a lawyer from the list of approved Panel Law Firms administered by DWF Claims.

What Indemnity is provided by the Policy?

The Insurer will pay the legal fees, costs and disbursements of the lawyer (subject to the maximum hourly rate set out in Legal Expense Endorsement #1 attached to the Policy of Insurance). The policy limit per claim and in the aggregate depend upon the level of cover purchased, and these policy limits are set out in the Declarations attached to the Policy of Insurance.

Contents

The content on pages 2 and 3 contains only a summary of the principal terms and conditions of the Insurance Policy and does not form part of the Policy. In the event of any conflict between the description of coverage and the Policy, the Policy will govern. For full terms and conditions please read the Policy Wording at pages 4 - 15.

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Commercial Legal Expense Insurance for Condominium/Strata Corporations

Agreement

The Insurer agrees to indemnify the Insured, to the extent specified in the Insuring Clauses, in connection with the Business Operations of the Insured in consideration of the Premium paid by the Insured, subject to the terms, conditions, exclusions and limitations in this Policy, Declarations and Legal Expense Endorsements.

INSURING CLAUSES

The Insurer agrees to provide coverage only for those Insuring Clauses which are specified in the Declarations and Legal Expense Endorsement #1 as being included.

1.1 CIVIL DEFENCE	
What is covered	What is not covered
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in:</p> <ul style="list-style-type: none"> a. The defence of any claim or legal proceedings relating to a failure or alleged failure to comply with requirements under protection of privacy legislation brought against the Insured by the Owner; b. The defence of any claim or legal proceedings made or brought against the Insured in its capacity as trustee of a pension fund that benefits the Insured's employees; c. Any appeal by the Insured against the imposition of a statutory notice which adversely affects the Business Operations of the Insured; <p>Provided that:</p> <ul style="list-style-type: none"> (i) such legal proceedings or appeals are made by or brought against the Insured within the Territorial Limits and arising from the Business Operations of the Insured and are notified to the Underwriting Manager during the Period of Coverage. 	<p>The Insurer shall not be liable to indemnify the Insured in respect of claims arising out of or in connection with the ownership, possession or use of any vehicle.</p>

1.2 CRIMINAL DEFENCE	
What is covered	What is not covered
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in defending the Insured against a formal investigation and/or prosecution arising from Criminal or Statutory Proceedings brought or commenced against the Insured within the Territorial Limits and arising from the Business Operations of the Insured provided that the prosecution is brought or commenced and notified to the Underwriting Manager during the Period of Coverage.</p>	<p>The Insurer shall not be liable to indemnify the Insured in respect of any prosecution arising out of or in connection with:</p> <ol style="list-style-type: none"> The ownership possession or use of any vehicle; Any prosecution, legislated investigation, tribunal and/or enquiry relating to any Municipal, Provincial, Federal or other Governmental tax matters pertaining to the Insured's Business Operations; An allegation against the Insured involving: <ul style="list-style-type: none"> assault, violence, fraud, conspiracy to defraud or dishonesty; malicious falsehood; the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials; illegal immigration; money laundering or bribery offences and related charges.
1.3 PERSONAL INJURY	
What is covered	What is not covered
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the pursuit of any claim or legal proceedings made by the Insured within the Territorial Limits and arising out of the Business Operations of the Insured arising from the act or omission by a third party which results in Injury to the Insured.</p> <p>Provided that:</p> <ol style="list-style-type: none"> the Injury was sustained by the Insured away from the Insured's business premises and while engaged in the Business Operations of the Insured and within the Territorial Limits; and the Injury occurs and is notified to the Underwriting Manager during the Period of Coverage. 	

1.4 PROPERTY DISPUTES	
What is covered	What is not covered
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the pursuit of any claim or legal proceedings brought or commenced by the Insured within the Territorial Limits and arising from the Business Operations of the Insured relating to:</p> <ul style="list-style-type: none"> a. nuisance or trespass to Common Property; b. disputes following physical damage to Common Property. <p>Provided that:</p> <ul style="list-style-type: none"> i. the Insured will suffer financial loss if it fails to pursue the claim or legal proceedings; and ii. the claim is made by the Insured and is notified to the Underwriting Manager during the Period of Coverage. 	<p>The Insurer shall not be liable to indemnify the Insured in respect of any claim or legal proceedings arising out of or in connection with any dispute:</p> <ul style="list-style-type: none"> a. concerning Common Property relating to mining, subsidence or heave whatever the cause of such mining, subsidence or heave; b. arising out of or in connection with a contract entered into by the Insured; c. relating to the payment or non-payment or review of rent or service charges; d. relating to planning or building regulations or decisions, expropriation or compulsory purchase orders; e. relating to the renewal of a lease or other contract to use the Common Property.
1.5 DEFENCE OF DISPUTES WITH OWNERS	
What is covered	What is not covered
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the defence of any claim or legal proceedings brought by an Owner against the Insured relating to a failure or alleged failure by the Insured to comply with the Insured's by-laws and/or regulations.</p>	<p>The Insurer shall not be liable to indemnify the Insured in respect of claims arising out of or in connection with:</p> <ul style="list-style-type: none"> a. any dispute relating to the payment or non-payment of any fee or charges owed by the Owner to the Insured.

1.6. CONTRACT DISPUTES	
What is covered	What is not covered
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the pursuit or defence of any claim or legal proceedings made by or brought against the Insured within the Territorial Limits and arising from the Business Operations of the Insured in a dispute with a Contracting Party arising out of a Contract for Services obtained or the sale, purchase, lease or rental of any Goods.</p> <p>Provided that:</p> <ol style="list-style-type: none"> I. the indemnity for Legal Expenses incurred under this clause shall not exceed 75% of the Sum in Dispute; II. the amount in dispute exceeds the Minimum Sum in Dispute; III. where the dispute relates to monies owed to the Insured notification of the claim to the Underwriting Manager shall be made at the sooner of: <ol style="list-style-type: none"> IV. 30 days from the date at which the debt is contested, or V. 90 days from the Due Date provided that all reasonable attempts have been made to recover the money owed or negotiate a reasonable settlement within those 90 days; and VI. the claim is or legal proceedings are made by or brought against the Insured and are notified to the Underwriting Manager during the Period of Coverage. 	<p>The Insurer shall not be liable to indemnify the Insured in respect of claims arising out of or in connection with:</p> <p>A. Contracts:</p> <ol style="list-style-type: none"> a. performed outside the Territorial Limits; b. entered into prior to the Retroactive Date when the dispute occurs during the ninety (90) day period immediately following the initial inception date of this policy; c. for the provision or procurement of insurance, credit, secured lending, or guarantee; d. where the liability of the Insured or the right of recovery is incurred through an agent or by assignment or subrogation; e. where the dispute arising from the contract relates to the collection of any outstanding amount receivable owed to the Insured by a third party for any goods or service provided, except where there is a dispute involving the liability to pay by the third party; f. of employment; g. for the possession, purchase, sale or use of h. Common Property; i. in connection with or related to a franchise; j. for the ownership, sale, lease, rental or use of any vehicle; k. relating to the planning, construction, structural alteration, conversion or extension of Property or parts thereof, other than non- structural repair to or renovation of existing Property or parts thereof; l. containing an arbitration clause. <p>B. Breach or alleged breach of Professional Duty owed to or by the Insured.</p>

2. LIMIT OF INDEMNITY

The Insurer's total liability under this Policy shall not exceed the amounts specified in the Declarations for 1 and 2 below:

2.1 Any One Claim;

2.2 in the aggregate for all claims notified to the Underwriting Manager during the Period of Coverage

3. DEDUCTIBLE

The Insurer shall only be liable under this Policy to the extent that such liability exceeds the Deductible as specified in the Declarations. A separate Deductible shall apply to Any One Claim.

4. CO-INSURANCE

The Insured shall be liable in respect of claims for indemnity under all Insuring Clauses of this Policy for the proportion of Legal Expenses over and above the amount as specified in Legal Expense Endorsement #1 under the heading Co-Insurance.

5. EXCLUSIONS - These apply to all Insuring Clauses

The Insurer shall not have any liability under this Policy in respect of:

5.1 the defence of the Insured in civil legal proceedings arising from or connected with:

- a. death or injury to any person including (without limitation) any sickness, disease or any naturally occurring condition or degenerative process;
- b. loss destruction or damage to property owned, occupied or under the control of a third party;
- c. alleged breach of Professional Duty;
- d. any tortious liability save as specifically provided in Insuring Clause 1.4 (Property Disputes);

5.2 any claims related to patents, copyrights, design rights, moral rights, confidential information, other intellectual property rights, trade or service marks or registered designs, trade secrets or passing off actions;

5.3 any claim arising out of defamation or alleged defamation;

5.4 any claim made, brought or commenced outside the Territorial Limits;

5.5 Legal Expenses incurred before the Underwriting Manager's consent has been granted in writing or without such consent;

5.6 any claim relating to or arising from any cause, event or circumstance occurring prior to the Retroactive Date specified in Legal Expense Endorsement #1;

5.7 any claim in connection with or arising from any cause, event or circumstance occurring prior to or existing at inception of the Policy and which the Insured knew or ought reasonably to have known might give rise to a claim or legal proceedings by or against the Insured;

5.8 awards and/or demands of compensation, repayment, damages, liability, surcharge levies, interest, fines or penalties of any nature including but not limited to those which the Insured is ordered to pay by any relevant court, board, commission or other tribunal or administrative body;

5.9 any claim or legal proceedings in respect of which the Insured is, but for the existence of this Policy, entitled to indemnity under any other insurance policy or certificate or if the Insured is eligible for legal representation from a provincial legal aid plan;

5.10 any claim or legal proceedings in respect of which the Insured is entitled to indemnity under any policy or certificate which the Insured is required to hold by law or by a regulatory body;

- 5.11 any claim arising out of the deliberate, conscious or intentional or reckless or negligent disregard by the Insured of the need to take all reasonable steps to avoid and prevent claims or legal proceedings. In this context, "reasonable" shall be assessed by the standards of a reasonable person carrying on the Business Operations of the Insured;
- 5.12 any costs which the Insured may be ordered to pay by a court or tribunal adjudicating on Criminal or Statutory Proceedings;
- 5.13 any dispute with government or local authority departments concerning the imposition of regulatory or statutory charges, fees and levies;
- 5.14 any dispute between the Insured and any parent, subsidiary or associated company, or partner;
- 5.15 any dispute between the Insured, and the Insurer, and/or the Underwriting Manager, and/or the Coverholder, and/or the Lawyer;
- 5.16 any dispute relating to or in connection with any franchise agreement;
- 5.17 any Legal Expenses in connection with the pursuit of an appeal or judicial review;
- 5.18 any claims or legal proceedings (including any Legal Expenses or other costs or expenses of any description) arising out of or in connection with:
- (a) war (whether declared or not), invasion, acts of a foreign enemy, hostilities, or any similar act, condition or warlike operation, warlike action by a regular or irregular military force or other authority to hinder or defend against an actual or expected attack;
 - (b) insurrection, rebellion, revolution, riot, attempt to usurp power, popular uprising, or any action taken by any governmental or martial authority in hindering or defending against any of these;
 - (c) discharge, explosion, or use of a weapon of mass destruction, whether or not employing nuclear fission or fusion, or chemical, biological, radioactive or similar agents, by any party at any time for any reason;
- 5.19 any claims or legal proceedings (including any Legal Expenses or other costs or expenses of any description) arising out of or in connection with any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, preventing or suppressing terrorist action. If the Insurer alleges that by reason of this exclusion any liability or loss is not covered by this Policy, the burden of proving the contrary shall be upon the Insured;
- 5.20 any claims or legal proceedings (including any Legal Expenses or other costs or expenses of any description) arising out of or in connection with any pollution, seepage, discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, fungi, mould, fumes, acids, alkalis, chemicals and waste (including but not limited to material to be recycled, reconditioned or reclaimed) or contamination of any kind; or ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or radioactive, toxic, explosive or other hazardous properties of any explosive.

6. CONDITIONS

6.1 Cancellation

This Legal Expense Insurance Policy automatically terminates upon the cancellation of the Strata Policy of which this Legal Expense policy forms part.

Cancellation shall not prejudice the rights of the Insured in respect of any cause, event or circumstance which has been notified to and consent granted by the Underwriting Manager during the Period of Coverage, provided that no return of premium shall be allowed if the Insured has notified a claim which has been or is subsequently accepted under this Policy.

Cover under this Legal Expense Insurance Policy can be terminated by the Insurer with immediate effect upon the Insured acting fraudulently and/or dishonestly or for failing to consistently comply with the terms and conditions of cover such as to cause prejudice to the Insurer. In such circumstances no further cover will be provided for any claim that may have been notified and/or accepted under the Legal Expense Insurance Policy.

6.2 Notification

It is a condition precedent to the Insurer's liability under this Policy that the Underwriting Manager must be notified in writing immediately the Insured is aware of any cause, event or circumstance which has given rise or may give rise to a claim or legal proceedings involving the Insured as soon as that cause event or circumstance shall come to the attention of the Insured.

In the event that the Underwriting Manager is notified during the Period of Coverage of any cause event or circumstance which in the Underwriting Manager's reasonable opinion is likely to give rise to a claim or legal proceedings then any subsequent claim or legal proceedings which arises directly from that cause, event or circumstance shall be deemed to have been made during the Period of Coverage.

On receipt of the Insured's notification, the Underwriting Manager will forward to the Insured a claim form which must be completed and returned immediately.

6.3 Underwriting Manager's Consent

It is a condition precedent to the Insurer's liability under this Policy that the Underwriting Manager's consent to incur Legal Expenses must first be obtained in writing. This consent will be given by the Underwriting Manager if the Insured can satisfy the Underwriting Manager that it is reasonable to incur Legal Expenses and:

1. there are in the view of the Underwriting Manager reasonable prospects of a successful defence or mitigation of the Insured's loss;
2. in Criminal Defence claims where the Insured pleads guilty, there is in the view of the Underwriting Manager a reasonable prospect of a significant mitigation of the Insured's sentence or fine; or
3. there are in the view of the Underwriting Manager reasonable prospects of a recovery of damages or other remedy.

In making this decision the Underwriting Manager will have regard (without limitation) to:

- the advice received by the Underwriting Manager concerning the merits of the Insured's case;
- the Insured's prospects of securing and enforcing any judgement;
- the amount of money in dispute in relation to the Legal Expenses likely to be incurred;
- the alternative methods available for protecting the Insured's interests.

The decision to grant or withhold consent will be based on the consideration of the opinion of the Lawyer and any other adviser the Underwriting Manager may deem it necessary to consult.

The Underwriting Manager at its discretion may require the Insured to participate in mediation or other forms of dispute resolution and provide assistance in settling disputes, the cost of which will be covered under this Policy subject to all other terms, conditions and limitations of this Policy.

The Underwriting Manager at its discretion may require the Insured to obtain an opinion from counsel or obtain an expert's report at the Insured's expense as to the merits of a claim or legal proceedings which must have regard to the same criteria as required by the Underwriting Manager. If that opinion indicates there are reasonable prospects, the Insurer will pay for the cost of the opinion within the Limit of Indemnity for that claim.

When the Underwriting Manager grants consent, the Insurer agrees to provide indemnity to the Insured within the terms, conditions, limitations, provisos and exclusions of this Policy. Such consent does not imply that all Legal Expenses shall be paid but only those which the Underwriting Manager has expressly agreed to.

If after consent has been granted by the Underwriting Manager it becomes apparent to the Underwriting Manager that the claim falls outside the terms, conditions, limitations, provisos and exclusions of the Policy such consent shall be withdrawn and no indemnity provided.

If after consent has been granted by the Underwriting Manager it ceases to be reasonable in the view of the Underwriting Manager to incur Legal Expenses, the Underwriting Manager may withdraw consent. Legal Expenses incurred up until that time will continue to be indemnified by the Insurer.

Notwithstanding any general consent granted, the Insurer limits its liability to the payment of Legal Expenses incurred solely for the purpose of indemnifying the Insured in respect of the claim or legal proceedings to which consent has been granted. Legal Expenses incurred for the routine presentation or administration of the Insured's affairs or expenses which would have been incurred in the normal course of the Insured's Business Operations shall fall outside the indemnity provided under this Policy.

If the Insured elects to proceed with the pursuit or defence of a claim or legal proceedings to which consent has not been granted by the Underwriting Manager because there are not reasonable prospects and the Insured is successful in such a pursuit or defence, then the Insurer agrees to pay those Legal Expenses incurred after the Underwriting Manager refused consent subject to the terms, conditions and limitations of this Policy.

For the purposes of this clause, success shall mean a cost order or agreement to pay over 50% of incurred costs in favour of the Insured or an acquittal of the Insured.

6.4 Conduct of a Claim

(i) Choice of Lawyer

Where it is necessary that the Insured has recourse to a lawyer, the Insured may select the Lawyer only from the list of approved law firms, as amended from time to time, which shall be provided by the Underwriting Manager to the Insured upon request. In all cases the Lawyer shall be appointed to act in the name and on behalf of the Insured in any claim or legal proceedings to which the Underwriting Manager has given written consent. The Lawyer is not the agent of or employed by the Underwriting Manager or the Insurer.

The Insurer shall only be responsible to pay the Lawyer's normal hourly rate up to the Fee Limit set out in the Declarations. The Insured must pay the Lawyer any legal fees in excess of this amount. Any Lawyer the Insured chooses must disclose his or her chargeable rates and the rates of any staff.

(ii) Access to information

The Underwriting Manager is entitled to receive from the Lawyer any information, document or advice in connection with any claim or legal proceedings even if such material is legally privileged. On request the Insured will give to the Lawyer any instructions necessary to secure the required access.

(iii) Disclosure and co-operation

The Insured must give the Lawyer all necessary help and information including a complete truthful account of the facts of the case and all relevant documentary or other evidence in the Insured's possession. The Insured must search for, provide, obtain sign or execute all documents as required by the relevant court or tribunal rules or as recommended by the Lawyer and attend all meetings or conferences as requested. Cover may be withdrawn if the Insured fails to co-operate at all or within a reasonable time with the Lawyer's request.

(iv) Payment of Legal Expenses

All invoices relating to a claim that the Insured receives from the Lawyer should be forwarded to the Underwriting Manager immediately. If the Underwriting Manager so requires, the Insured must ask the Lawyer to submit their bill of costs for taxation or assessment by the appropriate Law Society, governing body or court.

The Insured shall be responsible for the payment of Legal Expenses invoices. The Insurer will, however, settle these directly with the Lawyer if requested to do so by the Insured. All invoices must be certified by the Underwriting Manager to the effect that all charges have been properly incurred and this will be deemed authority for the Insurer to settle the invoice directly with the Lawyer.

Only invoices in respect of Legal Expenses incurred with the consent of the Underwriting Manager and in the amount agreed with the Underwriting Manager shall be paid. The Insured shall personally pay the Lawyer the portion of Legal Expenses to be borne by the Insured as the Deductible, and/or Co-Insurance and in excess of the Limit of Indemnity pursuant to this Policy.

(v) Instruction of counsel and experts

Where the Lawyer wishes to obtain the opinion of or instruct other counsel or experts, it must provide its reasons and seek and receive the prior written consent of the Underwriting Manager.

6.5 Settlement

It is a condition precedent to the Insurer's liability under this Policy that the Insured informs the Underwriting Manager in writing as soon as the Insured receives a payment into court, an offer to settle a claim or legal proceedings or an invitation to participate in a mediation or other form of dispute resolution. The Insured must not agree to settle any claim without the prior written consent of the Underwriting Manager which will not be unreasonably withheld or delayed. If the Insured rejects any offer to settle a claim by way of payment into court or otherwise which the Underwriting Manager considers reasonable and recommends acceptance of, then no further indemnity will be provided by the Insurer from the date of rejection by the Insured.

6.6 Minimizing Costs

The Insured must take all reasonable measures to minimize the costs of any claim under this Policy including but not limited to pursuing settlement negotiations and must consider all reasonable settlement offers.

6.7 Recovery of Costs

Whenever the Insured is awarded costs or costs are included under the terms of any settlement, those costs are to be repaid to the Insurer. In every claim the Insured and the Lawyer shall make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement, the Insured agrees that the Lawyer's appraisal of a fair and reasonable proportion of that settlement will be deemed costs and shall be due to the Insurer.

6.8 Dishonest and fraudulent claims

If the Insured makes any claim under this Policy (or has made a claim under any other or previous Policy) which the Insured knows or ought to know to be false or fraudulent in any way, this Policy shall be cancelled ab initio and all rights of the Insured under this Policy including the premium shall be forfeit. The Insurer shall be entitled to recover any Legal Expenses previously paid.

6.9 Insolvency or liquidation of the Insured

If the Insured becomes insolvent or bankrupt within the meaning of the Bankruptcy Act (Canada) or had property seized or attached in satisfaction of a judgement, had a receiver appointed, or taken action (if a corporation) with a view to winding up, dissolution or liquidation during the course of any claim or legal proceedings any consent previously given shall automatically be withdrawn unless expressly agreed in writing to the contrary by the Underwriting Manager.

6.10 Provincial Sales Tax (PST) and/or Goods and Services Act (GST) and/or Harmonized Sales Tax (HST)

If the Insured is registered for PST and/or GST and/or HST, the Insurer will not be liable to indemnify the Insured for the PST and/or GST and/or HST element of any Legal Expenses invoices.

6.11 Premium

The Premium payable hereunder is calculated by reference to the number of residential units managed and maintained by the Insured.

- I. The Insured undertakes that the Premium and applicable taxes will be paid in full to the Coverholder within thirty days of inception of this Policy (or, in respect of instalment premiums, when due).
- II. If the Premium has not been so paid to the Coverholder by the thirtieth day from the inception of this Policy the Insurer shall have the right to cancel this Policy by notifying the Insured in writing via the Coverholder. In the event of cancellation, Premium is due to the Insurer on a pro rata basis for the period that the Insurer is on risk but the full Premium shall be payable to the Insurer in the event of a notification prior to the date of termination which gives rise to a claim under this Policy.
- III. It is agreed that the Insurer shall give not less than 15 days prior notice of cancellation to the Insured. If the Premium due is paid in full to the Insurer before the notice period expires, notice of cancellation shall automatically be revoked. If not, the Policy shall automatically terminate at the end of the notice period.

7. GOVERNING LAW

This Policy shall be governed by and construed in accordance with the laws of Canada. Any terms of this Policy which are in conflict with the statutes of the province where the Policy is issued are amended to conform to such statutes.

8. INTERPRETATION

In this Policy:

- (i) reference to any statute or statutory provision and orders or regulations thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy;
- (ii) reference to any statutory or other body shall include the successor to that body;
- (iii) words importing the singular include the plural and vice versa and references to persons include bodies corporate or unincorporated. Words importing any gender shall include all genders;
- (iv) if any term, condition, exclusion or endorsement or part thereof is found to be invalid or unenforceable the remainder shall remain in full force and effect;
- (v) the headings are for reference only and shall not be considered when determining the meaning of this Policy.

9. NOTIFICATIONS

All communications, documents or notices, other than in respect of claims, which this Policy requires the Insured to deliver, must be made to the Coverholder at the address stipulated in the Declarations.

In respect of claims under this Policy the Insured must contact and send all communications to the Underwriting Manager.

The Insured is deemed to have received all correspondence, documents and notices within four days of the date of mailing if sent in writing by ordinary mail to the address as last declared to the Insurer or in relation to any matters arising out of any claim or legal proceedings if sent to the Lawyer.

10. RESOLUTION OF DISPUTES

Any dispute between the Insured and the Insurer relating to the application or interpretation of this Policy which is not resolved by the parties within fifteen (15) days written notice thereof given by one party or the other shall be subject to mediation. In this event, the Insured and the Insurer will mutually agree on the nomination of a mediator or where such agreement is not made the Insured and the Insurer will request the court of competent jurisdiction to appoint a person to mediate the dispute. The Insured and the Insurer agree to co-operate with the mediator with the view to resolving the dispute. The Insured and the Insurer shall share the costs of the mediation services in equal proportions.

11. ARBITRATION

Any dispute that can not be resolved by mediation in accordance with Resolution of Disputes above may be submitted by either party to a single arbitrator who shall be either a lawyer agreed upon by the parties or, failing agreement, a person appointed by a judge of the Supreme Court (or equivalent) of the province or territory in which the Insured has its principal office. Such arbitration shall be governed by the arbitration legislation in force in the aforesaid province or territory. The decisions of the arbitrator shall be final and binding on the Insured and the Insurer and arbitration costs shall be paid in full by the party against whom the decision is made. If the decision is not clearly made against either party, the arbitrator shall have the power to apportion costs. If the decision is made in the Insurer's favour, no costs shall be recoverable by the Insured under this Policy.

12. DEFINITIONS

- 12.1 "Any One Claim" means all claims or legal proceedings arising from the same originating cause or series of events or occurrences attributable to one originating cause.

- 12.2 “Business Operations” means the management and maintenance of the Common Property and Common Assets of the Insured for the benefit of Owners.
- 12.3 “Common Assets” means personal property held by or on behalf of the Insured for the benefit of any Owner.
- 12.4 “Common Property” means land (including buildings thereon) or an interest in land shown on a property plan that is not property of any Owner.
- 12.5 “Contract for Services” means a contract made between the Insured and a Contracting Party whereby one of the parties provides a service in connection with the Business Operations to the other for monetary consideration.
- 12.6 “Contracting Party” means a company, firm or individual who has a direct contractual relationship with the Insured.
- 12.7 “Coverholder” means Seafirst Insurance Brokers who are responsible for issuing the Insured with a policy of insurance as agreed by the Insurer.
- 12.8 “Criminal or Statutory Proceedings” means offences pursuant to the *Criminal Code (Canada)*, the *Controlled Drugs and Substances Act*, the *Food and Drugs Act (Canada)*, the *Occupational Health and Safety Act*, the *Environmental Protection Act* and the *Workplace Hazardous Materials Information Services Act*, and any other provincial, territorial or federal statutes or regulations which prescribe offences punishable on summary conviction or by indictment.
- 12.9 “Deductible” means the amount specified in the Declarations the Insured must bear in Legal Expenses in respect of Any One Claim before the Insurer is liable to provide any indemnity under this Policy.
- 12.10 “Due Date” means the date on which monies owed to the Insured become due and payable.
- 12.11 “Goods” means tangible, moveable property and excluding interests or rights in Common Property.
- 12.12 “Injury” means bodily injury or death but does not mean any sickness, disease or naturally occurring condition or degenerative process.
- 12.13 “Insured” means the corporation named as Insured in the Declarations and who is insured under this Policy including jointly and severally at the Insured’s request any director, officer, council members or similar office holders who are appointed or elected to that office pursuant to legislation applicable to the Business Operations of the Insured while acting on behalf of the Insured for acts within the scope of their position and only in so far as such acts relate to the Business Operations of the Insured.
- 12.14 “Insurer” means certain Lloyd’s Underwriters, London, England.
- 12.15 “Lawyer” means the legal representative selected by the Insured and approved by the Underwriting Manager, who is on the list of approved law firms provided by the Underwriting Manager, to act in the name of and behalf of the Insured in accordance with the terms, conditions, limitations, provisos and exclusions of this Policy.
- 12.16 “Legal Expenses” means
- (i) fees, expenses and disbursements including Witness Attendance Allowance and costs and expenses of expert witnesses reasonably incurred by the Lawyer, subject to the Fee Limit set out in Legal Expense Endorsement #1, with the Underwriting Manager’s prior written consent;
 - (ii) all costs reasonably and properly incurred by the Underwriting Manager and the costs of providing the Telephone Legal Advisory Service to the Insured;
 - (iii) costs incurred by other parties to which the Insured is held liable in court or tribunal proceedings to pay

or which the Insured agrees to pay with the Underwriting Manager's prior written consent but excluding any costs which the Insured may be ordered to pay by a court or tribunal adjudicating on Criminal or Statutory Proceedings.

- 12.17 "Minimum Sum in Dispute" means the amount specified in Legal Expense Endorsement #1.
- 12.18 "Owner" means a person or entity as more particularly defined under the relevant legislation pertaining to the management duties of the Insured and who is shown as the owner or leaseholder of a unit in the register of a land title office.
- 12.19 "Period of Coverage" means the period as specified in the Declarations.
- 12.20 "Premium" means the amount specified in the Declarations.
- 12.21 "Professional Duty" means contractual, tortious or fiduciary duties owed to or by the Insured to or by another company, partner, firm or individual or a director or employee thereof in connection with the provision of professional services or advice, for which there is a requirement to have professional indemnity insurance or an equivalent insurance providing indemnity in the event of a negligent act, error or omission.
- 12.22 "Retroactive Date" means the date specified in Legal Expense Endorsement #1 after which the cause, event or circumstance giving rise to a claim or legal proceeding by or against the Insured must have occurred.
- 12.23 "Sum in Dispute" means the sum in dispute between the Insured and a Contracting Party.
- 12.24 "Telephone Legal Advisory Service" means the telephone advisory service stipulated in Legal Expense Endorsement #1 which can be used by the Insured.
- 12.25 "Territorial Limits" means as specified in Legal Expense Endorsement #1.
- 12.26 "Underwriting Manager" means the company stipulated in Legal Expense Endorsement #1 or appointed subsequently by the Insurer which is authorised to handle and administer claims under this Policy on the Insurer's behalf and to whom any notification of a claim must be made.
- 12.27 "Witness Attendance Allowance" means costs not to exceed \$250 per day or \$2500.00 Any One Claim when any individual within the defined term of Insured is absent from work consequent upon attending a court or tribunal hearing of a claim to which the Underwriting Manager has given written consent under this Policy.

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The Company, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations and other terms of this Policy, agrees with the Insured, in accordance with such of the Insuring Agreements hereof as are specifically designated by the insertion of an amount of insurance on the Declarations Page applicable to this form, to pay the Insured for:

INSURING AGREEMENTS

I Employee Dishonesty Coverage - Form A

Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated on the Declarations Page applicable to this form as **Employee dishonesty - Limit per loss (Form A)** applicable to this Insuring Agreement I, Form A, resulting directly from one or more Fraudulent or Dishonest Acts committed by an Employee, acting alone or in collusion with others.

I Employee Dishonesty Coverage - Form B

Loss of Money, Securities and other property which the Insured shall sustain resulting directly from one or more Fraudulent or Dishonest Acts committed by an Employee, acting alone or in collusion with others, the amount of insurance on each of the Employees being the amount stated on the Declarations Page applicable to this form as **Employee dishonesty - Limit per employee (Form B)** applicable to this Insuring Agreement I, Form B.

II Loss Inside the Premises Coverage

Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognized places of safe deposit, the amount of insurance being the amount stated on the Declarations Page applicable to this form as **Money and securities - Inside loss**.

Loss of (a) other property by Safe Burglary or Robbery within the Premises or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat.

Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

III Loss Outside the Premises Coverage

Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armoured motor vehicle company, or while within the living quarters in the home of any Messenger, the amount of insurance being the amount stated on the Declarations Page applicable to this form as **Money and securities - Outside loss**.

Loss of other property by Robbery or attempt thereat outside the Premises while being conveyed by a Messenger or any armoured motor vehicle company, or by theft while within the living quarters in the home of any Messenger.

IV Money Orders and Counterfeit Paper Currency Coverage

Loss due to the acceptance in good faith, in exchange for merchandise, Money or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit Canadian or United States paper currency, the amount of insurance being the amount stated on the Declarations Page applicable to this form as **Money orders and counterfeit paper currency**.

V Depositors Forgery Coverage

Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a chequing or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any cheque, draft, promissory note, bill of exchange or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including:

- (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
- (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and

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- (c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to the named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

The amount of insurance is the amount stated on the Declarations Page applicable to this form as **Depositors forgery**.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured or such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such loss. The liability of the Company to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payments and the Company shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be construed to be a loss under this Insuring Agreement and the liability of the Company for such loss shall be in addition to any other liability under this Insuring Agreement.

GENERAL AGREEMENTS

A. Consolidation - Merger

If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees or if the Insured shall thereby acquire the use and control of any additional Premises, the insurance afforded by this Policy shall also apply as respects such Employees and Premises, provided the Insured shall give the Company written notice thereof within thirty days thereafter and shall pay the Company an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

B. Joint Insured

If more than one Insured is covered under this Policy, the Insured first named shall act for itself and for every other Insured for all purposes of this Policy. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 7, 8 and 15, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 15 shall apply to every Insured. If, prior to the cancellation or termination of this Policy, this Policy or any Insuring Agreement hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination or as respects Insuring Agreement I, Form B, within two years therefrom. Payment by the Company to the Insured first named of any loss under this Policy shall fully release the Company on account of such loss. If the Insured first named ceases for any reason to be covered under this Policy, then the Insured next named shall thereafter be considered as the Insured first name for all purposes of this Policy.

C. Loss Under Prior Bond or Policy

If the coverage of an Insuring Agreement of this Policy, other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the Company agrees that such Insuring Agreement applies to loss which is discovered as provided in Section I of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

1. the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this Policy;
2. such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and
3. recovery under such Insuring Agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such Insurance Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

Insuring Agreement V shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreement V, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all the coverage afforded under Insuring Agreement V; provided, with respect to loss covered by this paragraph:

- (a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insurance Agreement V was substituted therefor;
- (b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and
- (c) if the amount of insurance carried under Insuring Agreement V applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance, and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

**THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS
ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:**

Section 1. Policy Period, Territory, Discovery

Loss is covered under this Policy only if discovered not later than one year from the end of the Policy Period, except that under Insuring Agreement I, Form B, loss is covered only if discovered not later than two years from the end of the Policy Period.

Subject to General Agreement C:

- (a) this Policy, except under Insuring Agreements I and V, applies only to loss which occurs during the Policy Period within Canada, any of the States of the United States of America or the District of Columbia;
- (b) Insuring Agreement I applies only to loss sustained by the Insured through Fraudulent or Dishonest Acts committed during the Policy Period by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;
- (c) Insuring Agreement V applies only to loss sustained during the Policy Period.

Section 2. Exclusions

This Policy does not apply:

- (a) to loss due to any Fraudulent, Dishonest or criminal Act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I, to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- (c) under Insuring Agreements II and III, to loss due to any Fraudulent, Dishonest or criminal Act by an Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this Exclusion does not apply to Safe Burglary or Robbery or attempt thereat;
- (d) under Insuring Agreements II and III, to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (e) under Insuring Agreements II and III, to loss (1) due to the giving or surrendering of Money or Securities in exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records, except for blank value;
- (f) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;
- (g) under Insuring Agreement III, to loss of insured property while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armoured motor vehicle company, (2) insurance carried by said armoured motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company's service, and then this Policy shall cover only such excess;
- (h) under Insuring Agreements II and III, to loss due to any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- (i) under Insuring Agreement II, to loss, other than to Money, Securities, a safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;

- (j) to loss due to the surrender of Money, Securities or other property away from the Premises as a result of a threat to do:
 - (1) bodily harm to any person, or
 - (2) damage to the Premises or property owned by the Insured or held by the Insured in any capacity;provided, however, these exclusions do not apply:
 - (a) to Insuring Agreement I if coverage is afforded thereunder, or
 - (b) under Insuring Agreement III if coverage is afforded thereunder, to loss of Money, Securities or other property while being conveyed by a Messenger when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- (k) to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Policy, except as may be specifically stated to the contrary in this Policy;
- (l) to potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Policy;
- (m) to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Policy;
- (n) to all costs, fees and other expenses incurred by the Insured in establishing the existence of, or amount of loss covered under this Policy;
- (o) under Insuring Agreement II, to loss of Money, Securities and other property which has been transferred by any computer to a person or to a place outside the covered premises on the basis of unauthorized electronic instructions.

Section 3. Definitions

The following terms, as used in this Policy, shall have the respective meanings stated in this Section:

"Banking Premises" means the interior of that portion of any building which is occupied by a banking institution in conducting its business.

"Custodian" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.

"Employee" means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business, including persons hired through an intervening employment agency or employer, during the Policy Period and whom the Insured compensates directly or indirectly by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreement I, the above words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject however, to Sections 15 and 16.

"Fraudulent or Dishonest Acts" shall mean only Fraudulent or Dishonest Acts committed by such Employee with the manifest intent:

- (a) to cause the Insured to sustain such loss; and
- (b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

This definition of "Fraudulent or Dishonest Acts" does not apply to Section 7 or Section 15 of this Policy.

"Loss", except under Insuring Agreements I and V, includes damage.

"Messenger" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the Premises.

"Money" means currency, coins, bank notes and bullion; and travellers cheques, registered cheques and money orders held for sale to the public.

"Premises" means the interior of that portion of any building which is occupied by the Insured in conducting its business. As respects Robbery only, the premises shall also include the space immediately surrounding such building.

"Robbery" means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or Employee of the Insured; (4) from the person or direct care and custody of a Messenger or Custodian who has been killed or rendered unconscious; or (5) under Insuring Agreement II, (a) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish

him with means of ingress into the Premises, or (b) from a showcase or show window within the Premises while regularly open for business, by a person who has broken the glass thereof from outside the Premises.

"Safe Burglary" means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the Premises by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, of (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the Premises.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

Section 4. Loss Caused By Unidentifiable Employees

If a loss is alleged to have been caused by the Fraudulent or Dishonest Acts of any one or more of the Employees and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreement I, subject to the provisions of Section 2(b) of this Policy, provided that the evidence submitted reasonably proves that the loss was in fact due to the Fraudulent or Dishonest Acts of one or more of the said Employees, and provided further, that the aggregate liability of the Company for any such loss shall not exceed the Limit of Liability applicable to Insuring Agreement I.

Section 5. Ownership of Property; Interests Covered

The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; provided Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss, in which event the third paragraph of Section 8 is applicable to them.

Section 6. Books and Records

The Insured shall keep records of all the insured property in such manner that the Company can accurately determine therefrom the amount of loss.

Section 7. Prior Fraud, Dishonesty or Cancellation

The coverage of Insuring Agreement I shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any Fraudulent or Dishonest Act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this Policy, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been cancelled as to any of such Employees by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether the Company or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Company shall not be liable on account of such Employees unless the Company shall agree in writing to include such Employees within the coverage of Insuring Agreement I.

Section 8. Loss Notice - Proof - Action Against Company

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (a) give notice thereof as soon as practicable to the Company or any of its authorized agents and, except under Insuring Agreements I and V, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Company within four months after the discovery of loss.

Proof of loss under Insuring Agreement V shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.

Upon the Company's request, the Insured shall submit to examination by the Company, subscribe the same, under oath if required, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, nor until ninety days after the required proofs of loss have been filed with the Company, nor at all unless commenced within two years from the date when the Insured discovered the loss. If any limitation of time for notice of loss or any legal

proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

Section 9. Valuation - Payment - Replacement

In no event shall the Company be liable as respects Securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered nor, as respects other property, for more than the actual cash value thereof at the time of the loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The Company may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Company has made indemnification shall become the property of the Company.

In case of damage to the Premises or loss of property other than Securities, the Company shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such Premises or property or of replacing same with property or material of like quality and value. The Company may, at its election, pay such actual cash value, or make such repairs or replacements. If the Company and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

Section 10. Recoveries

If the Insured shall sustain any loss covered by this Policy which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, on account of such loss under this policy until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Company.

Section 11. Limits of Liability

Payment of loss under Insuring Agreement I or V shall not reduce the Company's liability for other losses under the applicable Insuring Agreement whenever sustained. The Company's total liability (a) under Insuring Agreement I, Form A, for all loss caused by any Employee or in which such Employee is concerned or implicated, or (b) under Insuring Agreement I, Form B, as to each Employee, or (c) under Insuring Agreement V for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified on the Declarations Page applicable to this form or endorsement amendatory thereto. The liability of the Company for loss sustained by any or all of the Insureds shall not exceed the amount for which the Company would be liable had all such loss been sustained by any one of the Insureds.

Except under Insuring Agreements I and V, the applicable limit of liability stated on the Declarations Page applicable to this form is the total limit of the Company's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted Fraudulent, Dishonest or criminal Act or series of related acts at the Premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this Policy shall continue in force and the number of premiums which shall be payable or paid, the limit of the Company's liability as specified on the Declarations Page applicable to this form shall not be cumulative from year to year or period to period.

The limits of liability as expressed in the Policy are in Canadian currency.

Section 12. Limits of Liability Under This Policy and Prior Insurance

This Section shall apply only to Insuring Agreements I and V.

With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by the Company to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Company under this Policy and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Policy on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

Section 13. Other Insurance

Except in the province of Quebec, if there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreement I or V, the Company shall be liable hereunder only for that part of such loss which is in excess of the amount

recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insurance Agreement V. Any loss covered under both Insuring Agreement I and V shall first be paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement I. If this policy is governed by the law of Quebec, each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss. The Company waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Policy shall apply only as excess insurance over such other insurance, except in the province of Quebec where each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss, provided the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance or (b) to property otherwise insured unless such property is owned by the Insured.

Section 14. Subrogation

In the event of any payment under this policy, the Company shall be subrogated to all the Insured's rights of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

Section 15. Cancellation as to Any Employee

Insuring Agreement I shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee; or (b) except in the province of Quebec, at 12:01 a.m. standard time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Company of notice as aforesaid to the Insured at the address shown in this Policy shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by endorsement only.

Section 16. Cancellation of Policy or Insuring Agreement

This Policy or any Insuring Agreement may be cancelled by the Insured by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy or any Insuring Agreement may be cancelled by the Company by mailing to the Insured at the address shown in this Policy written notice stating when not less than fifteen days thereafter such cancellation shall be effective except in the province of Quebec where the notice of cancellation takes effect fifteen days after receipt by the Insured of the notice at the last known address. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Policy Period for any affected Insuring Agreement. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

Section 17. No Benefit to Bailee

This Section shall apply only to Insuring Agreements II and III.

The insurance afforded by this Policy shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

Section 18. Assignment

Assignment of interest under this Policy shall not bind the Company until its consent is endorsement hereon; if, however, the Insured shall die, or in the province of Quebec be declared bankrupt, this Policy shall cover the Insured's legal representative, or in the province of Quebec the trustee in bankruptcy, as Insured; provided that notice of cancellation addressed to the Insured named in the Declarations and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Policy.

Section 19. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy signed by an authorized representative of the Company.

By acceptance of this Policy the Insured agrees that it embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

Tenants' Legal Liability Extension (Broad Form)

LE7

This extension modifies coverage provided by form L1, L2 and L3, but only if indicated on the Declarations Page for the form.

The COVERAGE D. TENANTS' LEGAL LIABILITY Insuring Agreement in your policy is amended as follows:

1. By deleting the following sentence from that Insuring Agreement:
"This insurance applies only to "property damage" caused by fire, explosion, smoke or leakage from fire protective equipment to premises rented to you or occupied by you"; and
2. By replacing that sentence with the following new sentence:
"This insurance applies only to "property damage" to premises rented to you or occupied by you".

All other terms and conditions of this Policy remain unchanged.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "bodily injury" or "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D. This insurance applies only to "bodily injury" and "property damage" which occurs during the policy period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". We will have the right and duty to defend any "action" seeking those compensatory damages but:
 - 1) The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE.
 - 2) We may investigate and settle any claim or "action" at our discretion; and
 - 3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
- b. Compensatory damages because of "bodily injury" include compensatory damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury"
- c. "Property damage" that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.

2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. "Bodily injury" or "property damage" for which the insured is obligated to pay compensatory damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages:
 - 1) Assumed in a contract or agreement that is an "insured contract"; or
 - 2) That the insured would have in the absence of the contract or agreement
- c. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law,
- d. "Bodily injury" to an employee of the insured arising out of and in the course of employment by the insured.
This exclusion applies:
 - a) Whether the insured may be liable as an employer or in any other capacity; and
 - b) To any obligation to share compensatory damages with or repay someone else who must pay compensatory damages because of the injury.

This exclusion does not apply:

- i) To liability assumed by the insured under an "insured contract"; or
- ii) To employees on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers compensation law.
- e. 1) "Bodily injury" or "property damage" arising out of the ownership, use or operation by or on behalf of any insured of:
 - a) Any "automobile";
 - b) Any motorized snow vehicle or its trailers;
 - c) Any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
 - d) Any vehicle which if it were to be insured would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, but this exclusion does not apply to the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment,
- 2) "Bodily injury" or "property damage" with respect to which any motor vehicle liability policy is in effect or would be in effect but for its termination upon exhaustion of its limit of liability or is required by law to be in effect.

This Exclusion e. does not apply to "bodily injury" to an employee of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers compensation law.

- f. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any insured of any watercraft.
This exclusion does not apply to:
 - 1) A watercraft while ashore on premises you own or rent;
 - 2) A watercraft you do not own that is:
 - a) Less than 8 meters long; and
 - b) Not being used to carry persons or property for a charge
 - 3) "Bodily injury" to an employee of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers compensation law.
- g. 1) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any insured of:
 - a) Any aircraft; or
 - b) Any air cushion vehicle.
- 2) "Bodily injury" or "property damage" arising out of the ownership, existence, use or operation by or on behalf of any insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.
- h. "Property damage" to:
 - 1) Property you own, rent, or occupy;
 - 2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
 - 3) Property loaned to you;
 - 4) Personal property in your care, custody or control;
 - 5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
 - 6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph 2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs 3), 4), 5) and 6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph 6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".
- i. "Property damage" to "your product" arising out of it or any part of it.
- j. "Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".
This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.
- k. "Property damage" to impaired property" or property that has not been physically injured, arising out of:
 - 1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
 - 2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.
- l. Any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment removal or disposal of:
 - 1) "Your product";
 - 2) "Your work"; or
 - 3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.
- m. Pollution Liability - See Common Exclusions.
- n. Nuclear Liability - See Common Exclusions.
- o. War Risks - See Common Exclusions.

COVERAGE B. PERSONAL INJURY LIABILITY

- 1. Insuring Agreement
 - a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "personal injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D. We will have the right and duty to defend any "action" seeking those compensatory damages but:
 - 1) The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE;
 - 2) We may investigate and settle any claim or "action" at our discretion; and
 - 3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments of settlements under Coverages A, B or D or medical expenses under Coverage C.
 - b. This insurance applies to "personal injury" only if caused by an offense:

- 1) Committed in the "coverage territory" during the policy period; and
- 2) Arising out of the conduct of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.

2. Exclusions.

This insurance does not apply to:

"Personal injury":

- 1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity
- 2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- 3) Arising out of the wilful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- 4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages that the insured would have in the absence of the contract or agreement.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement.

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- 1) On premises you own or rent;
- 2) On ways next to premises you own or rent; or
- 3) Because of your operations:

provided that:

- a) The accident takes place in the "coverage territory" and during the policy period;
- b) The expenses are incurred and reported to us within one year of the date of the accident; and
- c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- 1) First aid at the time of an accident;
- 2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- 3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury"

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an employee of any insured, who at the time of injury is entitled to benefits under any workers compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. The payment of which is prohibited by law.
- g. Included within the "products-completed operations hazard".
- h. Excluded under Coverage A.

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement.

We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D. This insurance applies only to "property damage" caused by fire, explosion, smoke or leakage from fire protective equipment to premises rented to you or occupied by you. This insurance applies only to "property damage" which occurs during the policy period. The "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". We will have the right and duty to defend any "action" seeking those compensatory damages but:

- a. The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE;
- b. We may investigate and settle any claim or "action" at our discretion; and
- c. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

2. Exclusions

This insurance does not apply to:

- a. "Property damage" expected or intended from the standpoint of the insured.
- b. "Property damage" for which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages that the insured would have in the absence of the contract or agreement.

- c. Pollution Liability - See Common Exclusions.
- d. Nuclear Energy Liability - See Common Exclusions.
- e. War Risks - See Common Exclusions.

COMMON EXCLUSIONS - COVERAGES A, C AND D

This insurance does not apply to:

1. Pollution Liability
 - a. "Bodily injury", "property damage" and "clean up costs" arising out of the actual, alleged or threatened discharge, dispersal, seepage, release or escape of pollutants:
 - 1) At or from any premises, site or location which is or was at any time, owned or occupied by, or rented or loaned to an Insured;
 - 2) At or from any premises, site or location which is or was at any time, used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - 3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom the Insured may be legally responsible; or
 - 4) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations:
 - a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor; or
 - b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants

Sub-paragraphs 1) and 4)a) of paragraph a. of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a fire which becomes uncontrollable or breaks out from where it was intended to be.

- b. Any loss, cost or expense arising out of any request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize or in any way respond to, or assess the effect of pollutants unless such loss, cost or expense is consequent upon "bodily injury" or "property damage" covered by this policy.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

2. Nuclear Energy Liability
 - a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof:
 - b. "Bodily injury" or "property damage" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability.
 - c. "Bodily injury" or "property damage" resulting directly or indirectly from the nuclear energy hazard arising from:
 - 1) The ownership maintenance operation or use of a nuclear facility by or on behalf of an insured:
 - 2) the furnishing by an insured of services, materials parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility:
 - 3) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

As used in this policy:

- 1) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material:
- 2) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respect derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production use or application of atomic energy.
- 3) The term "nuclear facility" means:
 - a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;
 - c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.

d) any structure basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material:

and includes the site on which any of the foregoing is located together with all operations conducted thereon and all premises used for such operations.

4) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

3. War Risks

"Bodily injury" or "property damage" due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D

We will pay, with respect to any claim or "action" we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to \$100 a day because of time off from work.
- d. All costs taxed against the insured in the "action" and any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance.

These payments will not reduce the limits of insurance

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. An organization other than a partnership or joint venture, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, none of these employees is an insured for:
 - 1) "Bodily injury" or "personal injury" to you or to a co-employee while in the course of his or her employment: or
 - 2) "Bodily injury" or "personal injury" to any person who at the time of injury is entitled to benefits under any workers compensation or disability benefits law or a similar law; or
 - 3) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services or
 - 4) "Property damage" to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture)
- b. Any person (other than your employee), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - 1) With respect to liability arising out of the maintenance or use of that property; and
 - 2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverages A and D do not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance stated in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "actions" brought; or
 - c. Persons or organizations making claims or bringing "actions".
2. If **Aggregate limit - Applies to all losses** is indicated in the Declarations, the Aggregate Limit so indicated is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C; and
 - b. Compensatory damages under Coverage A, Coverage B and Coverage D
 If **Aggregate limit - Applies to products-completed operations only** is indicated in the Declarations, the Aggregate Limit so indicated is the most we will pay for compensatory damages arising out of the "products-completed operations hazard".
3. Subject to 2. above, the **Each occurrence limit** is the most we will pay for the sum of:
 - a. Compensatory damages under Coverage A and Coverage D; and
 - b. Medical expenses under Coverage C;
 because of all "bodily injury" and "property damage" arising out of any "occurrence".
4. Subject to 2 above, the **Personal injury limit** is the most we will pay under Coverage B for the sum of all compensatory damages because of all "personal injury" sustained by any one person or organization.
5. Subject to 3. above, the **Tenants' legal liability limit - Any one premises** is the most we will pay under Coverage D for compensatory damages because of "property damage" to any one premises.
6. Subject to 3. above, the **Medical expense limit - Any one person** is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.
7. If **Products-completed operations excluded** is indicated in the Declarations, this insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.
Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.
2. Canadian Currency Clause.
All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.
3. Cancellation.
 - a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
 - b. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:
 - 1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - 2) 30 days before the effective date of cancellation if we cancel for any other reason.
 Except in Quebec, if notice is mailed, cancellation takes effect 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation. Proof of mailing will be sufficient proof of notice. In Quebec, cancellation takes effect either 15 or 30 days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for cancellation.
 - c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
 - d. The policy period will end on the date cancellation takes effect.
 - e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
4. Changes.
This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.
5. Duties in the Event of Occurrence, Claim or Action.

- a. You must see to it that we are notified promptly of an "occurrence" which may result in a claim. Notice should include:
 - 1) How, when and where the "occurrence" took place; and
 - 2) The names and addresses of any injured persons and of witnesses.
 - b. If a claim is made or "action" is brought against any insured, you must see to it that we receive prompt written notice of the claim or "action".
 - c. You and any other involved insured must:
 - 1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - 2) Authorize us to obtain records and other information;
 - 3) Cooperate with us in the investigation, settlement or defense of the claim or "action"; and
 - 4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
 - d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
6. **Examination of Your Books and Records.**
We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.
7. **Inspections and Surveys.**
We have the right but are not obligated to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend any changes.Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
8. **Legal Action Against Us.**
No person or organization has a right under this policy;
 - a. To join us as a party or otherwise bring us into an "action" asking for compensatory damages from an insured; or
 - b. To sue us on this policy unless all of its terms have been fully complied with.A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for compensatory damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative. Every "action" or proceeding against us shall be commenced within one year next after the date of such judgment or agreed settlement and not afterwards. If this policy is governed by the law of Quebec every action or proceeding against us shall be commenced within three years from the time the right of action arises.
9. **Other Insurance.**
If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A, B or D of this policy our obligations are limited as follows:
 - a. **Primary Insurance**
This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.
 - b. **Excess Insurance**
This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:
 - 1) That is Property Insurance such as, but not limited to Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work" or for premises rented to you; or
 - 2) If the loss arises out of the maintenance or use of watercraft to the extent not subject to Exclusion f. of Coverage A (Section 1).When this insurance is excess, we will have no duty under Coverage A, B or D to defend any claim or "action" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to all the insured's rights against all those other insurers.
When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - 1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - 2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this policy.

c. **Method of Sharing.**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

10. **Premium Audit.**

a. We will compute all premiums for this policy in accordance with our rules and rates.

b. If **Premium adjustment information** is provided in the Declarations, the premium shown is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum premium shown in the Declarations of this policy.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

11. **Premiums.**

The first Named Insured shown in the Declarations;

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums we pay.

12. **Representations.**

By accepting this policy, you agree;

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations

13. **Separation of Insureds, Cross Liability.**

Except with respect to the limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "action" is brought.

14. **Transfer of Rights of Recovery Against Others to Us.**

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "action" or transfer those rights to us and help us enforce them.

15. **Transfer of your Rights and Duties under this Policy.**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

SECTION V - DEFINITIONS

1. **"Action"** means a civil proceeding in which compensatory damages because of "bodily injury", "property damage" or "personal injury" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.

2. **"Automobile"** means any self-propelled land motor vehicle, trailer or semi-trailer (including machinery, apparatus, or equipment attached thereto) which is principally designed and is being used for transportation of persons or property on public roads.

3. **"Bodily Injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. **"Coverage territory"** means:

a. Canada and the United States of America (including its territories and possessions);

b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or

- c. All parts of the world if:
 - 1) The injury or damage arises out of:
 - a) Goods or products made or sold by you in the territory described in a. above; or
 - b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - 2) The insured's responsibility to pay compensatory damages is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to in writing.
- 5. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
- 6. **"Insured contract"** means
 - a. A lease of premises;
 - b. A sidetrack agreement;
 - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 - d. Any other easement agreement;
 - e. An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
 - f. An elevator maintenance agreement; or
 - g. That part of any other contract or agreement pertaining to your business under which you assume the tort liability of another to pay compensatory damages because of "bodily injury" or "property damage" to a third person or organization, if the contract or agreement is made prior to the "bodily injury" or "property damage". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
 An "insured contract" does not include that part of any contract or agreement that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - 1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
 - 2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- 7. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 8. **"Personal Injury"** means injury, other than "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.
- 9. a. **"Products-completed operations hazard"** includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - 1) Products that are still in your physical possession; or
 - 2) Work that has not yet been completed or abandoned.
 b. "Your work" will be deemed completed at the earliest of the following times:
 - 1) When all of the work called for in your contract has been completed.
 - 2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
 - 3) When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 c. This hazard does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.
- 10. **"Property damage"** means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property; or
 - b. Loss of use of tangible property that is not physically injured.
- 11. **"Your product"** means:
 - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- 1) You;
 - 2) Others trading under your name; or
 - 3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials parts or equipment furnished in connection with such goods or products.
- "Your product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. and b. above.
- "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

12. **"Your work"** means:

- a. Work or operations performed by you or on your behalf; and
 - b. Materials, parts or equipment furnished in connection with such work or operations.
- "Your work" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. or b. above.

This extension modifies coverage provided by form L1, L1a, L2 and L3, but only if indicated on the Declarations Page for the form.

Various provisions in this extension restrict coverage. Read the entire extension carefully to determine rights, duties and what is and is not covered.

Throughout this extension the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Insurer providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning.

Section I - INSURING AGREEMENT

We will pay those sums that the "Insured" becomes legally obligated to pay as compensatory damages because of "advertising injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS. We will have the right and duty to defend any "action" seeking those compensatory damages but:

- (1) The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE.
- (2) We may investigate and settle any claim or "action" at our discretion; and
- (3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgements or settlements.

This insurance applies to "advertising injury" only if caused by an offence:

- (1) committed in the "coverage territory" during the policy period; and
- (2) arising out of the conduct of your business advertising activities.

We will consider any series of related or similar offences to be one offence.

Section II - ADDITIONAL EXCLUSIONS

This insurance does not apply to:

- (a) liability assumed by the "Insured" under any contract or agreement;
- (b) liability for:
 - (i) failure of performance of any contract or agreement, but this shall not relate to claims for unauthorized appropriation of ideas based upon alleged breach of implied contract;
 - (ii) infringement of registered trade mark, service mark or trade name by use thereof as the registered trade mark, service mark or trade name of goods or services sold, offered for sale or advertised;
 - (iii) incorrect description of any article or commodity;
 - (iv) mistake in advertised price;
- (c) any Insured in the business of advertising, broadcasting, video production, publishing or telecasting;
- (d) any injury arising out of any act committed by the "Insured" with actual malice;
- (e) "advertising injury" arising out of
 - (i) comparative advertising by or on behalf of the "Insured";
 - (ii) oral or written publication of material, if done by or at the direction of the "Insured" with knowledge of its falsity;
 - (iii) oral or written publication of material whose first publication took place before the beginning of the policy period.

Section III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - (a) Insureds;
 - (b) Claims made or "actions" brought; or
 - (c) Persons or organizations making claims or bringing "actions".
2. Subject to 3. below, the **Advertising injury limit** is the most we will pay for the sum of all compensatory damages because of all "advertising injury" sustained by any one person or organization.
3. The **Advertising aggregate limit** is the most we will pay for the sum of all compensatory damages because of "advertising injury".

The Advertising Injury Aggregate Limit applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

Section IV - DEDUCTIBLE

1. Our obligation under this coverage to pay compensatory damages on your behalf applies only to the amount of compensatory damages in excess of the deductible amount shown in the Declarations for this coverage and the limit of insurance applicable to Advertising Injury will be reduced by the amount of such deductible. The Advertising Injury Aggregate Limit shall not be reduced by the application of such deductible amount.

2. The deductible amount shown in the Declarations for this coverage applies to all compensatory damages because of Advertising Injury as a result of any one "occurrence" regardless of the number of persons or organizations who sustain damage because of that "occurrence".
3. The terms of this insurance, including those with respect to our right and duty to defend any "action" seeking those compensatory damages and your duties in the event of an "occurrence", claim or "action", apply irrespective of the application of the deductible amount.
4. We may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

Section V - ADDITIONAL DEFINITIONS

"Action" means a civil proceeding in which compensatory damages because of "bodily injury", "property damage" or "personal injury" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.

"Advertising Injury" means injury, other than "bodily injury" or "property damage", arising out of one or more of the following offenses in the conduct of your advertising, promotional or publicity activities:

- (a) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- (b) Oral or written publication of material that violates a person's right of privacy;
- (c) Piracy, unfair competition, idea misappropriation under an implied contract, or infringement of copyright, title or slogan.

"Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

"Coverage territory" means:

- a. Canada and the United States of America (including its territories and possessions);
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:
 - 1) The injury or damage arises out of:
 - a) Goods or products made or sold by you in the territory described in a. above; or
 - b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - 2) The insured's responsibility to pay compensatory damages is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to in writing.

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

"Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property; or
- b. Loss of use of tangible property that is not physically injured.

Section VI - OTHER TERMS AND CONDITIONS

Except as specifically modified in this extension, all the conditions, definitions, exclusions, provisions and terms of the Commercial General Liability policy apply to the coverage provided by this extension.

All other terms and conditions of this policy remain unchanged.

Volunteers as Insureds Extension

LE12a

This extension modifies coverage provided by form L1, L1a, L2 and L3, but only if indicated on the Declarations Page for the form.

It is agreed that **Section II - Who is an Insured** is amended by adding to item 2.

- e. Any volunteers while acting within the scope of their duties as such.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

This endorsement modifies insurance provided by forms L1 and L2, but only if indicated on the “Declarations Page” for the form.

Exclusion 2 j. of Section I – Coverage A: BODILY INJURY and PROPERTY DAMAGE LIABILITY is deleted and replaced by the following:

j. Damage To Your Work

“Property damage” to that particular part of “your work” arising out of it or any part of it and included in the “products-completed operations hazard”.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

Combined Deductible Endorsement (Bodily Injury and Property Damage)

LD3a

This Endorsement Changes The Policy. Please Read It Carefully.

This endorsement modifies insurance provided by form L1 and L2, but only if indicated on the "Declarations Page" for the form.

AMOUNT AND BASIS OF DEDUCTIBLE - The amount and basis of deductible is as indicated in the "Declarations Page" for this deductible as **per occurrence** or **per claim**.

APPLICATION OF ENDORSEMENT

1. Our obligation under Bodily Injury and Property Damage Liability to pay "compensatory damages" on your behalf applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the "Declarations Page" as applicable to such coverages, and the limits of insurance applicable to each "occurrence" for Bodily Injury and Property Damage Liability will be reduced by the amount of such deductible. The **Aggregate limit** for such coverage shall not be reduced by the application of such deductible amount.
2. The deductible amounts stated in the "Declarations Page" apply as follows:
 - A. **PER OCCURRENCE BASIS** - if the deductible is on a **per occurrence** basis, the deductible amount applies under Coverage A - Bodily Injury and Property Damage Liability to all "compensatory damages" because of "bodily injury" and "property damage" as the result of any one "occurrence" regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
 - B. **PER CLAIM BASIS** - if the deductible is on a **per claim** basis, the deductible amount applies Under Coverage A - Bodily Injury Liability and Property Damage Liability to all "compensatory damages" because of "bodily injury" and "property damage" sustained by one person.
3. The terms of this insurance, including those in respect to:
 - a) our right and duty to defend any "action" seeking those "compensatory damages"; and
 - b) your duties in the event of an "occurrence", claim or "action"apply irrespective of the application of the deductible amount.
4. We may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

This exclusion modifies coverage provided by form L1, L2 and L3, but only if indicated on the Declarations Page for the form.

This insurance does not apply to "bodily injury", "property damage" or "personal injury" arising out of:

1. The rendering or failure to render any professional services by or for you, including:
 - (a) the preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
 - (b) supervisory, inspection, or engineering services of engineers, architects, and surveyors.
2. The rendering or failure to render any professional services by or for you in the performance of any claim, investigation, adjustment, appraisal or audit service.
3. The rendering or failure to render any professional services by you or for you or those professional services designated in the Declarations as **Professional services excluded**.

All other terms and conditions of this policy remain unchanged.

Blasting, Pile Driving, Weakness of Support Exclusion

LX6

This exclusion modifies coverage provided by form L1, L1a, L2 and L3, but only if indicated on the Declarations Page for the form.

This insurance does not apply to "property damage" arising out of:

1. The use of explosives for blasting;
2. Vibration from pile driving or caisson work; or
3. The removal or weakening of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply:

- a) To "property damage" arising out of work performed on your behalf by any contractor or sub-contractor; or
- b) To "property damage" included within the "products-completed operations hazard".

All other terms and conditions of this policy remain unchanged.

INCIDENTAL MALPRACTICE ENDORSEMENT

This endorsement modifies insurance provided under the Commercial General Liability Form as follows:

Paragraph 2(n) – Exclusions of Coverage A of Section 1 is deleted and replaced by the following:

2(n) “bodily injury” or “property damage” due to the rendering of or failure to render any professional service by you or for you, except injury arising from negligence in the administration of any first aid treatment given by or on behalf of the Insured.

All other terms and conditions remain unchanged.

CONDOMINIUM CORPORATION ENDORSEMENT
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This endorsement modifies insurance provided under the Commercial General Liability Form as follows:

This policy does not provide protection for claims made against individual Registered Unit owner arising out of ownership, use or enjoyment of a "unit".

As used in this endorsement the word "unit" means the unit as defined in provincial legislation relating to condominiums or co-ownership by declaration and includes a strata lot, and in Quebec exclusive portion as so defined.

All other terms and conditions remain unchanged.

Liability Wording Amendment

It is hereby understood and agreed to that this is amending L1 (2/01) Commercial General Liability (Occurrence Form) wording as follows:

Coverage A. Bodily Injury and Property Damage Liability

2. Exclusions

(f) "Bodily Injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any watercraft. This exclusion does not apply to:

1. A watercraft while ashore on premises you own or rent;
2. A watercraft that is:
 - a. Less than 8 metres long; and
 - b. Not being used to carry persons or property for a charge.
3. "Bodily Injury" to an employee of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers compensation law.

Section V – Definitions 4. "Coverage Territory" means:

- (a) Canada and the United States of America (including its territories and possessions);
- (b) International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in (a) above; or
- (c) All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in (a) above; or
 - (b) The activities of a person whose home is in the territory described in (a) above, but is away for a short time on your business; and
 - (2) The Insured's responsibility to pay compensatory damages is determined in an "action" on the merits, in the territory described in (a) above or in a settlement we agree to in writing.

All other terms and conditions remain unchanged.

This exclusion modifies coverage provided by forms L1, L2, L3, L11, L17 and L91, but only if indicated on the Declarations Page for the form.

Notwithstanding anything to the contrary contained in this policy or in any underlying policy shown in the Declarations, it is agreed that this policy shall not apply to any liability arising out of the emission, release, discharge, dispersal, escape or disposal of matter, into or upon land, or any water of any description no matter where located or how contained, or into any drainage or sewage system, or into the atmosphere.

Matter as used herein means any substance (gas, liquid or solid) of any description or origin.

It is further agreed that this exclusion does not apply to bodily injury or property damage caused by heat, smoke or fumes from a hostile fire, provided that such bodily injury or property damage is covered by underlying insurance, for the full amount of the underlying limits as set out in the Declarations.

As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

All other terms and conditions of this policy remain unchanged.

Non-Owned Automobile Liability (SPF 6)

L14

S.P.F. No. 6 - Standard Non-Owned Automobile Policy

WHEREAS AN APPLICATION HAS BEEN MADE BY THE APPLICANT (HEREINAFTER CALLED THE INSURED) TO THE INSURER FOR A CONTRACT OF AUTOMOBILE INSURANCE AND THE SAID APPLICATION FORMS PART OF THIS CONTRACT OF INSURANCE AND IS AS FOLLOWS: -

APPLICATION

ITEMS

1.	FULL NAME OF THE APPLICANT		SEE POLICY DECLARATIONS	
	POSTAL ADDRESS (INCLUDING COUNTY OR DISTRICT)		SEE POLICY DECLARATIONS	
	APPLICANT IS		SEE POLICY DECLARATIONS	
	(STATE WHETHER INDIVIDUAL, PARTNERSHIP, CORPORATION, MUNICIPALITY OR ESTATE)			
2.	Policy Period From	TO 12:01 A.M. LOCAL TIME AT THE APPLICANT'S ADDRESS		STATED HEREIN AS TO EACH OF SAID DATES
3.	THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF:			
	AS KNOWN TO THE INSURER			
4.	THE APPLICANT'S PARTNERS, OFFICERS, EMPLOYEES AND AGENTS AS OF THE DATE OF THIS APPLICATION ARE AS FOLLOWS: PARTNERS, OFFICERS AND EMPLOYEES WHO REGULARLY USE AUTOMOBILES NOT OWNED BY THE APPLICANT IN HIS BUSINESS. ALL OTHER PARTNERS, OFFICERS AND EMPLOYEES ALL APPLICANT'S AGENTS			
	LOCATION	CLASS "A1" PRIVATE PASSENGER NUMBER RATE PREMIUM	CLASS "A2" COMMERCIAL NUMBER RATE PREMIUM	CLASS "B" NUMBER RATE PREMIUM
				CLASS "C" NUMBER RATE PREMIUM
	AS KNOWN TO THE INSURER			
5.	"HIRED AUTOMOBILES" - THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS:			
	TYPE OF AUTOMOBILE	ESTIMATED COST OF HIRE	RATES PER \$100 OF COST OF HIRE	ADVANCE PREMIUM
	COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT			
	THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.			
6.	"AUTOMOBILES OPERATED UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS:			
	TYPE OF AUTOMOBILE & DESCRIPTION OF USE	ESTIMATED CONTRACT COST	RATES PER \$100 OF CONTRACT COST	ADVANCE PREMIUM
	COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT			
	THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.			
7.	THIS APPLICATION IS MADE FOR INSURANCE AGAINST THE PERILS MENTIONED IN THIS ITEM AND UPON THE TERMS AND CONDITIONS OF THE INSURER'S CORRESPONDING STANDARD POLICY FORM AND FOR THE FOLLOWING SPECIFIED LIMIT.			
	INSURING AGREEMENT PERILS	LIMIT	COMBINED PREMIUMS	
	SECTION A	\$ IN	(EXCLUSIVE OF INTEREST AND COSTS) FOR LOSS OR DAMAGE	
	THIRD PARTY LIABILITY	ACCORDANCE WITH POLICY LIMITS	RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS, AND FOR LOSS OR DAMAGE TO PROPERTY, REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT.	
	ENDORSEMENTS		\$ INCLUDED	
	MINIMUM RETAINED PREMIUM \$	TOTAL PREMIUM	\$ INCLUDED	
8.	HAS ANY INSURER CANCELLED, DECLINED OR REFUSED TO RENEW OR ISSUE, AUTOMOBILE INSURANCE TO THE APPLICANT WITHIN THREE YEARS PRECEDING THIS APPLICATION? IF SO, STATE NAME OF INSURER.			
	AS KNOWN TO THE INSURER			
9.	STATE PARTICULARS OF ALL ACCIDENTS OR CLAIMS ARISING OUT OF THE USE OR OPERATION IN HIS BUSINESS OF NON-OWNED AUTOMOBILES BY THE APPLICANT WITHIN THE THREE YEARS PRECEDING THIS APPLICATION.			
	INJURY TO PERSONS	DAMAGE TO PROPERTY OF OTHERS		
	AS KNOWN TO THE INSURER	AS KNOWN TO THE INSURER		
10.	ALL THE STATEMENTS IN THIS APPLICATION ARE TRUE AND THE APPLICANT HEREBY APPLIES FOR A CONTRACT OF AUTOMOBILE INSURANCE TO BE BASED ON THE TRUTH OF THE SAID STATEMENTS.			
11.	Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the insured contravenes a term of the contract or commits a fraud; or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.			

INSURING AGREEMENT

Now, Therefore, in Consideration of the payment of the premium specified and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated

SECTION A - THIRD PARTY LIABILITY

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR

DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

Provided always the Insurer shall not be liable under this Policy:

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b)* for any liability imposed upon any person insured by this Policy
 - (1) by any workmen's compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured;

* Not applicable in the Province of Ontario

- (c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or

- (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- (e) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

ADDITIONAL AGREEMENTS OF INSURER

Where indemnity is provided by this Policy, the Insurer further agrees:

- (1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- (2) to defend in the name and on behalf of any person insured by this Policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- (3) to pay all costs taxed against any person insured by this Policy in any civil action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and

- (4) in the case the injury be to a person, reimburse any person insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- (5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in Section A of Item 7 of the application; and
- (6) not set up any defense to a claim that might not be set up if the Policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

Where indemnity is provided by this section, every person insured by this Policy

- (a) by the acceptance of this Policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;

- (b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this Policy.

GENERAL PROVISIONS AND DEFINITIONS**1. ADDITIONAL INSURED**

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional Insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. TERRITORY

This Policy applies only to the use or operation of automobiles within Canada or the United States of America or upon a vessel plying between ports of those countries.

3. HIRED AUTOMOBILES DEFINED

The term "Hired Automobiles" as used in this Policy means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

The term "Automobiles Operated under Contract" as used in this Policy shall mean automobiles operated in the business of the Insured stated in Item 3 of the application where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

5. TWO OR MORE AUTOMOBILES

When two or more automobiles are insured hereunder the terms of this Policy shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects limits of liability under Section A.

6. PREMIUM ADJUSTMENT

The Advance Premium stated in Item 5 of the application is computed on the estimated total "cost of hire" for the Policy Period. The words "cost of hire" as used herein mean the entire amount incurred for "Hired Automobiles" and drivers when such automobiles are hired with drivers or the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured.

The Advance Premium stated in Item 6 of the application is computed on the estimated total "contract cost" for the Policy Period. The words "contract cost" as used herein mean the entire amount paid by the Insured for "Automobiles Operated under Contract" to the owners thereof.

The Advance Premiums are subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates stated therein; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained Premium stated therein.

The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium bases or the subject matter of this Policy.

STATUTORY CONDITIONS

The Statutory Conditions for Non-Owned Automobile Insurance as set out in the Insurance Act of the Province in which this Policy covers shall form part of the Policy.

S.E.F. No. 96 - Contractual Liability Endorsement

(For attachment only to a Non-Owned Policy S.P.F. No. 6)

This extension modifies coverage provided by form L14, but only if indicated on the Declarations Page for the form.

It is agreed that exclusion (c) of Section A Insuring Agreement of the Policy to which this endorsement is attached is amended to read as follows:

(c) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

All written contracts including any other written agreement assuming the liability of others except:

- (1) Any contract or agreement assuming the legal liability of the automobile owner.
- (2) Any contract or agreement wherein the Insured has assumed liability for the sole negligence of the indemnitee.

All other terms and conditions of this policy remain unchanged

Legal Liability for Damage to Hired Automobiles Extension (SEF 94)

LE26

S.E.F. No. 94 - Legal Liability for Damage to Hired Automobiles Endorsement

(For attachment only to a Non-Owned Policy S.P.F. No. 6)

THIS ENDORSEMENT CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE.

This extension modifies coverage provided by form L14, but only if indicated on the Declarations Page for the form.

In consideration of the premium herein stated, it is understood and agreed that the policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections of the Insuring Agreement hereof for which a premium is stated and no other.

SECTION B - LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of "Hired Automobiles" as defined in such policy and resulting from loss or damage thereto, caused solely by:

Subsection 1- ALL PERILS - from all perils;

Subsection 2- COLLISION OR UPSET - caused by collision with another object or by upset;

Subsection 3-COMPREHENSIVE - from any peril other than by collision with another object or by upset;

The words "another object" as used in this subsection shall be deemed to include (a) a vehicle to which the automobile is attached and (b) the surface of the ground and any object therein or thereon.

Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage for which insurance is provided under this subsection 3.

Subsection 4 - SPECIFIED PERILS - caused by fire, lightning, theft or attempt thereat, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or of parts thereof, rising water, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the automobile is being transported on land or water.

DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage covered under any subsection hereof except loss of damage caused by fire or lightning or theft of the entire automobile covered by such subsection shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, stated in the applicable subsection hereof.

TWO OR MORE AUTOMOBILES

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the limit of liability, including the deductible provision, if any, under this Insuring Agreement.

EXCLUSION

The Insurer shall not be liable

- (1) for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
- (2) under any subsection hereof for loss or damage
 - (a) to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or
 - (b) to any automobile while being used without the consent of the owner thereof; or
 - (c) caused directly or indirectly by contamination by radioactive material; or
 - (d) to contents of trailers or to rugs or robes; or
 - (e) to tapes and equipment for use with a tape recorder when detached therefrom; or
 - (f) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
 - (g) for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached; or
- (3) under subsection 3 (Comprehensive) 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

Legal Liability for Damage to Hired Automobiles Extension (SEF 94)

LE26

ADDITIONAL AGREEMENTS

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured is legally liable.

SCHEDULE

All items per this schedule are as indicated on the Declarations Page for this extension or as known to the Insurer.

SUBSECTION		LIMITS AND AMOUNTS	TYPE OF AUTOMOBILE	ESTIMATED COST OF HIRE	RATE PER \$100	ADVANCE PREMIUM
1. All-Perils	\$	(exclusive of interests costs) any one accident		\$		\$
	\$	Amount deductible				
2. Collision Or Upset	\$	(exclusive of interests costs) any one accident		\$		\$
	\$	Amount deductible				
3. Comprehensive	\$	(exclusive of interests costs) any one accident		\$		\$
	\$	Amount deductible				
4. Specified Perils	\$	(exclusive of interests costs) any one accident		\$		\$
	\$	Amount deductible				
Minimum Retained Premium	\$	TOTAL	\$			

The advance premiums for this extension are subject to adjustment in the same manner as those stated under Item 5 of the application.

All other terms and conditions of this policy remain unchanged.

GROUP 24 HOUR ACCIDENT POLICY

SECTION 1 INSURING AGREEMENT

In consideration of the payment in advance of a premium as stated on the Policy Declaration Page of this policy, the Insurer agrees with the Policyholder to insure all eligible persons specified herein (herein individually called the Insured Person) for loss resulting from Injury to the extent herein provided and subject to all of the exceptions, limitations and provisions of this policy.

SECTION 2 EFFECTIVE DATE AND POLICY TERM

This policy is issued for the term as stated on the Policy Declaration Page. It takes effect at **12:01 a.m., Standard Time**, at the address of the Policyholder, from which date all insurance years shall be calculated. It continues in force for the period for which premium has been paid. It may be renewed subject to consent of the Insurer for further consecutive terms, not exceeding **twelve (12) consecutive months**, on payment of premium at the rate and in the amount determined at the time of renewal.

SECTION 3 DEFINITIONS

"Accident" means a sudden, unexpected unusual, specific event which occurs at an identifiable time and place, but shall also include exposure resulting from a mishap to a conveyance in which the Insured Person is traveling.

"Injury" wherever used in this policy means bodily Injury caused by an Accident occurring while this policy is in force as to the Insured Person whose Injury is the basis of claim and resulting, directly and independently of all other causes, in loss covered by this policy, provided such Injury is sustained under the circumstances and as described in Section 10 of this policy, entitled DESCRIPTION OF HAZARDS.

"Immediate Family" means the spouse, or son, daughter, father, mother, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, grandson, granddaughter, grandfather or grandmother of the Insured person.

"Physician" or "Surgeon" wherever used in this policy means a legally and currently qualified doctor of medicine (M.D.), who is not a member of the Insured Person's Immediate Family, nor resides in the same household and who is licensed to practice medicine in the country, province, state, or territory in which he/she is providing medical treatment or consultation.

"Principal Sum" and "Weekly Accident Indemnity", "Accident Medical Indemnity" and "Dental Injury Indemnity" wherever used in this policy mean the amounts indicated in Section 8 of this policy entitled SCHEDULE OF BENEFITS.

SECTION 4 AGGREGATE LIMIT OF INDEMNITY

_____ is the aggregate limit of indemnity for which the Insurer shall be liable under this policy for all losses arising out of any one Accident Event. In the event said limit of indemnity for any one such Accident Event is insufficient to pay the full amount of indemnity for each Insured Person then the amount payable for each Insured Person shall be in the proportion that the aggregate limit of indemnity for any one such Accident Event bears to the total amount of insurance that would have been payable except for such limit of indemnity.

“Accident Event” as used herein shall be understood to mean all individual losses arising out of and directly occasioned by one sudden, unexplained unusual specific event occurring at an identifiable time and place. However, the duration and extent of any “Accident Event” so defined shall be limited to **seventy-two (72) consecutive hours** and within a **ten (10) mile radius** for any “Accident Event” hereunder, and no individual loss which occurs outside such period and/or radius shall be included in that “Accident Event”.

SECTION 5 SPECIFIC LOSS ACCIDENT INDEMNITY

When Injury shall result in any of the following losses within **three hundred and sixty-five (365) days** after the date of the Accident, the Insurer will pay according to the following Schedule of Benefits:

For

Accidental Death.....The Principal Sum

For Loss or Loss of Use of

Both Hands	The Principal Sum
Both Feet	The Principal Sum
The Entire Sight of Both Eyes.....	The Principal Sum
One Hand and One Foot	The Principal Sum
One Hand and the Entire Sight of One Eye	The Principal Sum
One Foot and the Entire Sight of One Eye	The Principal Sum
One Arm	Three-Fourths of The Principal Sum
One Leg	Three-Fourths of The Principal Sum
One Hand	Two-Thirds of The Principal Sum
One Foot.....	Two-Thirds of The Principal Sum
The Entire Sight of One Eye	Two-Thirds of The Principal Sum
Thumb and Index Finger or at least Four Fingers of One Hand	One-Third of The Principal Sum

For Loss of

Speech and Hearing in Both Ears.....	The Principal Sum
Speech.....	Two-Thirds of The Principal Sum
Hearing in Both Ears.....	Two-Thirds of The Principal Sum
Hearing in One Ear	One-Quarter of The Principal Sum
All Toes of One Foot.....	One-Quarter of The Principal Sum

SECTION 5 SPECIFIC LOSS ACCIDENT INDEMNITY (continued)

For Total Paralysis of

Both Upper and Lower Limbs (Quadriplegia).....	The Principal Sum
Both Lower Limbs (Paraplegia).....	The Principal Sum
Both the Upper and the Lower Limb of One Side of the Body (Hemiplegia).....	The Principal Sum

“Loss” as above used with reference to hand or foot means complete severance through or above the wrist or ankle joint, but below the elbow or knee joint; as used with reference to arm or leg means complete severance through or above the elbow or knee joint; as used with reference to thumb means the complete loss of one entire phalanx of the thumb; as used with reference to index finger means the complete loss of two entire phalanges of the index finger; as used heretofore shall also include “loss of use”; as used with reference to toe means the complete loss of one entire phalanx of the big toe and all phalanges of the other toes; and as used with reference to eye means the irrecoverable loss of the entire sight thereof.

“Loss” as above used with reference to speech means complete and irrecoverable loss of the ability to utter intelligible sounds; as used with reference to hearing means complete and irrecoverable loss of hearing.

“Loss” as above used with reference to quadriplegia, paraplegia and hemiplegia means the complete and irreversible paralysis of such limbs.

“Loss of use” means the total and irrecoverable loss of use provided the loss is continuous for **twelve (12) consecutive months** and such loss of use is determined to be permanent at the end of such period.

Indemnity provided under this section for all losses sustained by any one Insured Person as the result of any one Accident shall not exceed the Principal Sum. Notwithstanding the foregoing, if loss of life due to Accidental death occurs within **one hundred and twenty (120) days** after the date of the Accident for which indemnity is payable, indemnity payable under this section shall not exceed the Principal Sum.

SECTION 6 EXPOSURE AND DISAPPEARANCE

If by reason of an Accident covered by this policy an Insured Person is unavoidably exposed to the elements and as the result of such exposure suffers a loss for which indemnity is otherwise payable hereunder, such loss will be covered under the terms of this policy.

If the Insured Person is not found within **one (1) year** after the date of the disappearance, sinking or wrecking of the conveyance in which the Insured Person was riding at the time of the Accident and under such circumstances as would otherwise be covered hereunder, it will be presumed the Insured Person suffered loss of life resulting from bodily Injury caused by an Accident at the time of such disappearance, sinking or wrecking, and the Insurer shall forthwith pay the Accidental Death benefit under this policy provided that the person or persons to whom such sum(s) are paid shall sign an undertaking to refund such sum(s) to the Insurer if the Insured Person is subsequently found to be living.

SECTION 7 BENEFICIARY

Indemnity payable in the event of the Accidental Death of an Insured Person is payable to the beneficiary as designated in Section 9 of this policy entitled ELIGIBILITY, or if there is no such beneficiary designation indemnity shall be payable to the Estate of the Insured Person. All other indemnities payable are payable to the Insured Person.

SECTION 8 SCHEDULE OF BENEFITS

The insurance afforded under this policy is only with respect to such and so many of the indemnities as are indicated by a specific amount set below each such indemnity listed in this Schedule, and is only with respect to Insured Persons in the classes designated herein.

<u>Class</u>	<u>Principal Sum</u>	<u>Weekly Accident Indemnity</u>	<u>Accident Medical Indemnity</u>	<u>Dental Injury Indemnity</u>
Class 1 Ages 19 to 69	\$50,000	Up to \$500 Commencing on 15 th day of disability for maximum of 26 weeks	\$2,500	\$2,500
Class 2 Ages 14 to 18	\$10,000	Nil	\$2,500	\$2,500

SECTION 9 ELIGIBILITY

For the purpose of this policy, Insured Persons covered herein shall be considered as follows:

All registered volunteers of the Policyholder under the age of seventy (70).

SECTION 10 DESCRIPTION OF HAZARDS

The hazards against which insurance is provided are Injury sustained by the Insured volunteer only whilst such person is performing their material duties under the specific direction of the Insured excluding commuting to and from home or place of business to the location of voluntary work.

SECTION 11 WEEKLY ACCIDENT INDEMNITY

When, commencing within **thirty (30) days** after the date of the Accident, Injury wholly and continuously disables and prevents an Insured Person from performing all the material duties pertaining to his/her normal occupation, the Insurer will pay the Weekly Accident Indemnity stated in Section 8 of this policy entitled SCHEDULE OF BENEFITS for the period the Insured Person is so disabled and under the regular care and attendance of a Physician or Surgeon, other than him/herself, commencing on the **fifteenth (15) day** of disability, not to exceed **twenty-six(26) consecutive weeks** as the result of any one Accident.

SECTION 11 WEEKLY ACCIDENT INDEMNITY (continued)

Where benefits for loss of time payable hereunder, either alone or together with other benefits for loss of time payable under any other insurance contract(s), including another contract of group disability insurance and/or life insurance contract providing disability insurance, or Workers' Compensation Board benefits, exceed **eighty five per cent (85%)** of the Insured Person's net weekly earnings, the Insurer is liable only for the portion of the benefits for loss of time stated in this policy that **eighty five per cent (85%)** of the net weekly earnings of the person insured bears to the aggregate of the benefits for loss of time payable under all such contracts.

"Net weekly earnings" wherever used herein means the Insured Person's normal weekly earnings on the date of the Accident less applicable income taxes.

Benefits provided under this Section are limited to gainfully employed persons **under age sixty-five (65)**.

SECTION 12 ACCIDENT MEDICAL INDEMNITY

When by reason of Injury, an Insured Person requires medical treatment within thirty (30) days from the date of the Accident and incurs expense for any of the following services while under the regular care and attendance of a physician or surgeon, other than him/herself, who is not a member of the Immediate Family of the Insured Person:

1. private duty nursing by a licensed graduate nurse (R.N.) who does not ordinarily reside in the Insured's home or is not a member of his/her Immediate Family;
2. transportation, recommended by a legally qualified physician or surgeon, when such service is provided by a professional ambulance service to the nearest approved hospital which is equipped to provide the required and recommended necessary treatment;
3. hospital charges for the difference between the public ward allowance under the Insured Person's government health insurance plan (GHIP) and the semi-private accommodation charge (private accommodation charge if recommended by a legally qualified physician or surgeon);
4. rental of a wheelchair, iron lung and other durable equipment for therapeutic treatment, not to exceed the purchase price prevailing at the time rental became necessary;
5. fees of a licensed physiotherapist when such treatment has been recommended by a legally qualified physician or surgeon;
6. drugs and medicines purchased by prescription made by a physician or surgeon;
7. miscellaneous expenses for hearing aids, crutches, splints, casts, trusses and braces, but not including replacement thereof;
8. fees of a licensed chiropractor subject to **twenty dollars (\$20)** per visit to a maximum of **three hundred dollars (\$300)** for any one Injury.

SECTION 12 ACCIDENT MEDICAL INDEMNITY (continued)

The Insurer will pay, in addition to any other indemnity payable, the necessary expense actually incurred by the Insured Person within fifty-two (52) weeks after the date of the Accident which is not to exceed in the aggregate the maximum amount payable stated in Section 8 of this policy entitled SCHEDULE OF BENEFITS as the result of any one Accident.

This Section is subject to and shall not contravene any Federal or Provincial statutory requirement with respect to hospital and/or medical plans, nor shall it duplicate any benefits which are provided under any government health insurance plan or any other policy providing a reimbursement expense.

The Insurer shall not be liable for any expense incurred for treatment or services by a legally qualified physician or surgeon.

SECTION 13 DENTAL INJURY INDEMNITY

When Injury to whole or sound teeth, but specifically excluding biting or chewing Accidents, shall, within **thirty (30) days** of the date of the Accident, require treatment, replacement, or x-rays by a legally qualified dentist or dental surgeon, the Insurer will pay the expense actually incurred by the Insured Person within **fifty-two (52)** weeks after the date of the Accident for such treatment or services, which is not to exceed in the aggregate the maximum amount payable as stated in Section 8 of this policy entitled SCHEDULE OF BENEFITS as the result of any one Accident. Capped or crowned teeth shall be deemed to be whole or sound teeth.

Any payments under this Section shall be in accordance with the schedule of fees published by the Dental Association in the Province of the Insured Person's residence. Where no schedule of fees is available, the British Columbia Association Schedule of Fees will be used.

This Section shall not duplicate any benefits provided or paid by government health insurance plan or dental plan, or any other plan providing a reimbursement expense.

SECTION 14 REPATRIATION BENEFIT – *NOT APPLICABLE TO THIS POLICY*

In the event Accidental Death is sustained by an Insured Person not less than **fifty (50)** kilometers from the Insured Person's normal place of residence and indemnity for such loss becomes payable in accordance with the terms of this policy, the Insurer will, in addition, pay the actual expenses incurred for the transportation of the body of the deceased Insured person to the first resting place (including but not limited to a funeral home or the place of interment) in the proximity to the normal place of residence of the deceased, including charges for the preparation of the body for such transportation, not to exceed in the aggregate the amount of **ten thousand dollars (\$10,000)** for all such expenses.

The above benefit shall only be payable under one of the policies issued by the Insurer and shall not duplicate benefits payable under any other insurance.

SECTION 15 AIRCRAFT COVERAGE

Insurance provided under this policy includes Injury sustained while and in consequence of:

1. riding as a passenger, and not as a pilot, operator or member of the crew, in or on any aircraft having a current and valid certificate of airworthiness and piloted by a person who then holds a current and valid pilot's license of a rating authorizing him/her to pilot such aircraft;
2. riding as a passenger, and not as a pilot, operator or member of the crew, in or on any aircraft operated by the Canadian Armed Forces or by a similar military service of any duly constituted governmental authority of any other recognized country;
3. boarding or alighting from or being struck by any aircraft;
4. notwithstanding (1) and (2) above, this policy excludes Injury sustained while and in consequence of riding as a passenger, pilot, operator or member of the crew, in or on any aircraft owned, operated or leased by the Policyholder.

SECTION 16 EXCLUSIONS

1. This policy does not cover any claims directly or indirectly arising from or in consequence of war or any act of war (whether declared or undeclared), invasion, acts of terrorism or acts of foreign enemies, civil war, rebellion, revolution or insurrection.
2. This policy does not cover claims in any way caused or contributed to by: nuclear reaction, nuclear radiation or radioactive contamination.

Nor does this policy cover any loss, fatal or non-fatal, caused or contributed to by:

3. intentionally self-inflicted Injury, suicide or any attempt thereat while sane, or self-destruction or any attempt thereat while insane;
4. active service in the armed forces of any country;
5. riding as a passenger or otherwise in any vehicle or device for aerial navigation other than as provided in Section 15 of this policy entitled AIRCRAFT COVERAGE.

SECTION 17 TERRITORIAL LIMITS

Worldwide.

SECTION 18 GENERAL PROVISIONS

Written notice of Injury on which claim may be based must be given to the Insurer through their authorized representatives:

SeaFirst Insurance Brokers Ltd.
PO Box 280
Brentwood Bay, BC Canada V8M 1R3

Tel: 250-652-1141 Toll Free: 1-877-655-1141

Fax: 250-652-4427

website: www.seafirstinsurance.com

within **thirty (30) days** after the date of the Accident causing such Injury.

Such notice given by or on behalf of the Insured Person or Beneficiary, as the case may be, to the Insurer, through **SeaFirst Insurance Brokers Ltd.**, with particulars sufficient to identify the Insured Person, shall be deemed to be notice to the Insurer. Failure to give notice within the time provided in this policy shall not invalidate any claim if it shall be shown not to have been reasonably possible to give such notice during such time and that notice was given as soon as was reasonably possible, but in no event later than **one (1) year** after the date of the Accident.

The Insurer, through **SeaFirst Insurance Brokers Inc.**, upon receipt of such notice, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not so furnished within **fifteen (15) days** after the receipt of such notice, the claimant shall be deemed to have complied with the requirements of this policy as to proof of such loss upon submitting within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

In the case of claim for loss of time from disability, written proof of such loss must be furnished to the Insurer within **ninety (90) days** after the commencement of the period for which the Insurer is liable. Subsequent written proofs of the continuance of such disability must be furnished to the Insurer, written proof of such loss must be furnished to the Insurer within **ninety (90) days** after the date of such loss. Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to furnish such proof during such time and that such proof was furnished as soon as was reasonably possible, but in no event later than **one (1) year** after the date of the Accident.

The Insurer shall have the right and opportunity to examine the person of the Insured Person when and so often as it may reasonably require during the pendency of claim hereunder, and also the right and opportunity to make an autopsy in case of death where it is not forbidden by law.

All indemnities provided in this policy for loss other than that of time on account of disability will be paid within **sixty (60) days** after receipt of due proof.

All moneys payable under this policy are payable in the lawful money of Canada.

Upon request of the Insured Person and subject to satisfactory proof of loss, all of the accrued indemnity for loss of time on account of disability will be paid at the expiration of each **four (4) weeks** during the continuance of the period for which the Insurer is liable, and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of due proof.

SECTION 18 GENERAL PROVISIONS (continued)

This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance. No statement made by the applicant for insurance shall void the insurance or reduce benefits hereunder unless contained in a written application signed by the applicant. No agent has authority to change the policy or to waive any of its provisions. No change in this policy shall be valid unless approved by the Insurer and such approval be endorsed hereon or attached hereto.

All statements contained in any such application for insurance shall be deemed representations and not warranties.

No action at law or in equity shall be brought to recover on this policy prior to the expiration of **sixty (60) days** after proof of loss has been filed in accordance with the requirements of this policy, nor shall such action be brought at all unless brought within **one (1) year** from the expiration of the time within which proof of loss is required by this policy.

If any time limitation of this policy with respect to giving notice of claim or furnishing proof of loss, or commencing an action at law or in equity is less than that permitted by law of the Province in which the Policyholder is located at the time this policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

This policy may be cancelled by the Policyholder by mailing to the Insurer, through their authorized representatives, **SeaFirst Insurance Brokers Ltd.**, written notice stating when thereafter such cancellation shall be effective. This policy may be cancelled by the Insurer by mailing to the Policyholder at the address shown in this policy written notice stating when, not less than **thirty (30) days** thereafter, such cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Policyholder or by the Insurer shall be equivalent to mailing.

Unless otherwise provided in the policy, if the Policyholder cancels, earned premiums shall be computed in accordance with the customary short rate table and procedures. If the Insurer cancels, earned premiums shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected, and if not then made, shall be made as soon as practicable after cancellation becomes effective. The Insurer's cheque or the cheque of their representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due the Policyholder.

The Insurer, through their authorized representatives, shall be permitted to examine the Policyholder's records relating to this policy at any reasonable time, and from time to time until **two (2) years** after expiration of this policy or until final adjustment and settlement of all claims hereunder, whichever is the later.



STRATA PLAN AND NON-PROFIT DIRECTORS AND OFFICERS POLICY

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IMPORTANT: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OFFERED UNDER THIS INSURANCE POLICY APPLIES ONLY TO CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ YOUR POLICY CAREFULLY.

Please read this Form carefully to determine rights, duties, coverage and limitations.

Words and phrases in bold in this Policy have special meaning as defined in PART 9 - DEFINITIONS.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurer shown in the Declarations Page (the "Insurer") including the statements made in the **Application** and its attachments which form part of this Policy, and subject to all the terms, conditions and limitations of this Policy, the Insurer agrees as follows:

PART 1 - INSURING AGREEMENTS

A – INSURED PERSON NON-INDEMNIFIABLE LIABILITY

The Insurer agrees to pay on behalf of the **Insured Person** all **Loss** for which the **Insured Person** is not indemnified by the **Insured Organization** and shall become legally obligated to pay on account of a **Claim** first made against the **Insured Person** during the **Policy Period** because of a **Wrongful Act**.

B – INSURED PERSON INDEMNIFIABLE LIABILITY

The Insurer agrees to pay on behalf of the **Insured Organization** all **Loss** which the **Insured Person** shall become legally obligated to pay on account of a **Claim** first made against the **Insured Person** during the **Policy Period** because of a **Wrongful Act** and for which the **Insured Organization** provided indemnification.

C – INSURED ORGANIZATION LIABILITY

The Insurer agrees to pay on behalf of the **Insured Organization** all **Loss** for which the **Insured Organization** shall become legally obligated to pay on account of a **Claim** first made against the **Insured Organization** during the **Policy Period** because of a **Wrongful Act**.

PART 2 - EXTENSIONS OF COVERAGE

With the exception of Extension 1, **DEDICATED ADDITIONAL LIMIT OF LIABILITY FOR INSURED PERSON**, the following extensions are part of and included in the Aggregate Limit shown in the Declarations Page per **Policy Period**:

1. DEDICATED ADDITIONAL LIMIT OF LIABILITY FOR INSURED PERSON

The Insurer agrees to pay on behalf of the **Insured Person** all **Loss** for which an **Insured Person** shall become legally obligated to pay on account of a **Claim** first made against her or him during the **Policy Period** because of a **Wrongful Act** and provided such **Claim**:

- 1.1. is not indemnified by the **Insured Organization** or an **Outside Organization**; and
- 1.2. the current Policy's applicable Aggregate Limit per **Policy Period** is exhausted; and
- 1.3. any other valid insurance, including excess policies, is also exhausted.

The maximum Limit of Liability provided under this extension shall not exceed \$1,000,000 per **Policy Period**.

2. SPOUSE AND ESTATE

The Insurer agrees to pay on behalf of the persons described hereinafter all **Loss** for which such person shall become obligated to pay on account of any **Claim** first made against her or him during the **Policy Period** because of an **Insured Person's Wrongful Act** where damages are being sought from:

- 2.1. the spouse (as defined in the British Columbia *Family Law Act*) of such **Insured Person** through the recovery from jointly held property or property transferred by the **Insured Person** to such spouse; or
- 2.2. the estate, heirs, legal representatives or assignees of such **Insured Person** who is deceased or who has become legally incompetent, insolvent or bankrupt;

however, no coverage under this extension shall apply with respect to any **Wrongful Act** committed by such persons.

3. RETIRED EXECUTIVES

The Insurer agrees that if an **Executive** of the **Insured Organization** retires during the **Policy Period** and no longer serves in her or his capacity as such, the coverage provided by **Insuring Agreement A - Insured Person Non-Indemnifiable Liability** shall be automatically extended for a maximum period of two years from the official retirement date for any **Claim** against such **Executive** based on **Wrongful Acts** committed before the official retirement date. However, no coverage shall be provided by this automatic extension if either a replacement policy or **Extended Reporting Period** is obtained by the **Insured Organization** and is in force during this period or if such retirement is due to or occurs during a Change in Control as outlined in section 5. of **PART 8 - GENERAL CONDITIONS**.

4. WORKPLACE VIOLENCE EXPENSES

The Insurer agrees to reimburse the **Insured Organization** for **Workplace Violence Expenses** incurred by the **Insured Organization** during the **Policy Period**, resulting from any **Workplace Violence Incident** in an amount not to exceed \$250,000 per **Policy Period**.

5. CRISIS CONSULTING EXPENSES

The Insurer agrees to pay on behalf of the **Insured Organization** for **Crisis Consulting Expenses** incurred as a direct result of a **Claim** covered under this policy, in an amount not to exceed \$100,000 per **Policy Period**.

6. OUTSIDE DIRECTORSHIP LIABILITY

The Insurer agrees to pay on behalf of the **Insured** all **Loss** which the **Outside Organization Executive** shall become legally obligated to pay on account of a **Claim** first made against her or him during the **Policy Period** because of a **Wrongful Act**.

PART 3 - EXTENDED REPORTING PERIOD

If for any reason, other than non-payment of a premium, this Policy is cancelled, not renewed or terminated (including a Change in Control as set forth in section 5. **CHANGE OF CONTROL** of **PART 8 - GENERAL CONDITIONS**), the **Insured** shall have the right to an extension of the coverage granted by this Policy (but shall not include any **Expense Coverage**) for a period selected in the options below, with respect to any **Claim** first made against her, him or it during this **Extended Reporting Period**, but only with respect to any **Wrongful Act** committed before the effective date of the cancellation, non-renewal or termination of this Policy.

The additional premium for the **Extended Reporting Period** shall be calculated at a percentage of the last annual premium, according to the options as follows:

1. 50% for an **Extended Reporting Period** of one (1) year;
2. 125% for an **Extended Reporting Period** of three (3) years; or
3. 150% for an **Extended Reporting Period** of six (6) years.

The right to purchase the **Extended Reporting Period** shall lapse unless written notice together with payment of the additional premium (including any applicable taxes) is given by the **Insured** to the Insurer within 60 days after the effective date of the cancellation, non-renewal or termination of this Policy. Such additional premium shall be fully earned at the issuance of the **Extended Reporting Period** endorsement.

The **Extended Reporting Period** is not intended, nor shall it be construed, to increase the Aggregate Limit per **Policy Period**.

PART 4 - EXCLUSIONS

This Policy does not apply to:

1. PRIOR NOTICE

A **Claim Based Upon** any fact, situation, circumstance or event before the effective date of this Policy which has been the subject of any written notice accepted under any Policy of which this Policy is a direct or indirect renewal or replacement.

2. PRIOR OR PENDING PROCEEDINGS

A **Claim Based Upon**:

- 2.1. any civil, criminal, administrative or regulatory claim, demand, proceeding, process or investigation made or pending,
- 2.2. any order, decree, judgment or settlement made or pending, or
- 2.3. anything arising out of or resulting from or alleging the same or similar facts as such matters or things in Exclusions 2.1 or 2.2, above,

on or before the **Prior and Pending Proceedings Date** and about which the **Insured** has or received notice.

3. PERSONAL CONDUCT

A **Claim Based Upon**:

- 3.1. dishonest, fraudulent or criminal acts of any **Insured**;
- 3.2. any **Insured** gaining in fact any profit, remuneration or advantage to which such **Insured** was not legally entitled;
- 3.3. conflict of interest resulting in an accountability order or remedies against any **Insured Person** in respect of the **Insured Organization** under section 33 of the British Columbia *Strata Property Act* or any similar legislation;
- 3.4. conflict of interest or 'directors' liability for money or other property distributed' resulting in an accountability or liability order or remedies against any **Insured Person** in respect of the **Insured Organization** under Divisions 4 or 5 of Part 5 of the British Columbia *Societies Act* or any similar legislation; or
- 3.5. the return of any remuneration paid to any **Insured Person** by the **Insured Organization**, if such remuneration was illegally paid. However, this exclusion shall not apply until a final judgment or non-appealable adjudication (other than a declaratory proceeding or action brought by or against the Insurer) establishes that such **Insured** committed any such above noted acts in an underlying proceeding.

4. INSURED ORGANIZATION VS. INSURED PERSON

A **Claim** against an **Insured Person** made directly or indirectly by or on behalf of the **Insured Organization**.

However, this exclusion does not apply to:

- 4.1. a **Claim** that is a derivative action brought without the solicitation, assistance or active participation of any **Insured** or with the solicitation, assistance or active participation of an **Insured Person** who benefits from "whistleblower" legal protection;
- 4.2. a **Claim** against an **Insured Person** that is brought or maintained by a trustee in **Bankruptcy**, liquidator, receiver or receiver-manager as defined in the Canada *Bankruptcy and Insolvency Act*, in the United States *Bankruptcy Code* or in any similar federal, provincial, state, territorial or local legislation or any similar legislation of another country, who has been appointed in relation to the financial affairs of the **Insured Organization**;
- 4.3. a **Claim** against an **Insured Person** who was not serving the **Insured Organization** in such duties on the date a **Claim** is first made and where such **Claim** is brought without the solicitation, assistance or active participation of an **Insured Person**;
- 4.4. **Defence costs** on account of **Claims** under Exclusions 4.1, 4.2 or 4.3.

5. OUTSIDE ORGANIZATION VS. OUTSIDE ORGANIZATION EXECUTIVE

A **Claim** which is brought against an **Outside Organization Executive**, made directly or indirectly by or on behalf of the **Outside Organization**.

However, this exclusion does not apply to a Claim:

- 5.1. made directly or indirectly by or on behalf of the **Outside Organization**, where such **Claim** is a derivative action;
- 5.2. made by any director, officer, trustee, observer or equivalent executive position of the **Outside Organization**, where such **Claim** is for contribution or indemnity or where such **Claim** is for an **Employment Practices Wrongful Act**; or
- 5.3. made against an **Outside Organization Executive** that is brought or maintained by a trustee in **Bankruptcy**, liquidator, receiver or receiver-manager as defined in the Canada *Bankruptcy and Insolvency Act*, in the United States *Bankruptcy Code* or in any similar federal, provincial, state, territorial or local legislation or any similar legislation of another country who has been appointed in relation to the financial affairs of the **Outside Organization**.

6. BODILY INJURY AND PROPERTY DAMAGE

A **Claim** for bodily injury, emotional distress, mental anguish, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use of such property.

However, this exclusion shall not apply to:

- 6.1. **Claims** for emotional distress or mental anguish resulting directly from an **Employment Practice Wrongful Act**;
- 6.2. **Defence Costs** on account of a **Claim** that is a criminal proceeding, pursuant to section 217.1 of the *Criminal Code of Canada* (as amended by Bill C-45) or equivalent foreign corporate manslaughter legislation; or
- 6.3. **Defence Costs** on account of a **Claim** about "improper activity or behaviour" or "violence" pursuant to Part 4 of the British Columbia *Occupational Health and Safety Regulation* or similar provisions of any provincial, territorial, or local legislation or foreign equivalent.

7. CONTRACT

A **Claim** for any actual or alleged breach of any oral or written contract or agreement, or for liabilities of others assumed by the **Insured Organization** under such contract or agreement.

However, this exclusion shall not apply to:

- 7.1. the extent the **Insured Organization** would have been liable in the absence of such contract or agreement;
- 7.2. an **Employment Practices Wrongful Act**;
- 7.3. the liability assumed in accordance with the agreement or declaration of trust of the **Employee Benefit Plan**; or
- 7.4. **Defence Costs** on account of **Claims** under Exclusions 7.1, 7.2, or 7.3.

8. OCCUPATIONAL SAFETY AND HEALTH, WORKERS' COMPENSATION, UNEMPLOYMENT INSURANCE, SOCIAL INSURANCE, SOCIAL SECURITY, DISABILITY BENEFITS

Solely with respect to an **Employment Practices Wrongful Act** or a **Fiduciary Wrongful Act**, a **Claim** for any actual or alleged violation of an obligation imposed by any act or regulation related to pay equity, worker's compensation, industrial accidents and occupational disease, occupational health and safety, employment insurance, welfare and social welfare, social security or old age security, disability benefits, or by any similar act or regulation, including the *Canada Labour Code* and in particular its Parts II, III [Division XIII.1], the *Employment Insurance Act*, the *Old Age Security Act*, the *Human Rights Code*, or similar provisions of any provincial, territorial, or local legislation or foreign equivalent.

However, this exclusion does not apply to a Claim for any actual or alleged:

- 8.1. discrimination or employment-related harassment under Division XV.1 of Part III of the *Canada Labour Code* or under the *Human Rights Code*, under their rules or regulations and under their amendments, or similar provisions of any constitutional, federal, provincial, territorial or local statutory or, common law or civil law;
- 8.2. retaliatory treatment against the claimant by the **Insured** on account of the claimant's exercise of rights pursuant to any such laws; or
- 8.3. violation of section 12 of the *Human Rights Code* (discrimination in wages) or similar provincial, territorial or local legislation or foreign equivalent.

9. PENSION AND EMPLOYMENT BENEFIT PLAN CONTRIBUTIONS

Solely with respect to a **Fiduciary Wrongful Act**, a **Claim Based Upon** the failure to collect the **Insured Organization's** contributions owed to the Employee Benefit Plan, unless the failure is due to a **Wrongful Act** of the **Insured**.

10. ASBESTOS

- 10.1. A **Claim Based Upon** the actual or alleged inhalation of, contact with, exposure to, use of, existence of, presence of, asbestos or any material containing asbestos in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or any material containing asbestos;
- 10.2. A **Claim** made by or on behalf of a governmental authority or arising out of any order or demand under any legislation or regulation that **Insured** or others perform or assume liability for the following:
 - 10.2.1. operations to evaluate or assess the presence or absence of asbestos, its effects or quantity;
 - 10.2.2. operations to test for, monitor, contain, treat, detoxify, neutralize, identify, clean up, sample, remove, abate, mitigate, or dispose of asbestos; or
 - 10.2.3. any other actions to respond to situations involving asbestos;
- 10.3. any supervision, instructions, recommendations, warnings, or advice given or that should have been given in connection with Exclusions 10.1 or 10.2, above; or
- 10.4. any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in Exclusions 10.1, 10.2 or 10.3, above.

11. PERSONAL INJURY EXCLUSION FOR MEDIA ACTIVITIES

- 11.1. A **Claim Based Upon** libel, slander, defamation or **Personal Injury Wrongful Act**;
- 11.2. A **Claim Based Upon** infringement of copyright or of title or of slogan;
- 11.3. A **Claim Based Upon** piracy, unfair competition, breach of trust or idea misappropriation under implied contract; or
- 11.4. A **Claim Based Upon** any invasion of rights of privacy committed or alleged to have been committed in any advertisement, publicity article, broadcast or telecast.

12. PROFESSIONAL LIABILITY

Claims Based Upon the provision of or failure to provide any type of professional service, including the giving of opinions and advice, rendered to others by an **Insured**, either gratuitously or for a fee.

SEVERABILITY OF EXCLUSIONS

With respect to the above exclusions of this Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**. Any **Wrongful Acts** of any past or present president, chairperson, general counsel (or equivalent positions) of the **Insured Organization** shall be imputed to the **Insured Organization** to determine if coverage is available.

PART 5 - LIMITS OF LIABILITY AND DEDUCTIBLES

1. LIMITS OF LIABILITY

- 1.1. The Limits stated in the Declarations Page for each Insuring Agreement and the limits stated for each Extensions of Coverage, where applicable, the most the Insurer will pay regardless of the number of:

- 1.1.1. **Insureds**;
- 1.1.2. persons or organizations making a **Claim**;
- 1.1.3. **Claims** made; or
- 1.1.4. events.
- 1.2. The Total Aggregate Limit per **Policy Period** is the most the Insurer will pay for all **Claims** made during the **Policy Period** under all Insuring Agreements and Extensions of Coverage, except for **EXTENSION 1 - DEDICATED ADDITIONAL LIMIT OF LIABILITY FOR INSURED PERSON**; and
- 1.3. Subject to the clause 1.2. above, the Limit of Liability stated in the Declarations Page for an Insuring Agreement is the most the Insurer will pay for all **Claims** made during the **Policy Period** under such Insuring Agreement. If no amount is stated, then no coverage shall be available for such Insuring Agreement.
2. **APPLICABILITY OF THE LIMITS OF LIABILITY**
The Limits of Liability shall apply separately to each **Policy Period**. If the **Policy Period** is extended for an additional period of less than 12 months, the additional period shall be deemed part of the last preceding **Policy Period** for purposes of determining the Limits of Liability. In addition, **PART 3 - EXTENDED REPORTING PERIOD**, if exercised, shall be part of and not in addition to, the immediately preceding **Policy Period**, for the purposes of determining Limits of Liability.
3. **RELATED CLAIMS**
Claims arising out of the same **Wrongful Act**, interrelated circumstances, transaction, or event shall be considered a single **Claim** (hereinafter called **Related Claims**). Such **Related Claims** shall have been deemed to have been first made during the **Policy Period** where the earliest **Claim** was first made against any **Insured**.
4. **DEDUCTIBLES**
 - 4.1. The obligation of the Insurer to pay on behalf of or to reimburse the **Insured** applies only to the amount of **Loss** in excess of any deductible amount stated in the Declarations Page as applicable to such coverages.
 - 4.2. In the event that a single **Loss**, including **Related Claims**, is covered in part under several Insuring Agreements, the deductible amounts stated in the Declarations Page shall be applied separately by each Insuring Agreement to that part of the **Loss**. The total deductible amount shall in no event exceed the highest deductible amount applicable to each **Loss**.
 - 4.3. No deductible shall apply to **PART 1 - INSURING AGREEMENTS**, Insuring Agreement A.
5. **DEFENCE COSTS**
Defence Costs shall be in addition to the Limit of Liability stated in the Declarations Page. No deductible shall apply to **Defence Costs**.
6. **INCREASE OF THE LIMITS OF LIABILITY**
If the Insurer has agreed to increase the Limits of Liability under this Policy or any prior policy (if this Policy forms a part of a continuous series of renewals), such increase shall not apply to:
 - 6.1. any **Claim** first made against the **Insured** before the effective date of the increase;
 - 6.2. any fact, circumstance, situation or event known to the **Insured** on the effective date of the increase and likely to give rise to a **Claim**.
7. **REDUCTION OF THE LIMITS OF LIABILITY**
If the Limit of Liability has been reduced, the reduced Limit of Liability shall apply to any **Claim** first made against the **Insured** after the effective date of the reduction, whether or not the **Insured** has prior knowledge of the **Claim** or any fact, circumstance, situation or event likely to give rise to a **Claim**.

PART 6 - DEFENCE AND SETTLEMENT

1. **RIGHT AND DUTY TO DEFEND**
The Insurer shall have the right and duty to defend any **Claim** covered under this Policy, even if the **Claim** is groundless, false or fraudulent.
2. **INSURER'S CONSENT**
The **Insured** shall not, except at her, his or its own cost and risk, admit any liability, settle or attempt to settle a **Claim**, pay any **Loss**, incur any **Defence Costs** or assume any contractual obligation without the Insurer's consent.
3. **TERMINATION OF THE RIGHT AND DUTY TO DEFEND**
Notwithstanding section 5. **DEFENCE COSTS** contained under **PART 5 - LIMITS OF LIABILITY AND DEDUCTIBLES**, the Insurer's right and duty to defend a **Claim** shall end when the applicable Limit of Liability is exhausted by payment of **Loss**.
4. **ALLOCATION**
If the **Insured** incur both **Loss** which is covered by this Policy and also **Loss** which is not covered by this Policy, either because a **Claim** includes both covered and uncovered matters, or because a **Claim** is made against both covered and uncovered parties, then coverage shall apply as follows:
 - 4.1. 100% of **Defence Costs** will be allocated to covered **Loss**;
 - 4.2. all **Loss** other than **Defence Costs**, will be allocated between covered **Loss** and uncovered **Loss** based on an assessment of the relative legal and economic exposures of the **Insured** in connection with the covered and uncovered matters and/or covered and uncovered parties.
 If the Insurer and the **Insured** cannot agree on any allocation, no presumption as to allocation shall exist in any arbitration, action or other proceeding.
5. **PRIORITY OF PAYMENTS**
 - 5.1. In the event of a **Loss** arising from a **Claim** whose settlement exceeds the available Limits of Liability, the Insurer agrees, up to the Aggregate Limit of the Policy for each **Policy Period**:
 - 5.1.1. first, to commence by settling the **Losses** presented against **Insured Persons** who are not indemnified by the **Insured Organization**; then
 - 5.1.2. to settle, up to any applicable balance, all other **Losses** for the benefit of other **Insured Persons**; then
 - 5.1.3. to settle, up to any applicable balance, all other **Losses**.
 - 5.2. In determination of the amounts allocated to the Insuring Agreements in the event of a shared judgment or settlement, the Limits of Liability will be allocated in priority to the settlement of such **Claims** in the order provided for in paragraphs 5.1.1, 5.1.2 and 5.1.3. above, unless a court or tribunal of competent jurisdiction orders otherwise.



- 5.3. This clause applies even if the Insurer receives a formal notice of the **Insured Organization's Insolvency**.
- 5.4. The **Insured** designated in 5.1.1, like those designated in 5.1.2 and 5.1.3 and within their respective orders of priority, each have the same rights.

PART 7 - NOTICE OF CLAIMS / NOTICE OF FACTS & CIRCUMSTANCES

1. NOTICE OF CLAIMS

The **Insured** shall, as a condition precedent to her, his or its rights under this Policy, give written notice of a **Claim** to the Insurer as soon as practicable after the president, chairperson, general counsel (or equivalent positions) of the **Insured Organization** first becomes aware of such **Claim**, but no later than:

- 1.1. 90 days after expiry or termination of this Policy (hereinafter called the **Reporting Window**), if no renewal or **Extended Reporting Period** is purchased;
- 1.2. expiry of the **Extended Reporting Period**, if purchased.

Any interested person may give such notice.

In the event of a **Claim**, the **Insured** must immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **Claim**; authorize the Insurer to obtain records and other information; cooperate with the Insurer in the investigation, settlement or defence of the **Claim**; and, upon the Insurer's request, assist the Insurer in the prosecution or enforcement of any right against any person who or organization that may be liable to the **Insured**.

2. NOTICE OF FACTS & CIRCUMSTANCES

If, during the **Policy Period**, the **Insured** become aware of facts or circumstances that may reasonably be expected to give rise to a **Claim** and if the **Insured** gives written notice thereof to the Insurer before the expiry of the **Reporting Window** or the expiry of the **Extended Reporting Period**, then any **Claim** which may subsequently arise out of such facts or circumstances shall be considered to have been made during the **Policy Period** in which they were first reported to the Insurer. The **Insured** shall give the Insurer such information as it may require regarding such facts or circumstances.

3. WORKPLACE VIOLENCE EXPENSE REPORTING

Notwithstanding the foregoing, the reporting with respect to the Workplace Violence Expense coverage requires the following:

- 3.1. a **Workplace Violence Incident** shall be sustained or communicated by or to an **Insured**; and
- 3.2. the **Insured Organization** must file a detailed proof of the loss, duly sworn to, with the Insurer within six months after such incident is communicated or sustained.

Loss under the **Workplace Violence Expense** coverage shall have been deemed to be sustained immediately upon payment by the **Insured Organization** of the **Workplace Violence Expense** incurred by the **Insured**.

PART 8 - GENERAL CONDITIONS

1. POLICY CHANGES

This Policy contains all the agreements between the **Insured** or the **Insured Organization** and the Insurer concerning the insurance afforded. The terms of this Policy shall not be waived or changed, except by endorsement issued by the Insurer and made a part of this Policy.

2. DECLARATIONS, REPRESENTATIONS AND SEVERABILITY

- 2.1. By acceptance of this Policy, the person who signed the **Application**, the **Insured** agrees that:
 - 2.1.1. the statements in the **Application** and the Declarations Page are accurate, complete and are representations she, he or it made to the Insurer; and
 - 2.1.2. this Policy has been issued in reliance upon such representations.
- 2.2. Except with respect to the limits of liability and any rights or duties specifically assigned to the **Insured**, this insurance shall apply in the same manner and to the same extent as if a separate policy had been issued to each **Insured**.
- 2.3. With respect to the Exclusions and to the representations contained in the **Application**, to determine if the coverage provided by this Policy applies:
 - 2.3.1. no statements, declarations made or information made by an **Insured Person** will be imputed to another **Insured Person**;
 - 2.3.2. statements, declarations made or information made by the president, chairperson, general counsel (or equivalent positions) of the **Insured Organization** will be imputed to the **Insured Organization**.
- 2.4. If the representations contained in the **Application** were not accurate and/or completed such that the Insurer would not have accepted to issue a policy, no coverage shall be available to the **Insured** who had knowledge of such inaccurate and/or incomplete representations.
- 2.5. If the representations contained in the **Application** were not accurate and/or completed such that the Insurer would still have accepted to issue a policy, coverage shall be available to the proportion of the premium the Insurer collected to the premium it should have collected if the representations were accurate and complete.

3. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer unless the Insurer gives its consent in writing to such assignment.

4. CHANGE OF CONTROL

In the event the **Insured Organization** ceases its operations, merges into or consolidates with another organization, or if another organization, person, group of organizations or persons acquires more than 50% of the voting rights or management control of the **Insured Organization**, then coverage under this Policy will continue until its expiry, but only with respect to a **Claim** for a **Wrongful Act** committed or any **Expense Coverage** incurred before such cessation of operations, merger, consolidation or acquisition. The **Insured Organization** will give written notice of the cessation of its operations, merger, consolidation or acquisition to the Insurer as soon as practicable together with such information as the Insurer may request.

5. NOTICE OF NON-RENEWAL

If the Insurer elects not to renew the Policy, the Insurer will provide the **Insured** written notice of non-renewal at least 90 days before the expiry of the Policy. Renewal terms that differ in any manner from the terms, conditions and premium of the expiring Policy shall not constitute a refusal to renew.

6. CANCELLATION

- 6.1. The **Parent Organization** may cancel this Policy by mailing or delivering to the Insurer written notice stating when the cancellation will be effective. If no date is specified, cancellation is effective upon receipt of the notice.
- 6.2. The Insurer may cancel this Policy because of non-payment of premium only by giving the **Parent Organization** written notice of cancellation at the last mailing address known to it, by registered mail or personal delivery at least 15 days before the effective date of such cancellation.
- 6.3. Except in Québec, if notice is mailed, cancellation takes effect 15 days after receipt of the letter by the post office to which it is addressed. Proof of mailing will be sufficient proof of notice. In Québec cancellation takes effect 15 days after receipt of the notice at the last known address of the **Parent Organization**.
- 6.4. If this Policy is cancelled by the **Parent Organization**, the Insurer will send the **Parent Organization** any premium refund due, such refund will be computed pro rata. The cancellation is effective even if the Insurer has not made or offered a refund.
- 6.5. If the Insurer cancels for non-payment of premium, the Insurer shall have the right to require payment for the pro-rated amount owed by the **Parent Organization**.

7. PAYMENT OF PREMIUM

The **Parent Organization** is responsible for the payment of all premiums and will be the payee for any return premiums payable by the Insurer.

8. NOTICE

- 8.1. Notices by the **Insured** to the Insurer will be mailed to the Insurer's address shown in the Declarations Page.
- 8.2. Notices by the Insurer to the **Insured Person** or the **Insured Organization** will be mailed to the **Parent Organization** named in the Declarations Page at the address shown therein or any other address notified in writing to the Insurer.
- 8.3. Notice by the **Parent Organization** as provided hereunder shall constitute notice by the **Insured**. The **Insured** agrees that the **Parent Organization** named in the Declarations Page will act on her, his or its behalf with respect to any action required or permitted, the giving and receiving of notice of **Claim** or cancellation, the payment of premiums and the receiving of any return premiums that may be due under this Policy or the acceptance of endorsements. Proof of receipt of the notices is the responsibility of the sender.

9. OTHER INSURANCE

- 9.1. If the **Insured** has other valid and collectible insurance against **Loss** covered by this Policy, other than another insurance policy issued by the Insurer, then this Policy will be excess over such other insurance and will not contribute, unless such other insurance is written only as specific excess insurance, in which case this Policy shall be primary.
- 9.2. If the **Insured** has other valid and collectible insurance against **Loss** covered by this Policy, under another policy issued the Insurer, the policy that applies most specifically to the **Claim** will be primary and the other insurance will be excess. The Insurer's liability for any one **Loss**, however, will in no event exceed the highest Limit of Liability applicable to the **Loss** under all policies.
- 9.3. In the event of a **Claim** against an **Outside Organization Executive**, coverage shall apply as excess over any valid or collectible insurance or indemnification provided by the **Outside Organization** or by any other source other than the **Insured Organization**. However, in no event shall the Insurer's liability for any one **Loss** exceed the highest Limit of Liability applicable to the **Loss** under all policies.

10. SUBROGATION

In the event of any payment under this Policy, the Insurer will be subrogated to the extent of such payment to all rights of recovery of the **Insured** against any person or organization, except the **Insured Person**. The Insurer may be fully or partly released from its obligation towards the **Insured** where, owing to any act of the **Insured**, it cannot be so subrogated.

11. CURRENCY

All Limits of Liability, premiums, deductibles and other amounts as expressed in this Policy are in Canadian currency. With respect to the payment of premium, if a judgement is rendered or if a settlement is denominated in a currency other than Canadian dollars, payment under this Policy will be made in Canadian dollars at the noon rate of the exchange set by the Bank of Canada on the date upon which the final judgment is rendered, date of billing or settlement agreed upon, respectively.

12. BANKRUPTCY AND INSOLVENCY

Bankruptcy or **Insolvency** of the **Insured Organization** shall not relieve the Insurer of its obligations under this Policy.

13. ACTION AGAINST THE INSURER

No action shall lie against the Insurer unless as a condition precedent thereto there shall have been full compliance by the **Insured** with all the terms of this Policy.

14. STATUTORY CONFORMITY

Any of the terms of this insurance that are in conflict with the terms of any applicable laws construing this insurance are amended to conform to such laws.

15. TERRITORY

This insurance shall apply anywhere in the world.

16. LIBERALIZATION CLAUSE

If during the **Policy Period**, the Insurer creates a succeeding version of this form that broadens the coverage, then the succeeding version of this form shall immediately apply to this Policy.

Nothing herein shall be construed, in any manner, to increase or change the limits of liability afforded under this Policy as stated in the Declarations Page or change the applicability of the attached endorsements. The Limits of Liability and deductible amounts stated in the Declarations Page, as well as the terms and conditions of this current Policy shall apply to such **Claims**.

PART 9 – DEFINITIONS

1. Administration means:

- 1.1. giving counsel to **Employees**, members and beneficiaries with respect to the **Employment Benefit Plans**;
- 1.2. interpreting the **Employment Benefit Plans**;
- 1.3. handling the records in connection with the **Employment Benefit Plans**;
- 1.4. enrollment, termination or cancellation of **Employees** under the **Employment Benefit Plan**.

2. **Antipollution Measures** means the testing for, remediation, monitoring, removal, containment, treatment, detoxification, decontamination, stabilization or neutralization of **Pollutants** and also means corrective measures, decontamination or clean up operations with respect to **Pollutants**.
3. **Application** means all application forms or portions of thereof, including any attachments, addendums, annexes and other information and material provided to the Insurer in connection to the underwriting of this Policy or for any renewal or replacement of this Policy. All such information shall be deemed attached to and incorporated as a part of this Policy.
4. **Bankruptcy** means the state of the **Insured Organization** which occurs at the time or date of the granting of a receiving order against the **Insured Organization**, the filing of an assignment of property by or in respect of the **Insured Organization** or the event that causes an assignment by the **Insured Organization** to be deemed. **Bankruptcy** shall also include any similar position of the **Insured Organization** under similar legislation of any other country.
5. **Based Upon** means based upon, arising out of, in relation to, directly or indirectly resulting from.
6. **Benefits** means perquisites, fringe benefits and other payments in connection with the **Employee Benefit Plan** and any other payment, other than salary or wages, to or for the benefit of an **Employee** arising out of the employment relationship.
7. **Claim or Claims** means:
 - 7.1. any written demand or allegations seeking non-monetary relief, injunctive relief or monetary damages from an **Insured**;
 - 7.2. a civil proceeding commenced against an **Insured** by the filing of a notice of civil claim, petition, complaint, demand letter or similar pleading;
 - 7.3. a penal or criminal proceeding against an **Insured** commenced by notice of charges, statement of allegations, laying of information, the return of an indictment or similar document;
 - 7.4. a civil, criminal, administrative or regulatory investigation commenced by the service upon or other receipt by the **Insured** of a written notice from the investigating authority specifically identifying the **Insured** against whom formal charges may be commenced;
 - 7.5. **Extradition Expenses** that are related directly to a formal request, claim, arrest warrant or other proceedings pursuant to the *Canada Extradition Act* (including its amendments and regulations) or pursuant to the similar legislation of other jurisdictions;
 - 7.6. an arbitration or mediation proceeding commenced by receipt of notice to appoint an arbitrator or mediator, an arbitration or mediation petition or similar document; against any **Insured** for a **Wrongful Act**, including an appeal therefrom;
 - 7.7. a written request received by an **Insured** to toll or waive a limitation period, relating to any matter outlined in items 7.1 to 7.6 above.
8. **Crisis Consulting Expenses** means the reasonable costs, charges, fees and expenses, incurred by the **Insured Organization** during the **Policy Period**, with prior consent of the Insurer, for an independent public relations consultant, crisis management consultant or law firm to make public communication or prevent or minimize business disruption and adverse publicity.
9. **Defence Costs** means reasonable costs, charges, fees (including but not limited to lawyers', accountants' and experts' fees) and expenses (other than regular overtime wages, salaries, fees, and benefit expenses of any **Insured Person**) incurred in defending or investigating **Claims**.
The term **Defence Costs** shall also include:
 - 9.1. all premiums on bonds to release attachments for an amount not in excess of the Limit of Liability, but without any obligation to apply for or furnish such bonds;
 - 9.2. all reasonable expenses (other than loss of earnings) incurred by the **Insured** at the Insurer's request in assisting the Insurer in the investigation or defence of any **Claim** or suit;
 - 9.3. all assessable or taxable costs against the **Insured** in any civil action defended by the Insurer; and
 - 9.4. any interest accruing after entry of judgment upon that part of the judgment which is within the applicable Limit of Liability and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.
10. **Employee** means any person whose labour or service was, is or will be directed by the **Insured Organization**. This includes any full-time, part-time, seasonal, temporary worker, volunteer or dependent contractor who works solely for the **Insured Organization** and does not include an independent contractor.
11. **Employee Benefit Plan** means:
 - 11.1. any employee benefit plan as outlined in the *Canada Pension Benefits Standards Act, 1985* for any plan constituted within the territorial limits and jurisdictions of Canada, or as defined by the *Employee Retirement Income Security Act of 1974* of the United States of America for any plan constituted within the territorial limits and jurisdiction of the United States of America, which is operated solely by the **Insured Organization**, or jointly by the **Insured Organization** and a labour organization, for the benefit of any **Employee** or **Executive** of the **Insured Organization**;
 - 11.2. any government mandated insurance program for workers compensation, employment, unemployment, social security or disability benefits for any **Employee**;
 - 11.3. any other employee benefit plan sponsored solely by the **Insured Organization** for the benefit of any **Employee** or **Executive** of the **Insured Organization**.
12. **Employment Practices Wrongful Act** means any of the following acts related to employment or the application of employment:
 - 12.1. wrongful dismissal, discharge or termination of employment, whether actual or constructive;
 - 12.2. breach of any oral or written employment contract;
 - 12.3. violation of any law concerning discrimination;
 - 12.4. employment-related harassment, including sexual harassment or other harassment in the workplace;
 - 12.5. wrongful deprivation of employment or wrongful deprivation of promotion (including failure to hire and wrongful demotion);
 - 12.6. retaliation;
 - 12.7. wrongful discipline;
 - 12.8. failure to grant tenure;
 - 12.9. negligent evaluation, supervision or training;
 - 12.10. invasion of privacy;
 - 12.11. defamation, libel, slander or humiliation;
 - 12.12. wrongful infliction of emotional distress, humiliation, mental anguish or mental distress; or
 - 12.13. misrepresentation.

However, **Employment Practices Wrongful Act** shall not include any actual or alleged labour or grievance dispute, negotiation, arbitration, violation or other proceeding pursuant to a collective bargaining agreement.

13. **Executive** means any person within or of the **Insured Organization** who was or now is a duly elected, appointed, deemed or "de facto" strata council member, society board member, director, officer, trustee, member of the board of managers or member of any duly constituted committee or an in-house general counsel, risk manager or foreign equivalent.
14. **Executive Wrongful Act** means any error, omission, negligence, breach of duty, misstatement, misleading statement or any other act actually or allegedly committed by:
- 14.1. any **Insured Person** in the discharge of her or his duties, or any other matter claimed against an **Insured Person** solely by reason of she or he being an **Insured Person**;
 - 14.2. the **Insured Organization**.
15. **Expense Coverage** means expenses and costs afforded under **Workplace Violence Expense Coverage**.
16. **Extended Reporting Period** means the period selected from **PART 3 - EXTENDED REPORTING PERIOD** from the termination of the Policy until the expiry date shown on the endorsement issued after exercise of such clause.
17. **Extradition Expenses** means, in direct relation to an order for the extradition of an **Insured Person**, the reasonable and necessary legal fees, costs and expenses that are incurred (with the Insurer's approval and consent beforehand) by an **Insured Person** to obtain legal advice or to initiate, appeal or defend proceedings including such proceedings that are by way of judicial review or other challenge.
18. **Fiduciary** means any person who was, now is or will be a member of any pension committee or board of trustee of the **Employee Benefit Plan**.
19. **Fiduciary Wrongful Act** means any error, omission, negligence or misleading statement actually or allegedly committed by an **Insured**:
- 19.1. while engaged in the discharge of her, his or its duties in the **Administration** of the **Employee Benefit Plan**;
 - 19.2. for any breach of responsibilities, obligations or duties imposed upon an **Insured** with respect to the **Employee Benefit Plan** under the *Canada Pensions Benefits Standards Act, 1985*, as amended, or similar provisions of any federal, provincial, territorial or local legislation or foreign equivalent;
 - 19.3. in her, his or its capacity as a settlor of the **Employee Benefit Plan**;
 - 19.4. solely because of the **Insured's** status as a **Fiduciary** with respect to the **Employee Benefit Plan**.
20. **Insolvency** means:
- 20.1. the financial position of the **Insured Organization** or **Outside Organization** as a debtor as that term is defined and used in Canada within the provisions of the *Canada Bankruptcy and Insolvency Act* and, without limiting the generality of the foregoing, shall occur when any receiver, conservator, liquidator, trustee, sequestrator, court or similar provincial or federal official or a creditor takes control of, supervises, manages or liquidates the **Insured Organization** or **Outside Organization**;
 - 20.2. a reorganization proceeding of the **Insured Organization** or **Outside Organization** under the *Canada Companies' Creditors Arrangement Act*;
 - 20.3. the **Insured Organization** or **Outside Organization** becoming a debtor in possession under Chapter 11 of the United States *Bankruptcy Code* or under a similar arrangement or court order in Canada;
 - 20.4. the **Insured Organization** or **Outside Organization** being unable to meet its obligations under the **Employee Benefit Plan**; or
 - 20.5. any similar position of the **Insured Organization** or **Outside Organization** under similar legislation of any other country.
21. **Insured** means:
- 21.1. the **Insured Organization**;
 - 21.2. the **Insured Person**;
 - 21.3. the **Employee Benefit Plan**.
22. **Insured Organization** means:
- 22.1. the **Parent Organization**; and
 - 22.2. any **Subsidiary**.
23. **Insured Person** either in the singular or the plural, means any person who was or now is an **Executive**, **Fiduciary**, **Employee** or volunteer of the **Insured Organization** and includes an **Outside Organization Executive** serving an **Outside Organization**.
24. **Loss** means:
- 24.1. compensatory, punitive, exemplary or multiplied damages, judgment (including pre-judgment and post-judgment interest) or settlement arising from a **Claim**;
 - 24.2. civil fines or civil penalties assessed against an **Insured Person**, including under the *Canada Corruption of Foreign Public Officials Act* and Canada's Anti-Spam Legislation (CASL) or any provincial or foreign equivalent;
 - 24.3. all costs assessed against the **Insured** in any civil action defended by the Insurer and any interest accruing after entry of all judgment upon that part of the judgment which is within the applicable Limit of Liability and before the Insurer has paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit of Liability;
 - 24.4. **Defence Costs**;
- but **Loss** does not include:
- 24.5. fines or penalties against the **Insured**;
 - 24.6. any taxes the **Insured** or the **Outside Organization** owes, or has failed to pay, other than those taxes for which an **Insured Person** (including those serving an **Outside Organization**) becomes personally liable under statutory law;
 - 24.7. with respect to a **Claim** for an **Employment Practices Wrongful Act**: salaries, wages or commissions payable to a claimant for services performed for an **Insured** while employed with an **Insured**;
 - 24.8. with respect to a **Claim** for an **Employment Practices Wrongful Act** against an **Outside Organization Executive**: salaries, wages or commissions payable to a claimant for services performed for an **Outside Organization** while employed with an **Outside Organization**;
 - 24.9. cost of compliance with any order for, grant of or agreement to provide injunctive or non-monetary relief;
 - 24.10. the salary, wages, commissions or **Benefits** of a claimant:
 - 24.10.1. who has been or shall be hired, promoted or reinstated to employment;
 - 24.10.2. whose employment has been or shall be continued;
 - 24.10.3. whose salary or **Benefits** has been increased pursuant to a settlement, order or other resolution;
 - 24.10.4. which constitutes a statutory mandated notice period with respect to an **Employment Practices Wrongful Act**;

- 24.11. any costs incurred in connection with cleaning up, removing, eliminating, abating, remediating, containing, treating, detoxifying, decontaminating, neutralizing **Pollutants** or implementation of any **Antipollution Measures**;
- 24.12. matters uninsurable by law under which this Policy is construed.
25. **Outside Organization** means any not-for-profit organization having no share capital other than any **Insured Organization**.
26. **Outside Organization Executive** means the position of director, officer, trustee, governor, observer, managing committee member or equivalent **Executive** position held by an **Insured Person** in an **Outside Organization**, provided that service in such position was at the request of the **Insured Organization**.
27. **Parent Organization** means the entity named on the Declarations Page.
28. **Personal Injury Wrongful Act** means libel, slander or defamation of character other than such libel, slander or defamation that is employment-related or that arises from an **Insured** in the business of publishing, advertising or broadcasting.
29. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date as set forth in the Declarations Page, or its earlier cancellation in accordance with section 6. **NOTICE OF NON-RENEWAL**, or section 7. **CANCELLATION of PART 8 - GENERAL CONDITIONS**.
Policy Period shall also include the **Extended Reporting Period** if exercised.
30. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste including materials to be recycled, reconditioned or reclaimed.
31. **Premises** means the buildings, facilities or properties occupied by the **Insured Organization** in conducting its operations and includes a strata plan.
32. **Prior and Pending Proceedings Date** means the effective date of this Policy (or the first policy issued by the Insurer if this policy forms part of a continuous series of renewals).
33. **Publisher's Wrongful Act** means any infringement of copyright, trademark, unauthorized use of title, plagiarism or misappropriation of ideas by the **Insured**.
34. **Stalking Threat** means any conduct by a person who is subject of a temporary restraining order, injunction or similar court order that demonstrates intent to harm an **Employee** or the **Insured**.
35. **Subsidiary** means any non-profit association or organization in which more than 50% of the control or voting rights is owned by the **Parent Organization** or by one or more of its subsidiaries, including any similar non-profit association or organization which was created or acquired by the **Parent Organization** after the inception date of the Policy.
36. **Third Party Employment Practices Wrongful Act** means any **Claim** brought and maintained by or on behalf of a strata lot owner or occupant, society member, customer, patient, service provider or other business invitee of the **Insured Organization** against any **Insured** for any actual or alleged violation of any law concerning the discrimination or harassment of such a strata lot owner or occupant, society member, customer, patient, service provider or other business invitee, and while such **Insured** is acting within the capacity of her, his or their duties for the **Insured Organization**.
37. **Workplace Violence Expenses** means the reasonable and necessary fees and expenses, or cost of:
- 37.1. an independent security consultation for 90 days following the date the **Workplace Violence Incident** occurs;
- 37.2. an independent public relations consultant for 90 days following the date the **Workplace Violence Incident** occurs;
- 37.3. a counselling seminar for all **Employees** conducted by an independent consultant following a **Workplace Violence Incident** occurs;
- 37.4. an independent security guard services for 15 days following the date a **Workplace Violence Incident** occurs;
- 37.5. an independent forensic analyst;
- 37.6. an independent security consultant to assess the **Stalking Threat**.
38. **Workplace Violence Incident** means any intentional and unlawful act:
- 38.1. of deadly force involving the use of a lethal weapon; or
- 38.2. the threat of deadly force involving the display of a deadly weapon; or
- 38.3. of a **Stalking Threat**;
- that occurs on or in the **Premises** and that did or could result in the bodily injury or death to an **Insured Person**;
- but **Workplace Violence Incident** does not include:
- 38.4. any use of or threat of force or violence occurring on the **Premises** for the purpose of a robbery or demanding money, securities or property; or
- 38.5. **Claims Based Upon** any civil or foreign war, invasion, hostilities (whether declared or not), act of foreign enemy, rebellion, insurrection, revolution, military or usurped power, marital law or confiscation by order of any government or any public authority.
39. **Wrongful Act** means including, but not limited to:
- 39.1. any **Executive Wrongful Act**;
- 39.2. any **Employment Practices Wrongful Act**;
- 39.3. any **Third Party Employment Practices Wrongful Act**;
- 39.4. any **Fiduciary Wrongful Act**;
- 39.5. any **Personal Injury Wrongful Act**; and
- 39.6. any **Publisher's Liability Wrongful Act**.



PRIVACY BREACH COVERAGE

This Endorsement changes the Policy. Please read it carefully.

Certain words and phrases in bold font or quotation marks have special meaning as defined in this Endorsement or within this Policy. For the purpose of this Endorsement, the definitions contained in this form prevail over the definitions contained elsewhere within this Policy. Unless otherwise stipulated in this Endorsement, this Endorsement is subject to the terms, conditions, limitations and exclusions that are applicable to the Policy to which this Endorsement is attached to and forms part of.

Coverage provided herein shall not apply to any **Claim** arising out of any **Privacy Breach** occurring before the effective date of this Endorsement (or of the original Endorsement if this Endorsement forms part of a continuous series of renewals).

Coverage provided by this Endorsement applies within the **Coverage Territory** as defined herein.

NOTIFICATION & BREACH MANAGEMENT EXPENSE COVERAGE

1. The Insurer will reimburse the **Insured Organization** for the following expenses or costs that are incurred by the **Insured Organization** for a **Privacy Breach**:
 - 1.1. **Remediation Expenses;**
 - 1.2. **Legal Consulting Costs.**
2. A **Privacy Breach** must first take place (or must first be activated) during the time that this Endorsement's coverage is in effect and must first be discovered by the **Insured Organization** during the time that this Endorsement's coverage is in effect.
3. This NOTIFICATION & BREACH MANAGEMENT EXPENSE COVERAGE is subject to the aggregate limit for each **Policy Period** stated in the Declarations Page for this coverage and this amount shall apply in excess of the deductible amount stated in the Declarations Page for this coverage. This limit of liability shall be inclusive of the Aggregate Limit of the Policy stated in the Declarations Page.
4. This NOTIFICATION & BREACH MANAGEMENT EXPENSE COVERAGE may also be provided elsewhere by other Endorsements issued by the Insurer or a subsidiary of the parent of the Insurer to the **Insured Organization**. In the event of any such coverage duplication or overlap, the sub-limits afforded under the different Endorsements only and issued by the Insurer or a subsidiary of the parent of the Insurer to the **Insured Organization** shall be cumulative, and this, notwithstanding:
 - 4.1. the total aggregate limits of liability afforded under such policies as described above; or
 - 4.2. any other provision to the contrary contained elsewhere within this Policy or in any other policy issued by the Insurer or a subsidiary of the parent of the Insurer to the **Insured Organization**.In the event such **Loss** would also be afforded or invoked under any other valid or collectible insurance maintained by the **Insured Organization**, except an insurance policy issued by the Insurer or a subsidiary of the parent of the Insurer, then the "Other Insurance" clause under this Policy would prevail.

EXCLUSIONS

For the purposes of this Endorsement, the following exclusions are added:

This Endorsement does not apply to:

1. expenses or other loss arising from unauthorized use of, unauthorized access to, loss of or damage to data or information on a personal mobile device or any other computer equipment owned by an **Employee**, volunteer or authorized representative of the **Insured**, except for a **Privacy Breach** in regard to laptop computers, tablets or desktop computers that are personally owned by an **Employee**, volunteer or authorized representative of the **Insured Organization** and provided that any such device, at the time of a **Privacy Breach**, is being used with permission of the **Insured Organization** on the **Insured Organization's** premises in Canada (including offices in the homes of **Employees** and while in transit to or from such offices and the **Insured Organization's** premises);
2. unexplained deletion, disappearance or diminution of **Data** or of non-computer data;
3. assessments of any nature including (but not limited to) fines, fees or damages for breach of contract or for late or non-completion of orders or payments, or levies or assessments of any nature including but not limited to levies or assessments that are related to payment cards or to Payment Card Industry Standards;
4. a **Privacy Breach** (except for theft of non-computer data) arising from failure of the **Insured** to diligently deploy updated functional security software including but not limited to anti-malware software, security patches and including but not limited to a functional hardware firewall and, for each computer, a functional software firewall, all in accordance with a standard of care that at least meets (at the time of such breach) current standards and best practices for computer security and data security.
For the purposes of this exclusion, available security patches (available as patches in response to computer security threats as recognized and specified by any CERT entity, or available otherwise) that are not applied automatically or semi-automatically must be applied by the **Insured** as soon as practicable following the **Insured's** discovery of a **Privacy Breach** related to a computer security vulnerability that is addressed by such a patch; and in any event no later than 30 days following a security patch being made available by a software developer, a software supplier or by a computer security specialist;
5. criminal, fraudulent or dishonest acts of any **Insured**, or criminal or penal proceedings against any **Insured**, except for a **Privacy Breach**;
6. loss, damage, expense or costs (including judgments against the **Insured**) arising out of liability to a third party;
7. loss, damage, expenses or increased costs due to delay, loss of use, loss of market, or loss of occupancy;
8. any cost or expenses or **Remediation Expenses** incurred or paid by the **Insured** in establishing the existence of or the amount of **Loss**; or
9. any potential income, including but not limited to interest and dividends, that could in anyway or manner have been realized, or were not realized.

This Endorsement shall not apply to **Claims Based Upon:**

10. wear and tear, gradual deterioration, any **Loss**, damage, expenses or increased costs due to electrical disturbance, short circuit, mechanical failure, breakdown, faulty construction, errors in design, hidden or latent defect or any quality in **Data**, interruption of internet service, of electrical power supply or any other malfunction or failure in computer media or in non-computer data that causes it to damage or destroy itself;
11. expenses or other loss arising from errors in the programming or configuration of computer equipment or from errors in the configuration of **Data** or of computer media;
12. any gain, profit, remuneration or advantage to which the **Insured** is not legally entitled;
13. any cost or expenses incurred to update, upgrade or otherwise improve **Data**, non-computer data, computer media or computer equipment;
14. payments made by the **Insured** in response to **Cyber Extortion** or otherwise complying with or responding to **Cyber Extortion**. This exclusion does not apply to **Remediation Expenses** due directly to the carrying out of a **Cyber Extortion** threat;
15. any restitution, reduction in any payment or debt, disgorgement or return of any payment, any charges or fees, and any other consideration paid or owed regarding any of the **Insured's** products, services or goods;
16. any costs incurred on behalf of any **Insured** or where such costs are incurred to perform any obligation by or on behalf of any **Insured** or with the **Insured's** consent;
17. the providing of or failure to provide, warnings or instructions, or warranties or representations made at any time, with respect to the fitness, quality, durability, performance or use of the **Insured's** products (whether manufactured by the **Insured** or not) or services of the **Insured**, or failure of such products or services to conform to such instructions, representations or warranties;
18. the designing, creating, developing, producing or the maintaining of any content or material of any person's web site;
19. any undertaking of the **Insured** for the benefit of its creditors, the capacity of bailee, receiver, trustee in **Bankruptcy**, conservator or assignee; or
20. the actual or alleged violation of applicable law related to the *Competition Act*, to commercial competition or to unfair trade practices.

This Endorsement shall not apply to **Claims:**

21. by or on behalf of any other **Insured**. This exclusion however, shall not apply to **Claims** made by an **Insured** who is a natural person in her or his capacity as an **Employee** or **Customer** of the **Insured Organization** for a **Privacy Breach**.

ADDITIONAL CONDITIONS

For the purposes of this Endorsement only, and notwithstanding anything to the contrary under this Policy, the following conditions are added as additional conditions to this Policy:

1. The deductible amounts stated in the Declarations Page for NOTIFICATION & BREACH MANAGEMENT EXPENSE COVERAGE applies only to the **Insured Organization**.
2. Reporting of **Notification and Breach Management Expenses:**
 - 2.1. the **Insured** shall give the Insurer written notice immediately after discovery and during the **Policy Period** of any **Notification and Breach Management Expenses**;
 - 2.2. file detailed proof of **Loss**, duly sworn to, with the Insurer within six (6) months after the discovery of the **Notification and Breach Management Expenses**;
 - 2.3. this Policy affords coverage in favour of the **Insured Organization**. Any action or legal proceeding against the Insurer shall be brought by the **Insured** only.
3. Discovery of **Notification and Breach Management Expenses:**
 - 3.1. this Endorsement applies to **Loss** discovered by the **Insured Organization** during the **Policy Period**.
 - 3.2. discovery occurs at the earliest when the **Insured Organization's** president, treasurer, general manager, chief executive officer, chief financial officer, in-house general counsel, risk manager, privacy officer, chief information officer, chairperson or any equivalent positions to the foregoing first becomes aware of circumstances which could give rise to **Notification and Breach Management Expenses**, regardless of when the act or acts causing or contributing to such expenses occurred, even though the exact amount or details of such expense may not then be known and even if such amounts do not exceed the deductible amount for NOTIFICATION & BREACH MANAGEMENT EXPENSE COVERAGE.

DEFINITIONS

For the purpose of this Endorsement only, the following definitions are added to this Policy:

1. **Coverage Territory** means NOTIFICATION & BREACH MANAGEMENT EXPENSE COVERAGE for **Notification and Breach Management Expenses** occurring in Canada, except for a **Privacy Breach** in regard to computer equipment owned by the **Insured Organization** in locations in the United States of America, in the European Union or in the European Economic Area, if the **Privacy Breach** arises from the business activities of an **Employee**, volunteer or authorized representative of the **Insured Organization** who is away from Canada for a period not exceeding 30 consecutive days.
2. **Customer** means any individual or entity who received or will receive, or who purchased or will purchase goods or services produced or provided by the **Insured Organization**. **Customer** also means the following person who received or will receive any service offered by the **Insured Organization**: its members, if it is an incorporated society; its strata lot owners or occupants, if it is a strata corporation, or its beneficiaries.
3. **Cyber Extortion** means a demand that originates from outside the **Insured Organization**, made to the **Insured Organization** for money or something else of value in exchange for not carrying out a threat to commit harm to the **Insured Organization's** computer equipment or to **Data**. **Cyber Extortion** also means a threat to disseminate **Data** without authorization, or to deny, to impede, to make unavailable or to otherwise disrupt access to **Data** or network or computer services or resources.
4. **Data** means representations of information or concepts in any form and residing in or on the **Insured's** computer equipment except for and excluding programmable manufacturing machines or programmable controllers for industrial use. **Data** does not include:



- 4.1. money, currency, funds, bonds or instruments of debt, credit or equity;
 - 4.2. deeds, accounts, bills, records, abstracts, manuscripts or other documents except as they have been converted to computer data and then only in that converted form;
 - 4.3. such property already sold or that is held for sale or for distribution; or
 - 4.4. data or information stored using the centralized facilities (whether public or private) of a data or information storage provider or other service provider.
5. **Legal Consulting Costs** means the costs resulting directly from a **Privacy Breach** incurred by the **Insured Organization** to retain, with the prior approval of the Insurer, a lawyer to:
- 5.1. determine the notification obligations under the applicable laws;
 - 5.2. respond to regulatory and law enforcement authorities or to investigators;
 - 5.3. provide legal advice in connection with management of the **Privacy Breach** and associated disclosures.
- Legal Consulting Costs** do not include costs to defend a third party **Claim**.
6. **Notification and Breach Management Expenses** means **Remediation Expenses** or **Legal Consulting Costs**.
7. **Privacy Breach** means failure to prevent unauthorized use of or unauthorized access to **Data** that are possessed, managed, entrusted to, or held by the **Insured Organization** and that are non-public and personal information as established by law. **Privacy Breach** also means theft of non-computer data that are possessed, managed, entrusted to, or held by the **Insured Organization** and that are non-public and personal information as established by law. **Privacy Breach** does not include theft of, or failure to prevent unauthorized use of or unauthorized access to, intellectual property or trade secrets of any kind.
8. **Remediation Expenses** means reasonable and necessary expenses that are required by law or that have received the Insurer's consent and approval beforehand, incurred by the **Insured Organization** and provided that the need for such services arises directly from a **Privacy Breach**, for:
- 8.1. notification to existing, prospective or former **Customers**, or existing or former **Employees** or members of the **Insured Organization**;
 - 8.2. changing the account numbers, other identification numbers and security codes of the existing, prospective or former **Customers**, or existing or former **Employees** or members of the **Insured Organization**;
 - 8.3. computer forensic services, provided that such services are retained;
 - 8.4. public relations services, provided that such services are retained.
- Remediation Expenses** also means, with respect to a **Privacy Breach**, the **Insured Organization's** expenditures that may be incurred for services for credit monitoring or for fraud monitoring and pertaining directly to existing, prospective or former **Customers**, or existing or former **Employees** or members of the **Insured Organization**, such individuals notified in accordance with item 8.1. above, for a period not exceeding fifty-two (52) consecutive weeks from the date that the actual **Privacy Breach** is first discovered.

MODIFICATIONS TO THE BASIC FORM

1. For the purpose of this Endorsement only, exclusion 1. **PRIOR NOTICE** contained under **PART 4 - EXCLUSIONS**, is deleted and replaced as follows:

This Endorsement shall not apply to **Claims Based Upon**:

 2. any circumstance or event which may subsequently lead to a **Claim** if written notice has been given under any policy of which this Policy is a renewal or replacement and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of its Limits of Liability) for such **Loss** in whole or in part, as a result of such notice.
2. For the purpose of this Endorsement only, clause 7. **CONTRACT** contained under **PART 4 - EXCLUSIONS**, does not apply.
3. For the purpose of this Endorsement only, section 24.9 of definition 24. **Loss** contained under **PART 9 - DEFINITIONS**, is deleted and replaced as follows:

24.9. any costs or any **Notification and Breach Management Expenses** incurred or paid by the **Insured Organization** to comply with any order for or grant of or agreement to provide injunctive or non-pecuniary relief.
4. For the purpose of this Endorsement only and notwithstanding anything to the contrary under this Policy or any Endorsement attached and forming part of this Policy, paragraph 7. **Claim** contained under **PART 9 - DEFINITIONS**, is deleted and replaced as follows:

7. **Claim** means a demand by the **Insured Organization** for recovery of **Notification and Breach Management Expenses**.
5. For the purpose of this Endorsement only and notwithstanding anything to the contrary under this Policy or any Endorsement attached and forming part of this Policy, the definition of 24. **Loss** contained under **PART 9 - DEFINITIONS** is expanded to include the following as a **Loss**:

Notification and Breach Management Expenses incurred by the **Insured** for a **Privacy Breach**.
6. For the purpose of this Endorsement only, the following parts and paragraphs of the Policy are amended as follows:

The phrase **Wrongful Act** is replaced by **Wrongful Act** or **Privacy Breach** wherever appearing in the following parts:

 - 6.1. **PART 3 - EXTENDED REPORTING PERIOD**;
 - 6.2. **PART 8 - GENERAL CONDITIONS** - clause 5. **Change of Control**.

All terms of this Policy shall remain unchanged except as otherwise provided in this Endorsement.

POLLUTION LIABILITY COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

In consideration of the premium charged, it is hereby agreed the following coverage is added to the policy.

- I. For the purposes of this endorsement, it is agreed that the following paragraphs are added to the **COMMERCIAL GENERAL LIABILITY POLICY, SECTION I. COVERAGES:**

COVERAGE E. POLLUTION LIABILITY COVERAGE

1. Insuring Agreement

We will pay those sums in excess of the Pollution Liability deductible amount shown in the Declarations that the insured becomes legally obligated to pay because of "bodily injury" or "property damage" arising out of an unexpected and unintended spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" caused by an "occurrence" to which this insurance otherwise applies.

2. Exclusions

This insurance does not apply to:

- a. "bodily injury", "property damage" that the insured becomes legally obligated to pay arising out of a spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - i. which occurred prior to the policy period shown in the Declarations
 - ii. at, on, under or migrating from any premises, site or location which is or was at any time used by or for the insured or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. arising from the transportation, handling, storage, disposal, processing or treatment of waste by or for an insured or organisation for whom the insured may be legally responsible;
 - iv. at, on, under or migrating from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on behalf of an insured are performing operations if the operations are for clean-up; or
 - v. at, on, under or migrating from any premises, site or locations:
 - 1) which is or was at any time owned or occupied by, or rented or loaned to an insured; or
 - 2) on which any insured or any contractors or subcontractors working directly

or indirectly on behalf of any insured are performing operations if the "pollutants" are brought onto the premises, site or location in connection with such operations by or on the instruction of such insured, contractor or subcontractor;

but paragraph v. does not apply to "bodily injury" or "property damage":

- (i) if caused by heat, smoke or fumes or from fire extinguishing substances used to fight a fire which becomes uncontrollable or breaks out from where it is intended to be; or
- (ii) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - (a) commences during the policy period stated in the Declarations; and
 - (b) is detected within 240 hours of its commencement; and
 - (c) is reported to us within 240 hours of its being detected; and
 - (d) is a quantity or with a quality that is in excess of that which is routine or usual to the business of the insured.
- b. Any fines or penalties assessed against or imposed upon any insured.
- c. Any loss resulting from an "underground storage tank incident"

3. Supplementary Payments

We will pay, with respect to any claim or "action" we defend:

- a. All expenses we incur.
- b. The costs of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to \$100 a day because of time off of work.
- d. All costs taxed against the Insured in the "action" and any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance.

These payments will reduce the Pollution Liability Limits of Insurance shown in the Declarations.

- II. For the purposes of this endorsement, it is agreed that the following conditions are added to the **COMMERCIAL GENERAL LIABILITY POLICY, SECTION III. LIMITS OF INSURANCE:**

LIMITS OF INSURANCE

The Pollution Liability Limit shown in the Declarations is the most we will pay for the sum of all damages and supplementary payments because of a "bodily injury" or "property damage" arising out of any one

“occurrence” under this policy.

The Pollution Liability deductible amount stated on the Declarations is applicable to each “occurrence”. The deductible amount applies once to each “occurrence” and applies to defense expenses, investigation, settlement, compromise, or indemnification.

III. For the purposes of this endorsement, it is agreed that the following definitions will apply:

1. **“Property Damage”** means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property; or
 - b. Loss of use of tangible property that is not physically injured; or
 - c. “Clean-up costs”.
2. **“Underground storage tank incident”** means an unexpected or unintended spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants” from an “underground storage tank system” into ground water, surface water or subsurface soils.
3. **“Underground storage tank system”** means an underground storage tank including any associated underground pumps and piping, that has at least 10% of its volume below ground.
4. **“Pollutants”** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. **“Clean-up costs”** means reasonable and necessary expenses incurred in the investigation, evaluation, monitoring, testing, removal, containment, treatment, response, disposal, remediation, detoxification or neutralization of any “pollutants” to the extent required by applicable **environmental laws**.
6. **“Environmental laws”** mean federal, state, provincial, municipal or other local laws, statutes, ordinances, regulations, and all amendments thereto, including state voluntary clean-up or risk-based corrective action guidance, governing the liability of the Insured with respect to the spillage, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”.

All other terms and conditions remain the same.

TERRORISM ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance extends to include loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

(1) Terrorism.

For the purposes of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or put the public, or any section of the public, in fear.

All other terms and conditions of this policy remain unchanged.

NMA2918-W
06/27/2019

SeaFirst Limited Cyber Liability

This policy contains one or more coverages. This is a **claims** made and reported policy. Except as otherwise provided herein, this policy will only cover **claims** first made and reported to the **Underwriters** during the **policy period** and on or after the **retroactive date** but before the end of the **policy period** or any **extended reporting period**, if applicable. All **claims** are subject to the applicable **Limits of Liability** and the applicable retention(s). Note that the **Limits of Liability** for Named Coverages A and B include **claim expenses**.

Claims expenses shall reduce the applicable **Limits of Liability**, subject to the applicable **retention(s)**. The payment of **claims expenses** may completely exhaust the **Limit of Liability**.

1.0

Named Coverages

Named Coverage A: Privacy Breach Responses costs, customer notification expenses, and customer support and credit monitoring expenses

The **Underwriters** shall indemnify the **Named Insured** for **privacy breach response costs, security event costs, customer notification expenses, and customer support and credit monitoring expenses**, in excess of the **Named Insured's retention**, when such costs and expenses are incurred, following a **security breach, privacy breach** or breach of **privacy regulations**, and notified by the **Named Insured** to the **Underwriters** in writing, in accordance with Section II of this policy, during the **policy period**, provided that the **security breach, privacy breach** or breach of **privacy regulations** occurred on or after the **retroactive date**.

Named Coverage B: Non-Physical Business Interruption and Extra Expense

The **Underwriters** will reimburse the **Named Insured** for **income loss, interruption expenses, and special expenses** incurred by the **Named Insured** during the **period of restoration** directly as a result of the total or partial interruption, degradation in service, or failure of the **computer system** that exceeds the **time retention**, and which is caused directly by a **Covered Cause of Loss**.

Such **Covered Cause of Loss** insured under this section must first occur and be discovered by the Chief Information Officer, Chief Technology Officer, Chief Security Officer, Risk Manager, or General Counsel of the **Named Insured** during the **policy period**, and reported by the **Named Insured** to **Underwriters** no later than sixty days (60) after the expiration of the **policy period**.

Income loss: Reduction of the **Named Insured's** income during the **period of restoration**, which is:

- a. The **Named Insured's** net income (net profit or loss before income taxes) that would have been reasonably projected but which has been lost directly as a result of total or partial interruption, degradation in service, or failure of the **computer system** caused directly by a **Covered Cause of Loss**. The revenue projection will take into account the prior experience of the **Named Insured's** business during the previous twelve months immediately before the date of the **Covered Cause of Loss** and the probable experience had no **Covered Cause of Loss** occurred. Revenues include the amount of money paid or payable to the **Named Insured** for goods, products, or services sold, delivered, or rendered in the normal course of the **Named Insured's** business. Revenue projection will be reduced by the extent to which the **Named Insured** use substitute methods, facilities, or personnel to maintain its revenue stream. The **Underwriters** will take into consideration the **Named Insured's** documentation of the trends in the business and for variations in or other circumstances affecting the business before or after the covered loss which would have affected the **Named Insured's** business had not the covered loss occurred;
And:
 - b. Any fixed operating expenses (including ordinary payroll) incurred, but only to the extent that such operating expenses must continue during the **period of restoration**.

Interruption expenses are those expenses incurred to:

- a. avoid or minimize the suspension of business as a result of the total or partial interruption, degradation in service, or failure of the **computer system** caused directly by a **Covered Cause of Loss** that the **Named Insured** would not have incurred had no loss occurred including, but not limited to, the use of rented/leased external equipment, substitution of other work or production procedures, use of third party services; or additional staff expenditures or labor costs;
- b. minimize or avoid a **Covered Cause of Loss** and continue the **Named Insured's** business;
The amount of such **interruption expenses** recoverable shall in no case exceed the amount by which the covered **Income Loss** is reduced by such incurred expenses.

Interruption expenses do not include **special expenses**.

Income loss, interruption expenses, and special expenses shall not mean, and **Underwriters** shall have no duty to reimburse the **Named Insured** for:

- a. Any loss arising out of a physical cause or natural peril, including but not limited to fire, wind, water, flood, subsidence, or earthquake, that results in physical damage to **computer hardware** and/or the data center;
- b. Any loss expense arising out of updating or replacing **digital assets** to a level beyond that which existed prior to the **Covered Cause of Loss**;
- c. Contractual penalties or consequential **damages**;
- d. Any liability to third parties for whatever reason, including legal costs and expenses of any type;
- e. Fines or penalties imposed by law;
- f. Costs or expenses incurred to identify, patch, or remediate software program errors or **computer system** vulnerabilities;
- g. Loss of goodwill and reputational harm; or
- h. Costs to upgrade, redesign, reconfigure, or maintain the **computer system** to a level of functionality beyond that which existed prior to the **Covered Cause of Loss**.

Exclusions

Insurance granted by this Endorsement shall not apply to any **claim** directly or indirectly arising out of or in any way attributable to:

1. Any **claim** or circumstance arising from any wrongful acts under Named Coverage(s) A and/or B which were committed or occurred prior to the **retroactive date**;
2. Any **claim** or circumstance arising from any wrongful acts under Named Coverage(s) A and/or B which took place prior to the inception of this policy, if the **Named Insured** knew or could have reasonably foreseen such acts, facts, or circumstances could be the basis of a **claim** or circumstance;
3. Any **claim** or circumstance notified to a previous insurer prior to the inception of this policy;
4. Any **claim** made by an **insured** against another **insured**.
5. Any **claim** arising out of the **Named Insured's** willful, deliberate, malicious, fraudulent, dishonest, or criminal act.
6. The **Named Insured's** insolvency or bankruptcy or the insolvency or bankruptcy of any other entity including, but not limited to, the failure, inability, or unwillingness to make payments because of the insolvency, liquidation, or bankruptcy of any individual or entity;
7. **Bodily injury**;
8. **Property damage**;
9. Satellite failures; electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout; and outages to gas, water, telephone, cable, telecommunications, or other infrastructure, unless such infrastructure is under the **Named Insured** operational control and unless such **claim** forms part of a **first party insured event**;
10. The wear and tear, drop in performance, progressive deterioration, or aging of electronic equipment and other property or **computer hardware** used by the **Named Insured**;
11. Failure of overhead transmission and distribution lines;
12. Gradual deterioration of subterranean insulation;
13. Fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, force majeure, or any other physical event however caused;
14. The violation of any economic or trade sanctions by the Canadian government;
15. The liability of others assumed by the **Named Insured** under any contract or agreement, either oral or written.
16. The actual or alleged loss of value of any securities;
17. Any **claim** or **loss of business income** caused by or resulting from unauthorized trading. Unauthorized trading means trading by an insured, which at the time of the trade is:
 - i. In excess of permitted financial limits, or
 - ii. Outside of permitted product lines;
18. The actual or alleged purchase, sale, offer of, or solicitation of an offer to purchase or sell securities, or violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any federal, state, local, or foreign laws similar to the foregoing statutes, including 'Blue Sky' laws, whether such law is statutory, regulatory, or common law;
19. The actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as 'Racketeer Influenced And Corrupt Organizations Act' or 'RICO'), as amended, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local or foreign laws, whether such law is statutory, regulatory or common law;
20. The actual or alleged government enforcement of any provincial or federal government regulation;
21. Any employer-employee relations, policies, practices, acts, or omissions, any actual or alleged refusal to employ any person, or any misconduct with respect to **employees**;
22. Any **claims** arising under workers' compensation, disability benefits or unemployment, or employment compensation law or any similar law.
23. Any actual or alleged discrimination of any kind including, but not limited to, age, color, race, gender, creed, national origin, marital status, sexual preferences, disability, or pregnancy;
24. **Act of Terrorism**, strikes or similar labor actions, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular uprising, military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions. This exclusion also excludes coverage for any loss or **damages** arising out of confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority. This exclusion also excludes loss, cost, **damages**, or **claims expenses** of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to the above.
25. Gambling, pornography, prizes, awards, coupons, or the sale or provision of prohibited, restricted, or regulated items including, but not limited to, alcoholic beverages, tobacco, or drugs;
26. Any fine or penalty arising out of any agreement by the **Named Insured** to comply with or follow the Payment Card Industry Standard or any Payment Card Company Rules; or implement, maintain, or comply with any security measures or standards

related to any payment card data including, but not limited to, any fine or penalty imposed by a payment card company on a merchant bank or payment processor that the **Named Insured** have paid or agreed to reimburse or indemnify. However, this exclusion shall not apply to civil penalties and fines to the extent insurable by law arising out of an otherwise covered **claim** under Named Coverage 1.0;

27. Any actual or alleged unfair competition, antitrust violations, deceptive trade practices, or restraint of trade or antitrust statute, legislation, or regulation;

28. The actual or alleged infringement of any patent;

29. Any wear or tear, latent or time-delayed **damages** arising from services the **Named Insured** provided prior to the **policy period** or gradual deterioration or the **Named Insured's** failure, or the failure of those acting on the **Named Insured's** behalf, to maintain any computer, **computer system**, or network, computer software, or any other equipment;

30. The use of programs that are not **operational programs**;

31. The use of programs that are not **delivered programs**;

32. The **Named Insured's** knowing use of illegal or unlicensed programs that are in violation of the provisions or laws referring to software protection;

33. The confiscation, commandeering, requisition, destruction of or damage to, **computer hardware** by order of a government de jure or de facto, or by any public authority for whatever reason;

3.0

Definitions

For the purpose of this endorsement:

Act of Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of, or in connection with any organization(s) or government(s), committed for political, religious, ideological, or similar purposes including the intention to influence any government and/or put the public, or any section of the public, in fear.

Bodily injury means physical injury, sickness, disease, or death sustained by any person and, where resulting from such physical injuries only, mental anguish, mental injury, shock, humiliation, or emotional distress.

Claim means:

- i. A written demand received by the **Named Insured** for monetary damages or non-monetary relief, a request for a tolling agreement, the service of a civil suit for civil **damages**, or institution of arbitration proceedings seeking monetary **damages** or including the threat or initiation of a suit and/ or proceeding seeking a temporary restraining order or a preliminary or permanent injunction;
- ii. A **first party insured event**;
- iii. The incurring of **customer notification expenses** or **customer support and credit monitoring expenses**;
- iv. Notice by a third party to **the Named Insured** of acts, facts, or circumstances that could reasonably be expected to result in any of the foregoing (i) to (iii) above.

Claims expenses means:

- i. Reasonable and necessary fees incurred with the **Underwriters** consent and charged by an attorney(s) designated by the **Underwriters** to defend a **claim**;
- ii. All other reasonable and necessary fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal of a **claim**, if incurred by the **Underwriters**, or by the **Named Insured** with our prior written consent;
- iii. **Claims expenses** does not include any salary, overhead, or other charges incurred by the **Named Insured** for any time spent in cooperating in the defense and investigation of any **claim** or circumstance which might lead to a **claim** notified under this policy; or

Computer Hardware means the physical components of any computer system including CPU's, memory, storage devices, storage media, and input/output devices and other peripheral devices and components including but not limited to cable, connectors, fiber optics, wire, power supply units, keyboards, display monitors and audio speakers.

Computer Program(s) means an organized set of instructions that, when executed, causes a computer to behave in a predetermined manner. **Computer program(s)** include but are not limited to communications, networking, operating system and related **computer programs** used to create, maintain, process, retrieve, store, and/or transmit **electronic data**.

Computer system(s) means interconnected electronic, wireless, web, or similar systems (including all **computer hardware** and software) used to process and store **data** or information in an analogue, digital, electronic or wireless format including, but not limited to, computer programs, electronic data, operating systems, **firmware**, servers, media libraries, associated input and output devices, mobile devices, networking equipment, websites, extranets, off line storage facilities (to the extent that they hold electronic data), and electronic backup equipment (operated by and either owned by or leased to the **Named Insured's**.)

Computer virus means a program that possesses the ability to create replicas of itself (commonly known as 'auto-reproduction' program) within other programs or operating system areas, or which is capable of spreading copies of itself wholly or partly to other **computer systems**.

Covered Cause of Loss

- a. Accidental Damage or Destruction
 - i. Accidental physical damage or destruction of **electronic media**, so that stored **digital assets** are no longer machine-readable;

- ii. Failure in power supply or under/over voltage only if such power supply is under the direct operational control of the **Named Insured**. Direct operational control includes back-up generators;
- iii. Electrostatic build-up and static electricity.

b. Administrative or Operational Mistakes

An accidental, unintentional, or negligent act, mistake, error or omission in:

- i. the entry, or modification of the **Named Insured's** electronic **data**; or
 - ii. the creation, handling, development, modification, or maintenance of the **Named Insured's** digital assets; or
 - iii. on-going **computer system** operation or maintenance, excluding the design, architecture, or configuration of the **computer system**;
- by an **employee** of the **Named Insured**.

c. Computer Crime and Computer Attacks

An act, mistake, negligent error or omission in the operation of the **computer system** or handling of the **Named Insured's** digital assets by an **employee** of the **Named Insured** that fails to prevent or hinder any of the following attacks which was intended to maliciously cause harm to the **computer system**:

- i. **Denial of service**;
- ii. Malicious code;
- iii. **Unauthorized access**; or
- iv. **Unauthorized use**.

Customer notification expenses means those reasonable and necessary legal expenses, public relations expenses, postage expenses, and related advertising expenses the **Named Insured** incur and approved by the **Underwriters** to comply with governmental privacy legislation mandating customer notification in the event of a **security breach**, **privacy breach**, or breach of **privacy regulations** that results in the compromise or potential compromise of personal information maintained or otherwise residing on a **computer network** operated by the **Named Insured** or on the **Named Insured's** behalf.

Damages means a monetary judgment, award, or settlement including punitive **damages** to the extent insurable under the law pursuant to which this policy is construed. To the extent insurable by law damages shall include civil fines, penalties for a **privacy breach** and **security breach** or violation of Privacy regulation.

Damages does not include:

- i. The **Named Insured's** future profits or royalties, restitution, or disgorgement of the **Named Insured's** profits; or the cost to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
- ii. Loss of the **Named Insured's** fees or profits, return or offset of the **Named Insured's** fees or charges, or the **Named Insured's** commissions or royalties provided or contracted to be provided;
- iii. Taxes, fines or penalties (except as covered under Named Coverage 1.0), or sanctions; however, this does not include civil fines or penalties to the extent insurable by law;
- iv. Any damages that are multiple of a compensatory nature;
- v. liquidated **damages**;
- vi. Any amount which the **Named Insured** are not financially or legally obligated to pay;
- vii. Disgorgement of any remuneration or financial advantage to which the **Named Insured** were not legally entitled; or
- viii. Monetary judgments, awards, or settlements which are uninsurable under the law pursuant to which this policy is construed.

Data means any machine readable information, including ready for use programs, applications, account, customer, health and medical information or electronic data subject to back up procedures, irrespective of the way it is used and rendered including, but not limited to, text or digital media

Delivered programs means programs, applications, and software where the development stage has been finalized, having passed all test-runs and been proven successful in a live environment.

Denial of service means unauthorized or unexpected interference or malicious attack on the **Named Insured's** **computer system** that restricts or prevents access to the **Named Insured's** **computer system** by persons or entities authorized to gain access to it. (overwhelming the capacity through sending excessive volume of data to such **computer system**)

Digital Assets mean **data** and **computer programs** that exist in a **computer system**. **Digital assets** do not include **computer hardware**.

Electronic media means floppy disks, CD ROM's, hard drives, magnetic tapes, magnetic discs, or any other media on which electronic data is recorded or stored.

Employee(s) means any individual in the **Named Insured's** service, including any part-time, seasonal, and temporary employees who are under a contract of service with the **Named Insured** or any individual who is working on the **Named Insured's** behalf, or at the **Named Insured's** direction, and under the **Named Insured's** direct control. **Employee** does not include any partner or director of the **Named Insured**.

Extended Reporting Period means a period of 60 days after the expiration date of the policy.

Firmware means the fixed programs that internally control basic low-level operations in a device.

First party insured event means loss sustained by the **Named Insured** arising from:

- i. **Security breach**;
- ii. **Computer virus**;
- iii. **Malicious code**.

- iv. Unauthorized use of the **Named Insured computer system**;
 - v. Accidental damage or destruction of **data** because of **human error**;
 - vi. Electrostatic build-up or electromagnetic disturbances;
 - vii. Accidental damage or destruction of **hardware**, so that the **data** stored is not machine readable;
 - viii. Malfunction or failure of the **Named Insured computer system**;
 - ix. **Programming error of delivered programs**;
 - x. Natural disaster, but only for corruption, destruction, or damage to the **Named Insured's data**; or
 - xi. Failure of a direct or back-up power supply or under/over voltage but only if such power supply is owned, operated, and controlled directly by the **Named Insured** or by a business process service provider or IT service provider:
- that occurs whilst
- a. at the **Named Insured's** premises, or
 - b. at the **Named Insured's** other external places of operations, or
 - c. at the **Named Insured's** external backup storage facilities, or
 - d. during transmission.

First party insured event only pertains to the **Named Insured's** loss and does not include coverage for any **claim** made by a third party.

Human error means an operating error, an error in setting parameters, or an unintentional mistake by the **Named Insured's employee** or a third party providing services to the **Named Insured**, which results in **damages** sustained by the **Named Insured**.

Income Loss means the **Named Insured's** financial loss determined in accordance with "How Loss is Determined" under Named Coverage B.

Interruption Expenses means the additional expenses incurred by the **Named Insured** under Named Coverage B as determined in accordance with "How Loss is Determined" under Named Coverage B.

Loss of business income means:

- i. The net income (net profit or loss before income taxes) which would have been earned or incurred had no loss occurred; or
- ii. Reasonable, continuing, and normal operating expenses that were incurred and affected by a **first party insured event**.

Malicious code means software intentionally designed to insert itself and damage a **computer system** without the owner's informed consent by a variety of forms including, but not limited to, virus, worm, Trojan horses, spyware, dishonest adware, and crimeware.

Named Insured – see Section II

Operational programs means programs and software which are ready for operational use, having been fully developed, tested, and accepted by the **Named Insured**.

Period of Restoration means the period of time that commences upon the date when the interruption, degradation or failure of the **computer system** began and ends on the lesser of:

- i. The date when the **computer system** is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the loss plus no more than ten (10) consecutive days after the restoration of the **computer system** to allow for restoration of the business; or
- ii. Ninety (90) consecutive days after the notice of loss.

Policy period means the period of time from the inception date to the expiration date as specified in item 2 of the Declarations, or any earlier termination or cancellation date.

Privacy breach means a common law breach of confidentiality, infringement, or violation of any right to privacy including, but not limited to, a breach of the **Named Insured's** privacy policy, breach of a person's right of publicity, false light, intrusion upon a person's seclusion, public disclosure of a person's privacy information.

Privacy breach response costs means any fees reasonably incurred by the **Named Insured** and approved by the **Underwriters** for the employment of a public relations consultant if the **Named Insured** reasonably consider that action is needed in order to avert or mitigate any material damage to any of the **Named Insured's** brands that has been notified to the **Underwriters** and has arisen due to a **claim**.

Privacy regulations means the following, as well as similar statutes and regulations, as they currently exist and as amended, associated with the confidentiality, access, control, and use of personally identifiable, non-public information including, but not limited to:

- i. Health Insurance Portability and Accountability Act of 1996 (Public Law 104- 191), known as HIPAA, and related state medical privacy laws;
- ii. Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999;
- iii. Provincial and Federal statutes and regulations regarding the security and privacy of consumer information;
- iv. Governmental privacy protection regulations or laws associated with the control and use of personal information;
- v. Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act (FCRA) and similar state laws;
- vi. Children's Online Privacy Protection Act or similar laws; and
- vii. The EU Data Protection Act or other similar privacy laws worldwide.
- viii. PIPEDA – Personal Information Protection & Electronic Documents Act

- ix. PIPA – BC Personal Information Protection Act
- x. AB Personal Information Protection Act
- xi. PHIPA – Personal Health Information Protection Act of 2004
- xii. Quebec Private Sector Act

Programming error means an error which occurs during the development or encoding of a computer program, software, or application, which would, when in operation, result in a malfunction or incorrect operation of a **computer system**.

Property damage means physical injury to, impairment, destruction, or corruption of any tangible property, including the loss thereof. **Data** is not considered tangible property.

Retention means the amount specified in on Declarations.

Retroactive date means the date specified in on Declarations.

Security breach means:

- i. **Unauthorized access** or **unauthorized use** of **computer systems** including **unauthorized access** or **unauthorized use** resulting from the theft of a password from a **computer system** or from any **Named Insured**;
- ii. A **denial of service** attack against **computer systems** or third-party **computer systems**; or
- iii. Infection of **computer systems** by **malicious code** or transmission of **malicious code** from **computer systems**, whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

A series of continuing **security breaches**, related or repeated **security breaches**, or multiple **security breaches** resulting from a continuing failure of computer security, shall be considered a single **security breach** and be deemed to have occurred at the time of the first such **security breach**.

Security Event costs mean reasonable and necessary computer forensic costs of outside experts retained to determine the scope, cause or extent of any theft or unauthorised disclosure of information, resulting from a **security breach** or **privacy breach**.

Special Expenses: means reasonable and necessary costs the **Named Insured** incur to:

- i. Prevent, preserve, minimize, or mitigate any further damage to the Named Insured's **digital assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts the **Named Insured** retain;
- ii. Reserve critical evidence of any criminal or malicious wrongdoing;
- iii. Purchase replacement licenses for programs because the copy protection system and/or access control software was damaged or destroyed by a Covered Cause of Loss;
- iv. **Customer notification expenses**, but only if an amount is shown on the Declarations for the Customer Notification Expenses Aggregate Sublimit or provided by endorsement to this policy; and
- v. **Public relations expenses**, but only if an amount is shown on the Declarations for Public Relations Expenses Aggregate Sublimit or provided by endorsement to this policy.

Time Retention means the forty-eight (48) hour period that must elapse before the recovery of **loss of business income** can be considered.

Unauthorized access means the gaining of access to a **computer system** by an unauthorized person or persons

Unauthorized use means the use of a **computer system** by an unauthorized person or persons or an authorized person in an unauthorized manner.

4.0

Retention

a. The **retention** amount set forth in the Declarations shall apply separately to each and every incident, event or related incidents which give rise to a **claim**. The **retention** shall be satisfied by the **Named Insured's** monetary payment of **damages**, claim expenses and penalties. If a **claim** attaches to more than one Named Coverage, only the highest **retention** applies.

b. The **Named Insured's** payment of the applicable **retention** is a condition precedent to the payment by the **Underwriters** of any amounts covered under the policy and the **Underwriters** shall only be liable for the amount in excess of such **retention**, not to exceed the total Limit of Liability as stated in the Declarations. The **Named Insured** shall make direct payments within the **retention** to the appropriate parties designated by the **Underwriters**.

c. All **claims** arising out of the same, related, or continuing acts, facts or circumstances, without regard to the number of insureds, **claims**, or claimants shall be considered a single **claim** and only one retention shall apply. All such **claims** shall be deemed to have been made at the time of the first such **claim**.

d. With respect to the **loss of business income** aspect of Named Coverage B only, the **time retention** listed on the Declarations shall apply to covered amounts. The **time retention** applies to each period of restoration. Once the **time retention** is met, the **Named Insured** will be responsible to pay the deductible shown on the declaration for all Covered Causes of Loss.

CYBER Endorsement

Please read this Endorsement carefully.

Notice

Capitalized terms that appear in bold face type are defined in the Definitions section of this Endorsement. Terms with capitalized first letters are defined in more detail in the Schedule below or as the context requires.

Coverage under this Endorsement is provided on a claims made and reported basis and applies only to **Claims** first made against the **Insured** during the Policy Period or to **Loss** discovered during the Policy Period and is reported to **Underwriters** during the Policy Period or **Extended Reporting Period**, if applicable.

Defense Expenses shall reduce the applicable Limits of Liability, subject to any applicable **Retention**, and may completely exhaust the Limit of Liability.

This Endorsement only affords coverage under those Insured Coverages below that are indicated in Item 1 of the **Schedule**.

Schedule

1. Limits of Liability & Retention

Annual Aggregate Limit: CAD 100,000

Retention each and every claim: CAD 2,500

Coverage	Sublimit	Retention / Waiting Period (hours/days)
1.A Business Interruption	CAD100,000	CAD2,500 / 12 hours (whichever is greater)
1.B Digital Asset Destruction	CAD100,000	CAD2,500
1.C Incident Response Expenses		
2.A Regulatory Defense and Penalties	CAD100,000	CAD2,500
2.B Payment Card Industry Fines and Expenses	CAD100,000	CAD2,500
2.C Security and Privacy Liability	CAD100,000	CAD2,500
2.D Multimedia Liability	CAD100,000	CAD2,500

2. Premium

See Policy Declaration Page

3. Notification of Claims

TMK 24/7 Emergency Hotline: 1-800-359-6704

Insuring Agreements

In consideration of the payment of the premium, the **Underwriters** agree to indemnify the **Insured** in excess of the **Retention** and after the expiration of the **Waiting Period**, if applicable, for:

- 1 **Loss** first discovered by the **Control Group** during the **Policy Period** and reported to the **Underwriters** during the **Policy Period** or Extended Reporting Period, if applicable, for:

Coverage A - Business Interruption

Income Loss, Operating Expenses and **Extra Expense**, incurred during the **Interruption Period** and after expiration of the **Waiting Period**, directly as a result of the total or partial interruption or degradation in service of the **Computer System** caused directly by a **Security Breach, Administrative Error** or **Power Failure**.

Coverage B – Digital Asset Destruction

Digital Asset Loss incurred as a direct and necessary result of a **Privacy Breach, Security Breach** or **Administrative Error**. If it is determined that those **Digital Assets** cannot be restored or recreated, the **Underwriters** will only reimburse the **Insured's** expenses incurred up to the date of such determination.

Coverage C – Incident Response Expenses

Breach Response Expenses and **Crisis Communication Expenses** incurred as a result of an actual or alleged **Privacy Breach** or **Security Breach**.

- 2 Amounts which the **Insured** is legally obligated to pay as a result of a **Claim** first made against the **Insured** during the **Policy Period**, and reported to the **Underwriters** during the **Policy Period** or Extended Reporting Period, if applicable, for:

Coverage A - Regulatory Defense and Penalties

Regulatory Fines and Penalties and **Defense Expenses** which the **Insured** is legally obligated to pay as a result of a **Security Breach** or **Privacy Breach**.

Coverage B- Payment Card Industry Fines and Expenses

Payment Card Industry Fines and Expenses and **Defense Expenses** which the **Insured** is legally obliged to pay as a result of a Claim arising from a **Security Breach** or **Privacy Breach**.

Coverage C - Security and Privacy Liability

Damages and **Defense Expenses** which the **Insured** is legally obligated to pay as a result of a **Security Breach** or **Privacy Breach**.

Coverage D - Multimedia Liability

Damages and **Defense Expenses** which the **Insured** is legally obligated to pay as a result of a **Claim** arising from **Multimedia Activities**.

Exclusions

The **Underwriters** shall not be liable for any **Claim, Defense Expenses** or **Loss** arising out of or in any way attributable to:

1 Betterment

The financial cost of improvements in respect of the **Computer System** following a **Privacy Breach, Security Breach, Administrative Error** or **Power Failure** which results in better than like kind or quality of the **Computer System** than that existing at the date of such **Privacy Breach, Security Breach, Administrative Error** or **Power Failure**; however, this exclusion is inapplicable if an upgraded system is the only available option, such determination subject to the agreement and written consent of the **Underwriters**;

2 Bodily Injury

Physical injury, sickness, disease, or death sustained by any individual and, where resulting from such physical injury only, mental anguish, mental injury, shock or emotional distress;

3 Breach of Contract, Warranty, Guarantee or Promise and Assumed Liability

Any breach of any express contract, warranty, guarantee or promise, or any liability assumed by the **Insured** under a contract or agreement, unless:

- a) the **Insured** would have been liable in the absence of such contract, agreement, warranty, guarantee or promise;
- b) a **privacy breach** involves the **Insured's** privacy policy; or
- c) unless otherwise covered under Insured Coverage 2.B. Payment Card Industry Fines and Expenses;

4 Description of Price of Goods

Actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products, or services, including cost guarantees, cost representations, contract price, or cost estimates being exceeded;

5 Discrimination

Any actual or alleged discrimination of any kind, including but not limited to age, color, race, gender, religion, creed, national origin, marital status, sexual orientation, sexual preference, disability, marital status, financial condition or pregnancy, including violations of civil rights or discriminatory or retaliatory conduct of any kind;

6 Employer-Employee Relations

Any employer-employee relations, policies, practices, acts or omissions, any actual or alleged refusal to employ any person, or any misconduct, including physical or sexual, with respect to **Employees**, including negligent employment, investigation, supervision, hiring, training or retention of any **Employee, Insured** or person for whom the **Insured** is legally responsible. However, this exclusion does not apply to a **Privacy Breach**;

7 Government Intervention

Non-discriminatory measures of a government taken in the public interest for the purposes of ensuring public safety, raising revenues, protecting the environment or regulating economic activities;

8 Infringement of Patents or Theft of Trade Secrets

The actual or alleged:

- a) Infringement of any patent or patent rights or misuse or abuse of a patent; or
- b) The misappropriation, theft, copying, display or publication of any trade secret, unless arising out of a **Privacy Breach** or **Security Breach**;

9 Insolvency or Bankruptcy

The insolvency, liquidation or bankruptcy of any person or entity, including any **Insured** to the extent permitted by law, or the failure, inability, or unwillingness of any person or entity or **Insured** to make payments or perform obligations or conduct business because of insolvency, liquidation, or bankruptcy;

10 Insured Misconduct

The **Insured's** willful, deliberate, malicious, fraudulent, dishonest, or criminal act or violation of law with the knowledge, connivance or acquiescence of any member of the **Control Group**; however, this exclusion shall not apply to **Defense Expenses** incurred in defending any such **Claim** until such time that there is a final admission or final adjudication establishing such conduct, at which time the **Insured** shall reimburse the **Underwriters** for all **Defense Expenses** incurred. Facts or knowledge possessed by the **Control Group** regarding the foregoing conduct shall be imputed to other **Insureds**;

11 Insured versus Insured

Any **Claim** made by or on behalf of an **Insured** against another **Insured**. This exclusion shall not apply to any **Claim** brought by an **Employee** outside of the **Control Group** as a result of a **Privacy Breach** or **Security Breach**;

12 Loss of Funds

- (a) Loss, decrease in value or theft of securities or currency;
- (b) Trading losses, liabilities or changes in trading account value; or
- (c) The value of electronic funds, money, securities or wire transfer.

13 Natural Disasters

Any loss incurred as a result of a natural disaster, including fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail or any other natural physical event however caused;

14 Payment Card Industry

Payment Card Industry Fines and Expenses unless Insured Coverage 2.B. Payment Card Industry Fines and Expenses is included in this policy;

15 Prior Knowledge or Notification

Any act, fact, error, omission, event, incident, occurrence, claim or circumstance likely to give rise to a claim notified to a previous insurer, or which occurred or commenced prior to the inception date of this **Policy** if at the inception date the **Control Group** knew or should reasonably have foreseen the act, fact, error, omission, event, incident, occurrence, claim or circumstance as likely to form the basis for a **Claim** or **Loss** under this **Policy**;

16 Property Damage

Physical injury to, or impairment, destruction or corruption of, any tangible property, including personal property in the care, custody or control of the **Insured**. **Data** and **Digital Assets** are not tangible property;

17 Pollutants

Any actual or alleged or threatened presence, discharge, dispersal, release, escape or failure to detect pollutants or solid, liquid, gaseous or thermal irritant or contaminant of any kind, including smoke, vapor, soot, fumes, other air emission, acids, toxic chemicals, alkalis, mold, spores, fungi germs, odor, waste water, oil or oil product, infectious or medical waste, asbestos or asbestos product, lead or lead product, noise, and electric, magnetic or electromagnetic field chemicals, or waste (including waste material to be recycled, reconditioned or reclaimed), whether or not such presence, discharge, dispersal, release, escape or failure to detect results from the **Insured's** activities or the activities of others, or whether such presence happened suddenly, gradually, accidentally, or intentionally;

18 Radioactive contamination, chemical, biological, biochemical and electromagnetic

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to, by or arising from:

- (a) ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste; (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; (e) any chemical, biological, bio-chemical, or electromagnetic weapon.

19 Satellite, Electrical or Mechanical Failures

Satellite failures; electrical or mechanical failures including spike, brownout or blackout; failures of overhead or subterranean transmission and distribution lines; or outage to utility infrastructure, including gas, water, telecommunications, telephone, internet or cable, unless such infrastructure is under the **Insured's** direct operational control;

20 Specific Legislation

- (a) The actual or alleged purchase, sale, offer of, or solicitation of an offer to purchase or sell securities, or violation of any securities law including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, including 'Blue Sky' laws;
- (b) The actual or alleged violation of the Organized Crime Control Act of 1970 ('RICO');
- (c) The actual or alleged government enforcement of any state or federal law or regulation including law or regulations promulgated by the United States Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission; however this exclusion does not apply to Insured Coverage 2.A. Regulatory Defense and Penalties;
- (d) Any breach or alleged breach of any workers' compensation, unemployment compensation, disability benefits or similar laws, including the Federal Employers Liability Act, the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970;
- (e) Any violation of any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds, or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974 and/or the Pension Protection Act of 2006;
- (f) The violation of, or exposure of the **Insured** or **Underwriters** to, any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America;
- (g) The Telephone Consumer Protection Act of 1991 or CAN-SPAM Act of 2003 or any similar state or federal statute, law, regulation or rule with regard to unsolicited distribution of email, text messages, direct mail, facsimiles, spam, actual or alleged wiretapping, audio or video recording, or telemarketing;
- (h) Any actual or alleged unfair competition, price fixing, deceptive trade practices, or restraint of trade; or violation of any anti-trust statute, legislation or regulation, or any consumer protection statute, legislation, or regulation.
- (i) The violation of any applicable economic or trade sanctions imposed by Canada or other government; (j) The actual or alleged government enforcement of any provincial or federal government regulation;

21 Terrorism

Any act of terrorism, except for a terrorist event perpetrated by electronic or internet based applications or means;

22 Unauthorized Trading

Any and all trading by an **Insured**, including trade that at the time of the trade is: (a)

In excess of permitted financial limits; or

(b) Outside of permitted product lines;

23 Unencrypted Media

Any theft of, loss of, or parting with, any portable computing device or media containing data in an electronic format, unless the data stored on such device or media is stored in an encrypted format;

24 Anti-Trust Laws and Unfair Competition

Any actual or alleged violation of any anti-trust statute, legislation or regulation including the Sherman Anti-Trust Act, the Clayton Act or any similar provisions of any federal, state or local statutory law or common law; or unfair competition, price fixing, deceptive trade practices;

25 Unlawful Collection

The actual or alleged unlawful collection or acquisition of personally identifiable information by or the distribution of unsolicited email, direct mail, or facsimiles, wiretapping, eavesdropping, audio or video recording, or telemarketing, if such distribution, wiretapping or recording is done by or on behalf of the **Insured**;

26 Use of Illegal or Unlicensed Programs

Knowing use of illegal or unlicensed programs or software;

27 War or Uprising

Confiscation, nationalization, requisition, strikes, labor strikes or similar labor actions; war, invasion, or warlike operations, civil war, mutiny, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising; military coup or usurped power.

Definitions

Administrative Error

An error or omission by an **Employee** in the input, processing or output of **Insured's Digital Assets** or the **Computer System** operation or maintenance.

Adverse Media Event

A report in the media of a **Privacy Breach** or **Security Breach** including via newspapers, radio, television, internet, blogging, vlogging and social media.

Breach Response Expenses

- (a) Costs of an external IT security expert to determine the cause, scope and extent of the **Privacy Breach** or **Security Breach**;
- (b) Costs and expenses of a legal firm to determine the applicability of any actions necessary to comply with **Privacy Regulations**;
- (c) Notification costs and related expenses to notify:
 - i. Individuals who are required to be notified in compliance with **Privacy Regulations** mandating notification; or
 - ii. at the **Underwriters'** discretion, to individuals residing in states, provinces or countries that do not have mandatory notification laws or regulations;
- (d) Costs of setting up a telephone call center in order to support notified individuals and to provide credit file monitoring services and/or identity theft assistance.

Claim

- a) A written notice received by any **Insured** during the policy period of an intention to hold the **Insured** responsible for **Damages**, including the service of legal proceedings, the institution of arbitration or mediation, or a written request to toll or waive a statute of limitations against any of the **Insureds**;
- b) A request for information, civil investigative demand, formal civil administrative proceeding or formal regulatory action only to the extent covered by Insured Coverage 2.A. Regulatory Defense and Penalties;
- c) A written demand for **Payment Card Industry Fines and Expenses** received by an **Insured** only to the extent covered by Insured Coverage 2.B. Payment Card Industry Fines and Expenses.

Computer System

A system of interconnected hardware and peripherals, and associated software, operated by the **Insured**;

Control Group

Any of the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Operating Officer, Chief Information Security Officer, Risk Manager or equivalent, or a member of the Risk Management department responsible for placing and maintaining this insurance.

Crisis Communications Expenses

Expenses reasonably incurred by the **Insured** and approved in advance by the **Underwriters** for the employment of a public relations consultant if the **Insured** reasonably considers that action is needed in order to avert or mitigate an **Income Loss** or **Adverse Media Event**.

Damages

The amount an **Insured** is legally obligated to pay in respect of a **Claim**, including a monetary judgment, award, or settlement, interest and a claimant's legal costs and punitive and exemplary damages, to the extent such damages are insurable under the law pursuant to which this Endorsement is construed; and a formal civil administrative proceeding or regulatory action to the extent covered by Insured Coverage 2.A Regulatory Defense and Penalties;

Damages shall not include:

- (a) future profits or royalties, restitution, or disgorgement of the **Insured's** profits;
- (b) the cost of complying with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
- (c) loss of the **Insured's** fees or profits, return or offset of the **Insured's** fees or charges (invoiced or not), or the **Insured's** commissions or royalties provided or contracted to be provided;
- (d) fines, taxes or loss of tax benefits, sanctions or **Regulatory Fines and Penalties** unless covered under Insured Coverage 2.A Regulatory Defense and Penalties;
- (e) liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
- (f) any amount which the **Insured** is not legally obligated to pay; and
- (g) amounts which are uninsurable under the law pursuant to which this Policy is construed.

Data

Information represented, transmitted or stored electronically or digitally including code, or a series of instructions, operating systems programs, software and firmware;

Defense Expenses

Fees charged by an attorney to defend a **Claim** and costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** incurred with the **Underwriters'** prior written consent, or such fees and costs incurred by an attorney from the Vendors pre-approved by the **Underwriters**;

Denial of Service

Unauthorized interference or malicious attack that restricts or prevents access to the **Computer System** for entities authorized to gain access;

Digital Asset Loss

Expenses incurred to restore or recreate **Digital Assets**;

Digital Assets

Digital files including data, computer programs, documents and audio content stored on the **Computer System**;

Employee

Any person employed by the **Insured** under a contract of service with the **Insured**, whose labor or service is currently or has formerly been engaged by and directed solely while acting in such capacity by the **Insured**;

Extra Expense

Expenses incurred to avoid or minimize the suspension of business as a result of the total or partial interruption, degradation in service, or failure of the **Computer System** caused by a **Privacy Breach, Security Breach, Administrative Error** or **Power Failure**. The amount of such **Extra Expense** recoverable shall in no event exceed the amount already accounted for in the covered **Income Loss** that is reduced by such incurred expenses;

Income Loss

The net loss of profit, before deduction of income tax, that is reasonably projected to have been earned had no **Privacy Breach, Security Breach, Administrative Error** or **Power Failure** occurred. Such income projection will take into account the experience of the **Insured's** business during the previous twelve months, and the probable experience had no **Privacy Breach, Security Breach, Administrative Error** or **Power Failure** occurred (from the date thereof). **Income Loss** shall be limited to the loss incurred during the **Interruption Period** and after the expiration of the **Waiting Period**;

Insured

- (a) The entity specified in the Policy;
- (b) Any **Subsidiary** whilst a **Subsidiary**;

Interruption Period

The period of time that commences when the interruption, degradation or failure of the **Computer System** begins, and ends on the earlier of:

- (a) the date of restoration of the **Computer System**, plus up to 30 days after such to allow for restoration of the **Insured's** business; or
- (b) 120 days.

Loss

Any or all of **Breach Response Expenses, Crisis Communications Expenses; Digital Asset Loss, Extra Expense, Income Loss, Operating Expenses;**

Malicious Code

Software intentionally designed to damage **Digital Assets** or a **Computer System** without the owner's informed consent by a variety of forms including, but not limited to, virus, worm, Trojan horses, spyware, dishonest adware, and crimeware;

Multimedia Activities

The release or display of any electronic media on the **Insured's** website that is under the direct sole control of the **Insured** and directly results in any of the following:

- (a) Defamation, libel, slander, product disparagement or trade libel, including emotional distress, outrage or outrageous conduct directly resulting from the foregoing;
- (b) Infringement, interference, or invasion of an individual's right of privacy or publicity, including false light, intrusion upon seclusion, commercial misappropriation of likeness, and public disclosure of private facts;
- (c) Plagiarism, piracy or misappropriation of ideas under an implied contract;
- (d) Infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or service name;
or
- (e) Domain name infringement or improper deep-linking or framing.

Operating Expenses

Fixed operating expenses that must continue during the **Interruption Period** (including ordinary payroll), but only to the extent that such operating expenses are affected by the total or partial interruption or degradation in service of the **Computer System**;

Payment Card Industry Fines and Expenses

Payment card industry forensic investigation costs, fines or penalties, assessments, including fraud loss recoveries and card replacement costs, and administrative costs that the **Insured** is legally obliged to pay under the terms of a merchant services agreement as a result of the **Insured's** actual or alleged non-compliance with payment card industry data security standards. **Payment Card Industry Fines and Expenses** does not include any ongoing obligation or audit following the imposition of an assessment, fine or penalty.

Power Failure

Failure in electrical power supply, but only where such power is under the direct operational control of the **Insured**.

Privacy Breach

A breach of confidentiality, infringement, or violation of any right to privacy or of the **Privacy Regulations**.

Privacy Regulations

Statutes, laws and regulations associated with the confidentiality, access, control, and use of personally identifiable, non-public information including:

- (a) Health Insurance Portability and Accountability Act of 1996 (Public Law 104- 191);
- (b) Gramm-Leach-Bliley Act of 1999, also known as the Financial Services Modernization Act of 1999;
- (c) PIPEDA–Personal Information Protection & Electronic Documents Act; PIPA - BC Personal Information Protection Act; AB Personal Information Protection Act; PHIPA – Personal Health Information Protection Act of 2004; Quebec Private Sector Act
- (d) Provincial statutes and regulations regarding the security and privacy of consumer information;
- (e) Governmental privacy protection regulations or laws associated with the control and use of personal information;
- (f) Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act or similar laws; (g) Children's Online Privacy Protection Act;
- (h) any statute, ordinance or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information; and
- (i) The EU Data Protection Act or other similar privacy laws worldwide.

Regulatory Fines and Penalties

Civil fines, monetary penalties payable or a monetary amount which the **Insured** is legally obligated to deposit in a fund as equitable relief imposed by a governmental agency or regulatory authority as a result of a breach of the **Privacy Regulations**.

Retention

The figure specified in Item 1 of the Schedule that is payable by the **Insured** in respect of every **Claim** and **Loss**.

Security Breach

- (a) **Unauthorized use** of the **Computer System**;
- (b) Denial of Service;
- (c) **Malicious Code** or;
- (d) The failure to prevent or hinder participation in a **Denial of Service** from a **Computer System**.

A series of continuing **Security Breaches**, or related or repeated **Security Breaches**, shall be considered a single

Security Breach and be deemed to have occurred at the time of the first such **Security Breach**.

Subsidiary

Any entity with more than 50% of the outstanding voting securities representing the present right to vote for the election or appointment or designation of such entity's directors, managers or equivalent that are owned or controlled by the **Insured** directly or indirectly; or any joint venture which the **Insured** has managerial control, or which it has the right to elect or designate or otherwise appoint or directly or indirectly control the appointment of more than 50% of such entity's directors, trustees, managers or equivalent.

Unauthorized Use

The use of a **Computer System** by an unauthorized person or an authorized person in an unauthorized manner.

Underwriters

Tokio Marine Kiln Syndicates Limited and any underwriters or insurers identified in the Policy as providing the insurance covered by this Endorsement.

Waiting Period

The period specified in Item 1 of the Schedule, applicable to Insured Coverage 1.A. Business Interruption, which must expire prior to any right of indemnity hereunder.

Claims Conditions**1. Notice of Claim or Circumstance**

As a condition precedent to any coverage under this Policy, if, during the Policy Period, the **Insured** becomes aware of a **Claim** or the need to incur **Loss**, or of any incidents, acts, errors or omissions that could reasonably result in **Loss** or a **Claim**, the **Insured** shall forward details to the **Underwriters** as soon as practicable during the Policy Period through the persons named in the **Schedule** and any **Loss** or **Claim** shall be considered properly reported to the **Underwriters** when notice is first given to those persons.

2. Dispute resolution

- (a) No legal action shall be instituted by any **Insured** against the **Underwriters** in any court in respect of any alleged indemnity payable by the **Underwriters** in respect of any **Claim** unless, as a condition precedent thereto, the amount of the **Insured's** obligation to pay the relevant third party claimant shall have been finally determined either by judgment or award against the **Insured** after actual trial or arbitration or by written agreement of the **Insured**, the claimant, and the **Underwriters**.
- (b) Mediation. If any dispute arises between any **Insured** and the **Underwriters** involving **Loss** or a **Claim** under this **Policy**, such dispute shall be referred by the parties to a qualified mediator to negotiate a resolution of the dispute in good faith, prior to the initiation of any arbitration or other judicial proceedings. The party electing to mediate shall provide written notice to the other party of its request to mediate with a brief statement regarding the issue to be mediated. The persons named in Item 11 of the Schedule are authorized and directed to accept such Notice of Mediation on behalf of the **Underwriters**. The **Named Insured** is authorized and directed to accept such Notice of Mediation on behalf of any **Insured**.
- (c) In the event that non-binding Mediation does not resolve or settle the dispute between any **Insured** and the **Underwriters**, after 30 days from the date of the Mediation, either party may:
 - 1) commence a judicial proceeding; or

- 2) seek agreement to submit the matter to final and binding arbitration before either a single mutually agreed arbitrator or a three arbitrator panel whereby the **Insured** selects one arbitrator, the **Underwriters** select one arbitrator and the two selected arbitrators agree upon the selection of the third arbitrator.

3. Defense, settlement and investigation of Claims

- (a) The **Underwriters** shall have the right and duty to defend any **Claim** against the **Insured**, even if any of the allegations of the **Claim** are groundless, false, or fraudulent, subject to the Limit of Liability, Exclusions, and other terms and conditions of this Policy.
- (b) Unless defense counsel is contacted and chosen via the Hotline +1 519 742 7637, defense counsel shall only be appointed with the **Underwriters'** prior written consent. Such consent shall not be unreasonably withheld. However, in the absence of agreement, the **Underwriters'** decision shall be final.
- (c) The Limit of Liability available to pay **Damages** shall be reduced, and may be completely exhausted, by payment of **Defense Expenses** or any other amounts covered under the Policy. **Damages, Defense Expenses, Loss**, and any other amounts covered under the Policy shall be applied against the **Retention**.
- (d) The **Underwriters** shall have the right to make any investigation they deem necessary including with respect to the coverage.
- (e) With respect to Insured Coverages 2.A Regulatory Defense and Penalties, 2.B Payment Card Industry Fines and Expenses, 2.C Security and Privacy Liability and 2.D Multimedia Liability, if the **Insured** refuses to consent to any settlement or compromise recommended by the **Underwriters**, whether in excess of or within the **Retention**, that is acceptable to the claimant, and elects to contest the **Claim**, the **Underwriters'** total liability for any **Damages, Defense Expenses** and other payments shall not exceed:
 - i. The amount for which that **Claim** could have been settled, plus the **Claims Expenses** incurred up to the time of such refusal, less the remaining **Retention**; and
 - ii. Fifty percent (50%) of any **Damages, Defense Expenses** and other payments, incurred after the date such settlement or compromise was recommended to the **Insured**. The remaining fifty percent (50%) of such **Damages, Defense Expenses**, or other payments are to be borne by the **Insured** at the **Insured's** own risk and uninsured.
- (f) The **Underwriters** shall not be obligated to pay any **Damages, Defense Expenses, Loss** or any other amounts under the Policy, or to undertake or continue the defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **Damages, Defense Expenses**, or other amounts under this Policy and that upon such payment, the **Underwriters** shall have the right to withdraw from the further defense thereof without further liability by tendering control of the defense to the **Insured**.

General Conditions

1. General Interpretation

- (a) The singular includes the plural and vice versa, the masculine includes the feminine and neutral, and "entity" includes natural persons;
- (b) "Including" and "include(s)" mean without limitation;
- (c) Any obligation or payment owed by the **Underwriters** shall in every case be subject to the Limits of Liability specified in Item 1 of the Schedule;
- (d) Any reference to legislation, statute, regulation, or law includes any similar or related law, statute, ordinance, or regulation, any amendments, and any rules or regulations or executive orders promulgated thereunder, or by federal, state, local or other agencies or similar bodies thereof;
- (e) Any reference to a regulatory or investigative or other state or local governmental body includes any similar, subsidiary or related agency or body;
- (f) The descriptions in the headings and subheadings of this Endorsement are solely for convenience and form no part of the terms and conditions of coverage;
- (g) All or part of any provision of this Policy which is or becomes void or illegal, invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction shall be deleted. The parties shall use their best efforts to agree a replacement for the provision deleted which achieves as far as possible the same effect as would have been achieved by the deleted provision had it remained enforceable; and
- (h) Any clause designated as a condition precedent shall require the entity to which it applies to comply specifically and completely with it and any breach or failure to do so shall entitle the **Underwriters** to reject all or part of the **Claim** or **Loss** or any related claim or loss whether or not such breach or failure causes loss, prejudice or damage.

2. Policy Liability

The Aggregate Limit specified in Item 1 of the Schedule shall be the maximum liability of the **Underwriters** under this Endorsement. The sub-limits applicable to each Insured Coverage specified under Item 1 of the Schedule form part of and are not in addition to such Aggregate Limit.

All **Claims** or **Loss** arising out of the same related or continuing acts, facts, circumstances or event shall be considered a single **Claim** or **Loss**, without regard to the number of **Insureds, Claims** or claimants. All such **Claims** or **Loss** shall be deemed to have been made at the time of the first such **Claim** or **Loss**. If a **Claim** purports to trigger coverage under more than one policy issued by the Underwriters to the **Insured**, the **Claim** will only be covered under the policy with the highest limit of insurance available or, if the limits are the same, under only one of the policies.

3. Retention & Waiting Period

The **Retention** amount specified in Item 1 of the Schedule for each Insured Coverage shall apply separately to each and every **Loss** and **Claim** and shall be satisfied in full by the **Insured's** monetary payments of **Loss, Damages, and Defense Expenses**. The **Underwriters** shall only be liable for the amounts in excess of the **Retention** (subject to the Limit of Liability).

For Insured Coverages subject to an additional **Retention** or waiting period on an hourly value, specified in Item 1 of the Schedule, the **Underwriters** will only become liable on expiration of such **Waiting Period**.

Any **Claim** attaching to more than one Insured Coverage shall be subject to the appropriate **Retention** for each such Insured Coverage.

The **Insured's** payment of the applicable **Retention** is a condition precedent to the payment by the **Underwriters** of any amounts covered under the Policy. The **Insured** shall make direct payments within the **Retention** to the appropriate parties as designated by the **Underwriters**.

4. Extended Reporting Period

(a) Automatic Extended Reporting Period

If either the **Insured** or the **Underwriters** cancel or non-renew this policy, the **Insured** shall have the right following the effective date of such cancellation or non-renewal to a period of thirty (30) days in which to give written notice to the **Underwriters** of **Claims** or **Loss**, but only in respect of any **Claim** made during the Policy Period or **Loss** which commenced during the Policy Period and is otherwise covered by this insurance;

(b) The Limit of Liability for the Automatic Extended Reporting Period shall be part of, and not in addition to, the Limit of Liability for the Policy Period.

5. Assistance and cooperation

(a) The **Insured** shall cooperate with the **Underwriters** in all investigations relating to this Policy. The **Insured** shall execute or cause to be executed all documents and papers and render all assistance as requested by **Underwriters**, including providing copies of a third party's system security and event logs;

(b) Upon the **Underwriters'** request, the **Insured** shall assist in making settlements, in the conduct of all third party dispute resolution procedures and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** with respect to which insurance is afforded under this Policy, and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at the **Insured's** own cost;

(c) It is a condition precedent to the **Underwriters'** liability that the **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any **Claim** without the **Underwriters'** prior written consent. However, the prompt public admission of a security breach potentially impacting non-public personally identifiable information of employees or third parties as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring the **Underwriters'** prior consent;

(d) The **Underwriters** shall have the right to make any investigation they deem necessary with respect to coverage and

(e) The **Insured** shall submit for examination under oath by the **Underwriters'** representative, if requested, in connection with all matters relating to this Policy.

Fraudulent Claim Clause

If the insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall become void and all claim hereunder shall be forfeited.

Law and Jurisdiction

This Insurance shall be governed by the laws of Canada and subject to the exclusive jurisdiction of the courts of Canada.

Cyber Risks Exclusion

(for attachment to Legal Expenses forms)

This Policy does not cover legal costs and expenses for, incurred as a result of, or arising out of a **Cyber Act** or **Cyber Incident**.

Definitions

Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **Computer System**.

Cyber Incident means:

- i) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **Computer System**; or
- ii) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**.

LMA5484

13 November 2020

COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393

25 March 2020

COMMUNICABLE DISEASE EXCLUSION

(For use on liability policies)

1. Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

2. For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.

3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

3.3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

PROPERTY CYBER AND DATA EXCLUSION

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 6 Cyber Incident means:
 - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7 Computer System means:
 - 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,

owned or operated by the Insured or any other party.
- 8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

LMA5401

11 November 2019

APPLICABLE TO ALL PROPERTY COVERAGES OF THIS POLICY

This policy does not insure:

Any loss or damage directly or indirectly caused by, or in any way arising from, any activity connected with the growth, manufacturing, storage, production or distribution of any drug(s), narcotic(s) or illegal substance(s) activity including alteration of the insured premises to facilitate such activity, whether or not the Insured has or had prior knowledge of such activity.

APPLICABLE TO ALL BUSINESS INTERRUPTION COVERAGES OF THIS POLICY

The insurer shall not be liable for loss of "Business Income", "Gross Profit", "Rental Income", "Gross Rent", "Rental Value", Gross Earnings", "Earnings" or any "Extra Expense" resulting from:

Any loss or damage directly or indirectly caused by, or in any way arising from, any activity connected with the growth, manufacturing, storage, production or distribution of any drug(s), narcotic(s) or illegal substance(s) activity including alteration of the insured premises to facilitate such activity, whether or not the Insured has or had prior knowledge of such activity.

APPLICABLE TO ALL LIABILITY COVERAGES OF THIS POLICY

This insurance does not apply to "bodily injury", "property damage", or "personal injury" arising out of any activity connected with the growth, manufacturing, storage, production or distribution of any drug(s), narcotic(s) or illegal substance(s) activity including alteration of the insured premises to facilitate such activity, whether or not the Insured has or had prior knowledge of such activity.

APPLICABLE TO ALL UMBRELLA LIABILITY COVERAGES OF THIS POLICY

This insurance does not apply to "bodily injury", "property damage", or "personal injury" arising out of any activity connected with the growth, manufacturing, storage, production or distribution of any drug(s), narcotic(s) or illegal substance(s) activity including alteration of the insured premises to facilitate such activity, whether or not the Insured has or had prior knowledge of such activity.

DEFINITIONS

Illegal Substance means any substance that is not legal for the Insured or any other party of interest, the Insured's employees or agents, tenants or any person to whom the Insured has entrusted the property insured, to possess, obtain, produce, provide, sell, traffic or use, and includes any controlled substance enumerated in the Schedule 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.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY SHALL HAVE FULL FORCE AND EFFECT

Avian Flu Exclusion Endorsement

This endorsement changes the policy. Please read it carefully

Attached to and forming part of the Commercial General Liability (Occurrence Form) L1 (2/01) and Advertising Liability Extension LE8a (8/04) of this policy.

This insurance does not apply to:

1. "bodily injury", "property damage", "personal injury" or "advertising injury" actually or allegedly arising out of, resulting from, caused by or contributed to by
 - (a) any avian flu; or
 - (b) or exposure to any avian flu or the use of any avian flu contaminated meat or meat products;
2. any damages or any loss, cost or expense arising out of any:
 - (a) claim or "action" by or on behalf of any governmental authority or any other alleged responsible party, or
 - (b) request, demand, order or statutory or regulatory requirement that any Insured or any other person or entity is or should be responsible for:
 - (i) assessing the presence, absence, or amount or effects of avian flu;
 - (ii) identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating the avian flu in any live birds or in any meat or meat products; or
 - (c) responding to the avian flu in any way other than as described in 2. (a) and 2. (b) above;
3. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of above; or
4. any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

Except as otherwise provided in this endorsement, all terms and conditions of this policy remain unchanged.

7058 (04/09)

Asbestos Exclusion

It is hereby understood and agreed that this Policy shall not indemnify the Insured for any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing Asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

It is hereby understood and agreed that this Policy shall not indemnify the Insured for any claim arising in connection with the recall of any Product due to an Asbestos health hazard.

Electronic Data and Cyber Risk Exclusion

This policy does not cover any claim, costs or expenses directly or indirectly arising out of, caused by, contributed to or resulting from any:

- (1) Functioning, nonfunctioning, improperly functioning, availability or unavailability of:
 - (a) The internet or similar facility; or
 - (b) Any internet or private network or similar facility; or
 - (c) Any website, bulletin board, chat room, search engine, portal or similar third party application service.
- (2) Alteration, corruption, destruction, distortion, erasure, theft or other loss of or loss of use or damage to DATA, software, information repository, microchip, integrated system or similar device in any computer equipment or non-computer equipment or any kind of programming or instruction set; or
- (3) Loss of use or functionality, whether partial or entire, cost, expense of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic and any ensuing inability or failure of any insured to conduct business.

Clauses (1), (2) and (3) apply regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Further, for the purposes of this endorsement;

DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Mould Exclusion

It is understood and agreed that this Policy shall not apply to any Claim which is actually or allegedly, in whole or in part, directly or indirectly, arising out of, resulting from, connected to, aggravated by, based upon or attributable to the presence, growth, proliferation, spread or activity of a biological agent, including but not limited to, mould, fungus, spores, mildew, mushrooms, yeast or biocontaminants or any by-product there from. This exclusion shall apply notwithstanding there are perils other than biological agents which may have actually or allegedly, in whole or in part, directly or indirectly, contributed concurrently or consecutively or in any sequence to a loss.

The Insurer shall have no duty to indemnify the insured for any Claim that in fact, whether in whole or in part, directly or indirectly, arises out of, results from, is connected to, is aggravated by, is based upon or is attributable to the presence, growth, proliferation, spread or activity of a biological agent notwithstanding the Claim it not alleged or pleaded so as to include any allegation of a biological agent or agents.

The Insurer shall have the right to adduce evidence extrinsic to the pleadings in any action, application or Petition for coverage brought by an Insured where that extrinsic evidence is relevant to prove the presence, growth, proliferation, spread or activity of a biological agent in fact.

A. STANDARD MORTGAGE CLAUSE (approved by the Insurance Bureau of Canada) - IT IS HEREBY PROVIDED AND AGREED THAT

1. **BREACH OF CONDITIONS BY MORTGAGOR, OWNER OR OCCUPANT** - This insurance and every documented renewal thereof--AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN--is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;
PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee--on reasonable demand--from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
2. **RIGHT OF SUBROGATION** - Whenever the Insurer pays the Mortgagee any loss award under this Policy and claims that --as to the Mortgagor or Owner--no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. **OTHER INSURANCE** - If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee--at law or in equity--then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. **WHO MAY GIVE PROOF OF LOSS** - In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the Policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
5. **TERMINATION** - The term of this mortgage clause coincides with the term of the Policy;
PROVIDED ALWAYS that the Insurer reserves the right to cancel the Policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
6. **FORECLOSURE** - Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.

B. APPLICATION OF DEDUCTIBLE

Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

C. COMMERCIAL PROPERTY POLICY CONDITIONS (Applicable in all jurisdictions except the Province of Québec)

1. **MISREPRESENTATION** - If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
2. **PROPERTY OF OTHERS** - Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.
3. **CHANGE OF INTEREST** - The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.
4. **MATERIAL CHANGE** - Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
5. **TERMINATION**
 - i) This contract may be terminated
 - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered
 - (b) by the Insured at any time on request.
 - ii) Where this contract is terminated by the Insurer,

- (a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified, and
- (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- iii) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- iv) The refund may be made by money, postal or express company money order or cheque payable at par.
- v) The fifteen days mentioned in clause (a) of subcondition i) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. REQUIREMENTS AFTER LOSS

- i) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11
 - (a) forthwith give notice thereof in writing to the Insurer
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes
 - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured
 - (iv) showing the amount of other insurances and the names of other Insurers
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract
 - (vii) showing the place where the property insured was at the time of loss
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- ii) The evidence furnished under clauses (c) and (d) of sub-paragraph i) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

7. FRAUD - Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

8. WHO MAY GIVE NOTICE AND PROOF - Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

9. SALVAGE

- i) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- ii) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph i) of this condition according to the respective interests of the parties.

10. ENTRY, CONTROL, ABANDONMENT - After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

11. APPRAISAL - In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

12. WHEN LOSS PAYABLE - The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.

13. REPLACEMENT

- i) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty (30) days after receipt of the proofs of loss.
- ii) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. ACTION - Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year* next after the loss or damage occurs.

* two years in Province of Manitoba and Yukon Territory.

Saskatchewan Statutory Condition 14 is repealed. See The Limitations Act, S.S. 2004, c.L-16.1

15. NOTICE - Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

16. CONTRIBUTION - If on the happening of any loss or damage to property in consequence of which a claim is or may be made under this policy there is in force more than one contract covering the same interest, the liability of the Insurer hereunder shall be limited to its rateable proportion of such claim.

D. ADDITIONAL CONDITIONS (Applicable in all jurisdictions except the Province of Québec)

1. NOTICE TO AUTHORITIES - Where the loss is due to malicious acts, burglary, robbery, theft, or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.
2. NO BENEFIT TO BAILEE - It is warranted by the Insured that this insurance shall in no wise enure directly or indirectly to the benefit of any carrier or other bailee.
3. PAIR AND SET - In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.
4. PARTS - In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.
5. SUE AND LABOUR - It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.
6. BASIS OF SETTLEMENT - Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
7. SUBROGATION - The Insurer, upon making any payment or assuming liability therefor under this Policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportions in which the loss or damage has been borne by them respectively.

E. GENERAL CONDITIONS (Applicable in the Province of Québec)

This policy is subject to the Civil Code of the Province of Québec

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

1. STATEMENTS

1.1 Representation of risk (article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

1.2 Material change in risk (articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

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

3. LOSSES

3.1 Notice of loss (Article 2470)

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police (applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(applicable to property insurance only)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and cooperation

The Insured shall cooperate with the Insurer in the processing of all claims

(The following two paragraphs are applicable to liability insurance only: article 2504)

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own risk.

3.8 Right of action (Article 2502)

(applicable to liability insurance only)

The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.

4. COMPENSATION AND SETTLEMENT

4.1 Basis of settlement (Articles 2490, 2491, 2493)

(applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity in the event of partial loss.

4.2 Pair and set (applicable to property insurance only)

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

4.3 Parts (applicable to property insurance only)

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

4.4 Replacement (Article 2494)

(applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others (applicable to property insurance only)

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

4.8 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. OTHER INSURANCE**5.1 Property insurance (Article 2496)**

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

– Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

– Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. CANCELLATION (Articles 2477 and 2479)

This policy may be cancelled at any time:

- (a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each Named Insureds. Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words "premium actually paid" mean the premium actually paid by the Insured to the Insurer or its representative but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

7. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

Business Income General Policy Conditions (All Provinces excluding Quebec)

R2

This Policy is made and accepted subject to the provisions, stipulations and conditions printed herein which are hereby specially referred to and made a part of this Policy together with such other provisions, agreements, or conditions as may be endorsed herein or added hereto. No term or condition of a contract shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of a contract by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the contract. By the acceptance of this Policy the Insured acknowledges the cancellation, from the effective date of this Policy, of any previous Policy, or the renewal thereof, which is stated as being replaced.

Policy Conditions

MISREPRESENTATION

1. If a person applying for insurance falsely describes, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract shall be void as to any claim in relation to which the misrepresentation or omission is material.

CHANGE OF INTEREST

2. This policy shall be avoided if at any time after the commencement of this insurance
 - i) the business as specified on the Declaration Page is wound up or carried on by a liquidator or receiver or permanently discontinued; or
 - ii) the Insured's interest ceases otherwise than by death; unless its continuance be admitted by endorsement signed by or on behalf of the Insurer.

MATERIAL CHANGE

3. Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract shall no longer be in force and the Insurer shall return the unearned portion, if any, of the premium paid.

TERMINATION OF INSURANCE

4.
 - 1) This contract may be terminated:
 - a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail, or 5 days' written notice of termination personally delivered.
 - b) by the Insured at any time on request.
 - 2) Where this contract is terminated by the Insurer
 - a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
 - 3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event, shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
 - 4) The refund may be made by money, postal or express company money order, or by cheque payable at par.
 - 5) The 15 days mentioned in Clause (a) of Subcondition (1) of this Condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

REQUIREMENTS AFTER LOSS

5. Upon the occurrence of any loss of or damage to the property in consequence of which a claim is or may be made under this policy, the Insured shall
 - a) forthwith give notice thereof in writing to the Insurer;
 - b) at the Insured's own expense deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration setting forth particulars of the Insured's claim, together with details of any other insurances covering business income, business interruption or other consequential loss of any kind resulting from the lost or damaged property and stating the loss of or damage to the property did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured;

Business Income General Policy Conditions (All Provinces excluding Quebec)

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- c) at the Insured's own expense produce and furnish to the Insurer such books of accounts and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Insurer for the purpose of investigating or verifying the claim.

CLAIMS

- 6. No claim under this policy shall be payable unless the terms of Condition 5 above have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Insurer forthwith.

FRAUD

- 7. Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars. vitiates the claim of the person making the declaration.

WHO MAY GIVE NOTICE AND PROOF

- 8. Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

APPRAISAL

- 9. In the event of disagreement as to the amount to be paid under this policy (liability being otherwise admitted), such disagreement shall be referred to and resolved by appraisal as provided under The Insurance Act. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

WHEN LOSS PAYABLE

- 10. The loss shall be payable within sixty days after completion of the proof of loss.

ACTION

- 11. Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract shall be absolutely barred unless commenced within one year next after the loss or damage occurs.

NOTICE

- 12. Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province. Written notice may be given to the Insured named in the contract by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition the expression "registered" means registered in or outside Canada.

CONTRIBUTION

- 13. If on the happening of any loss or damage to property in consequence of which a claim is or may be made under this policy there is in force more than one contract covering the same interest, the liability of the Insurer hereunder shall be limited to its rateable proportion of such claim.

Commercial Crime

General Conditions and Definitions

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Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not insured.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Words and phrases in quotation marks are defined in the General Definitions section of the policy.

Unless stated otherwise in the Declarations, any rider or endorsement, the following General Conditions and General Definitions apply to all riders and/or endorsements forming part of this policy.

GENERAL CONDITIONS

Condition 1. CANADIAN CURRENCY CLAUSE:

All limits of insurance, premiums and other amounts expressed in the policy are in Canadian currency.

Condition 2. CANCELLATION:

- (a) You may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- (b) We may cancel this policy by mailing or delivering to you written notice of cancellation at least:
 - 1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - 2) 30 days before the effective date of cancellation if we cancel for any other reason.Except in Quebec, if notice is mailed, cancellation takes effect 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation as shown in (b) 1) or 2) above. Proof of mailing will be sufficient proof of notice.
In Quebec, cancellation takes effect either 15 or 30 days after receipt of the notice at your last known address depending upon the reason for cancellation.
Delivery by us shall be equivalent to mailing.
- (c) We will mail or deliver our notice to your last mailing address known to us.
- (d) The policy period will end on the date cancellation takes effect.
- (e) If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

Condition 3. CHANGE OF INTEREST:

We will not be liable to anyone other than you unless we have been advised of a change of interest and consented to it. However, if you die, or are declared insolvent or bankrupt, this policy will insure your legal representative.

Condition 4. CHANGES:

This policy contains all the agreements between you and us concerning the insurance provided by this policy. You may request changes to this policy; however, such changes will be effective only upon our consent as evidenced by our issuing an endorsement which will form part of this policy.

Condition 5. DISCOVERY PERIOD FOR LOSS:

We will pay only for an insured loss discovered no later than one year from the end of the policy period.

Condition 6. DUTIES IN THE EVENT OF LOSS:

After you discover a loss or a situation that may result in loss of or damage to insured property you must:

- (a) notify us as soon as possible;
- (b) submit to examination under oath at our request and give us a signed statement of your answers;
- (c) give us a detailed, sworn proof of loss within 120 days;
- (d) cooperate with us in the investigation and settlement of any claim;
- (e) give immediate notice to the public police, or other peace authorities having jurisdiction, of any loss due to violation of law;
- (f) if "securities" are insured under this policy, take all reasonable measures to prevent their negotiation, sale or conversion.

Condition 7. INSPECTION:

Commercial Crime

General Conditions and Definitions

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We will be permitted to inspect your "premises" at any reasonable time.

Condition 8. JOINT INSURED:

- (a) If more than one Named Insured is stated in the Declarations, the first Named Insured will act for itself and for every other Named Insured for all purposes for this insurance. If the first Named Insured ceases to be covered, then the next Named Insured becomes the first Named Insured.
- (b) If any Named Insured or partner or officer of that Named Insured has knowledge of any information relative to this insurance, that knowledge is considered knowledge of every Named Insured.
- (c) An employee of any Named Insured is considered to be an employee of every Named Insured.

Condition 9. LEGAL ACTION AGAINST US:

You may not bring any legal action against us:

- (a) unless you have complied with all the terms of this insurance; and
- (b) until 90 days after you have filed proof of loss with us; and
- (c) except if the loss occurs in Quebec, unless brought within 2 years from the date you discover the loss.

Condition 10. LOSS SUSTAINED DURING PRIOR INSURANCE:

If you had similar insurance, consisting of one or more policies providing continuous insurance, which terminated with the beginning of this policy period, loss, to the extent that it is not insured by such prior insurance solely because of late discovery, shall be deemed to have occurred on the first day of this policy period.

Condition 11. OTHER INSURANCE:

If there is any other valid and collectible insurance which applies to any loss insured by this policy, the insurance under this policy shall apply only as excess insurance over such other insurance, except in the province of Quebec where each of the insurers under its policy is liable to you for its rateable proportion of the loss.

Condition 12. OWNERSHIP OF PROPERTY; INTEREST COVERED:

The insured property may be owned by you or held by you in any capacity. However, the insurance applies only to your interest in such property, or your legal liability for such property and does not apply to the interest of any other person or organization in any of said property unless included in your proof of loss.

Condition 13. POLICY PERIOD, TERRITORY:

This policy applies only to loss which occurs during the policy period shown in the Declarations and within Canada or the United States of America.

Condition 14. RECORDS:

You must keep records of all insured property so we can verify the amount of any loss.

Condition 15. RECOVERIES:

- (a) Any recoveries, less the cost of obtaining them, made after settlement of loss insured by this policy will be distributed as follows:
 - 1) to you, until you are reimbursed for any loss that you sustained that exceeds the Limit of Insurance and the deductible amount, if any;
 - 2) then to us, until we are reimbursed for the settlement made;
 - 3) then to you, until you are reimbursed for that part of the loss equal to the deductible amount, if any.
- (b) Recoveries do not include any recovery:
 - 1) from insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - 2) of original "securities" after duplicates of them have been issued.
- (c) You are entitled to the recovered property upon reimbursing us for the amount of indemnity paid to you for such property. Whoever recovers such property will immediately notify the other party in writing.

Condition 16. REPRESENTATIONS:

By accepting this policy, you agree:

- (a) that the statements in the Declarations are accurate and complete;
- (b) those statements are based upon representations you made to us; and
- (c) we have issued this policy in reliance upon your representations.

Condition 17. TRANSFER OF YOUR RIGHTS OF RECOVERY AGAINST OTHERS TO US:

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

Condition 18. VALUATION:

With respect to "securities", we will not be liable for more than their actual cash value at the close of business on the business day immediately preceding discovery of the loss. We may, at our election pay such actual cash or secure the replacement of the "securities" by arranging for the issuance of a lost "securities" bond.

With respect to other property, we will not be liable for more than the actual cash value thereof at the time of loss. However, the actual cash value of such other property you hold as a pledge, or as collateral for an advance or a loan, will be deemed not to exceed the value of the property as determined and recorded by you when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

With your consent, we may settle any claim for loss of property with the owner thereof. Any property for which we have made indemnification will become our property.

In case of damage to the "premises", we will not be liable for more than the actual cost of repairing such "premises", or of replacing same with property or material of like quality and value.

We may, at our election, pay the actual cash value, or pay for such repair or replacement. If you cannot agree with us upon the cash value or the cost of repair or replacement, the cash value or the cost will be determined by arbitration.

GENERAL DEFINITIONS

"BANKING PREMISES" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

"BURGLARY" (except as used in a Stock Burglary Rider) means the unlawful taking of insured property from within the "premises" by a person unlawfully entering or leaving the "premises" as evidenced by marks of forcible entry or exit.

In the event that insurance is provided by a Stock Burglary Rider, "burglary" shall mean the unlawful taking of insured property from within the "premises", showcases or show windows, by a person unlawfully entering or leaving the "premises", showcases or show windows as evidenced by marks of forcible entry to or exit from the "premises", showcases or show windows.

"CUSTODIAN" means you or your partner or any employee authorized by you to have the care and custody of insured property, excluding any person while acting as a "guard", janitor, porter, or "watchman".

"EQUIPMENT" means:

- (1) all contents usual to your business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than building or "stock";
- (2) similar property belonging to others which you are under obligation to keep insured or for which you are legally liable.

"GUARD" means any able-bodied person who accompanies a "custodian" at your direction, but who is not a driver of a public conveyance.

"JEWELLERY" means jewellery, watches, gems, pearls, precious or semi-precious stones and articles containing one or more gems, pearls, or precious or semi-precious stones.

"KIDNAPPING" means the compelling of a "custodian" outside the "premises", by violence or threat of violence, to admit a person or to furnish such person with the means of entry into the "premises" while closed for business, resulting in unlawful taking by such person of insured property from within the "premises", provided such loss shall occur before the "premises" are next open for business.

"MONEY" means currency and coins in current use and having a face value.

"OCCURRENCE" means any act or series of related acts involving one or more persons which results in a loss insured by this policy.

Commercial Crime General Conditions and Definitions

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"PREMISES" means the interior of that portion of any building you occupy in conducting your business at the address designated in the Declarations but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls or stairways.

If insurance is provided by an Inside/Outside Robbery Rider, or a Money and Securities Rider, the definition of "premises" is extended to include the space immediately surrounding such building occupied solely by you in conducting your business but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls or stairways.

If insurance is provided by a Church Theft Rider, the definition of "premises" is extended to include: the rectory, parish-house, parsonage, manse, or residence occupied by a duly constituted financial or administrative officer of yours; that portion of any other building which is owned by or leased to you and used for the religious, educational, recreational or social activities of your congregation; and the grounds and out-buildings incidental to the above.

If insurance is provided by a Damage to Building by Burglary or Robbery Rider the definition of "premises" is extended to include the building and permanent fittings and fixtures attached thereto and forming part thereof.

"PROPERTY" means any property usual to your business other than "money" and "securities", that has intrinsic value but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them or any property that is excluded under any rider.

"ROBBERY" means the taking of insured property from a "custodian" by a person or persons who have:

- (1) caused or threatened to cause the "custodian" bodily harm; or
- (2) committed an overt unlawful act witnessed by the "custodian"; or
- (3) taken such property from a "custodian" who has been killed or rendered unconscious.

"ROBBERY OF A WATCHMAN" means the unlawful taking of insured property by violence or threat of violence inflicted upon a "watchman" and while such a "watchman" is on duty within the "premises".

"SAFE BURGLARY" means:

- (1) the unlawful taking of insured property from a vault or safe, which has a combination lock and is located within the "premises", by a person making unlawful entry into the vault or the safe and a vault which contains the safe, provided that:
 - (a) all doors of the vault, safe or vault and safe are closed and locked by a combination lock; and
 - (b) the unlawful entry was forcible and is evidenced by visible marks on the exterior of the vault or safe and any vault containing the safe; or
- (2) the unlawful taking of the safe from within the "premises".

In the event that insurance is provided by a Safe Burglary Rider, the definition of "safe burglary" is restricted to any safe or vault described on the Declarations Page for form C11 as **Description of safe or vault**.

"SECURITIES" means all negotiable and non-negotiable instruments or contracts representing "money" or other property, and includes revenue and other stamps in current use, tokens, and tickets but does not include "money".

"STOCK" means:

- (1) merchandise of every description usual to your business but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them;
 - (2) packing, wrapping and advertising materials; and
 - (3) similar property belonging to others which you are under obligation to keep insured or for which you are legally liable;
- but does not include "securities".

"WATCHMAN" means any person employed exclusively by you to have care and custody of insured property inside the "premises", while the "premises" are closed for business, and who has no other duties.

APPLICABLE TO ALL PROPERTY AND BUSINESS INTERRUPTION COVERAGES OF THIS POLICY

THIS POLICY DOES NOT INSURE:

- (a) loss, damage or expense directly or indirectly caused by or consisting of or arising from the failure or inability of any computer hardware, computer software including operating systems, data processing equipment or media, microchip, integrated circuit or similar device, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 to:
 - (i) correctly recognize any date as the true calendar date, or
 - (ii) capture, save, or retain, and/or to correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as the true calendar date, or
 - (ii) capture, save, retain or to correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or to correctly process such data on or after any date;
- (b) loss, damage or expense directly or indirectly caused by or arising from any advice, assessment, audit, correction, rectification, remediation, conversion, renovation, rewriting or replacement of any computer hardware, computer software including operating systems, data processing equipment or media, microchip, integrated circuit or similar device whether the property of the insured or not, related to ensuring the ability to correctly recognize, process distinguish, interpret or accept any date as the true calendar date.

Exclusions (a) and (b) above do not apply to ensuing loss, damage, expense or consequential loss, which results from **"Named Perils"** as defined herein, or from theft or attempt thereat, or from escape of water from any tank, apparatus or pipe, only if otherwise insured and not otherwise excluded by this policy. However, insurance is not provided for the cost or expense to rectify or remediate the deficiencies described in Exclusion (a) above.

"Named Perils" means:

(A) FIRE OR LIGHTNING

- (B) **EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the insured:

- (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
- (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
- (c) the combustion chambers of fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
- (d) smelt dissolving tanks;
- (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
- (v) gas turbines;

The following are not explosions within the intent or meaning of this section:

- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
- (b) bursting or rupture caused by hydrostatic pressure or freezing;
- (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

- (C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.

There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

- (i) caused by land vehicles belonging to or under the control of the insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;
- (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings"

- (D) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.

There shall be in no event any liability hereunder for loss or damage:

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause (B);
- (iii) due to theft or attempt thereat.

- (E) **SMOKE:** The term "Smoke" means smoke due to a sudden unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- (F) **LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term "Leakage From Fire Protective Equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the "Declarations Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
- (G) **WINDSTORM OR HAIL** There shall in no event be any liability hereunder for loss or damage:
- (i) to the interior of the "buildings" (insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly caused by any of the following whether driven by wind or due to windstorm or not; snow-load, ice-load, tidal wave, tsunamis, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

All other terms and conditions of this policy remain unchanged.

APPLICABLE TO ALL LIABILITY COVERAGES OF THIS POLICY

This insurance does not apply to "bodily injury", "property damage" or "personal injury", directly or indirectly caused by or contributed to by or arising from:

- (a) the failure of or inability of any computer hardware, computer software including operating systems, data processing equipment or media, microchip, integrated circuit or similar device, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 to:
 - (i) correctly recognize any date as the true calendar date, or
 - (ii) capture, save, or retain, and/or to correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as the true calendar date, or
 - (iii) Capture, save, retain or to correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or to correctly process such data on or after any date:
- (b) any advice, assessment, audit, correction, rectification, remediation, conversion, renovation, rewriting or replacement of any computer hardware, computer software including operating systems, data processing equipment or media, microchip, integrated circuit or similar device, whether the property of the insured or not, related to ensuring the ability to correctly recognize, process, distinguish, interpret or accept any date as the true calendar date.

All other terms and conditions of this policy remain unchanged.

APPLICABLE TO ALL PROPERTY, BUSINESS INCOME AND BUSINESS INTERRUPTION COVERAGES OF THIS POLICY

THIS POLICY DOES NOT INSURE:

- A) Loss or damage consisting of or caused by directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or spores" are directly caused by or a direct result from a peril otherwise insured and not otherwise excluded by this policy.
- B) The cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores",

"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 "Fungi" or "Spores" or resultant mycotoxins, allergens, or pathogens.

"Spores" includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".

APPLICABLE TO ALL LIABILITY COVERAGE OF THIS POLICY

THIS POLICY DOES NOT APPLY TO:

- A) "Bodily Injury", "property damage", "personal injury" or Medical Payments or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores", or
- B) Any supervision, instruction, recommendations, warnings, or advice given or which should have been given with connection with a. above; or
- C) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

This exclusion applies regardless of the cause of the loss or damage, other causes of injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expense or costs.

"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 "Fungi" or "Spores" or resultant mycotoxins, allergens, or pathogens.

"Spores" includes, but is not limited to, one or more reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto, it is agreed that this insurance excludes loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from, arising out of or contributed to or by any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. Fungus or microbial contamination,
2. Any request, demand or order to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to assess the effect of fungus or microbial contamination, or
3. Any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of fungus or microbial contamination.

For purposes of this endorsement,

"Fungus" shall mean any species of organisms of the kingdom fungi, or mycota including yeasts, rusts, smuts, mildews, moulds and mushrooms.

"Microbial contamination" shall mean any contamination, either airborne or surface, which arises out of or is related to the presence of fungus or spores, including, without limitation, aspergillus, cladesporium, penicillium and stachybotrys chartarum.

"Spores" shall mean any reproductive body produced by or arising out of any fungus.

All other terms and conditions of this policy remain unchanged.

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Privacy: Notice Concerning Personal Information **LSW1543D**

Who we are

We are the Lloyd's underwriter(s) identified in the insurance contract and/or the certificate of insurance. Your privacy is important to us. This Privacy notice explains what personal information we collect, use and disclose about policyholders, beneficiaries, claimants and witnesses and for what purposes, in compliance with applicable Canadian privacy laws.

What personal information we collect

Personal information is any information about an identified and or identifiable individual. The personal information that is collected for a clear and legitimate use and disclosure generally includes the following:

- Identification and contact information (name, address including postal code, country, telephone number, email address, month and date of birth, drivers licence, employer, job title, employment history, family details)
- Policy information (policy number, policy amounts, policy terms)
- Claim information (claim number, information relating to a potential or existing claim)
- Payment information (credit card details, bank account details, credit score)
- Other information related to your insurance cover or a claim only for legitimate business purposes

We also collect personal information about you when you visit www.lloyds.com. Further details can be found on our online Cookies policy at <http://www.lloyds.com/common/privacy-and-cookies-statement>

We will not use your personal information for marketing purposes and we will not sell your personal information to other parties.

How we use your information

By purchasing insurance from certain Lloyd's Underwriters ("Lloyd's"), a customer provides Lloyd's with his or her explicit consent to the collection, use and disclosure of personal information. Meaningful consent is subject to the customer's understanding of the nature, purpose and consequences of the collection, use or disclosure of their personal information.

Information is generally collected, used, disclosed and stored in order to provide you with the insurance products that you have requested, including to:

- Identify you and provide you with insurance cover
- Communicate with Lloyd's policyholders
- Calculate, collect or refund premiums
- Underwrite policies and facilitate policy administration
- Evaluate and process claims
- Detect and prevent fraud, carry out anti-money laundering and sanctions checks
- Investigate and prosecute fraud
- Meet our regulatory and other legal obligations
- Enforce terms or exercise rights under the insurance contract
- Analyze insurance risk and business results
- Improve our services and offerings
- Provide general client care
- Defend or prosecute legal claims
- Renew your insurance policy
- Transfer of books of business, company sales and reorganisations

Or as may be otherwise required or authorized by law.

Your information may be shared and disclosed;

In order to fulfil the purposes described in this Privacy notice, we may share your personal information with other third parties that we have engaged to provide services on our behalf, or who otherwise assist us in providing you with services, such as affiliated organizations, sub-contractors, agents/coverholders, legal counsel, insurers, brokers, reinsurers, loss adjusters and other service providers.

We will limit this disclosure to only the Personal Information that is reasonably necessary for the purpose or service for which the third party or affiliate will provide. We will use contractual and other means to provide a comparable level of protection while the information is being processed by these service providers, including limiting such providers to using your Personal Information solely to provide Lloyd's with the specific service for which they were engaged, and for no other purpose. You can obtain more information about our policies and practices with respect to the use of Personal Information by Third Party Service Providers by contacting us as described below, under the section "How to Contact Us" at the end of this document.

Some of these entities may be located outside Canada, therefore your information may be processed in a foreign jurisdiction, where it will be subject to the laws of that jurisdiction, which may be different than the laws in your province. Personal information that is stored or processed outside Canada may also be accessible to the law enforcement and national security authorities of that jurisdiction.

We may also share or transfer your Personal Information where reasonably required in the context of a sale, merger or amalgamation of all or part of our business or the insurance or securitization of our assets. In any such case, the recipient parties will be contractually required to keep the information confidential and use it only for the purposes of the transaction, or proposed transaction, in question. In the event a business transaction is affected, assignees or successors of Lloyd's or our business or assets, or those of our affiliated entities, may use and disclose Personal Information only for the purposes as set out in this Privacy notice, unless further consent is obtained.

We may also share your Personal Information with law enforcement, national security agencies or other governmental officials, as required or permitted by law, such as in response to a court order or a verified request relating to a criminal investigation or alleged illegal activity, where we are legally obligated to contribute information to compulsory insurance databases, or where required to detect, prevent or prosecute fraud.

Authority to collect, use and disclose personal information

When you share information with us for particular purposes, such as providing you with insurance, you give us explicit consent to collect, use and disclose your information for those purposes. Canadian law also authorizes us to collect, use and disclose personal information without consent in certain circumstances prescribed by law, which may include the following:

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next of kin or authorized representative of an injured, ill or deceased individual
- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction where obtaining consent would compromise the availability or accuracy of the information
- Witness statement necessary to assess, process or settle insurance claims
- Information that is produced in the course of an individual's employment, business or profession

There may be situations where we need your additional consent to collect, use, and disclose information about you. In those situations, we will ask you for consent separately. You do not have to give your consent and, subject to legal and contractual restrictions, you can withdraw your consent to us collecting, using and disclosing your information at any time. However, withdrawing your consent may affect our ability to provide you with insurance cover or other services.

Retention and security

We retain personal information for as long as necessary to provide you with insurance cover and meet the other purposes for collection, use and disclosure described in this Privacy notice, or as otherwise required or permitted by law. When your Personal Information is no longer required, we will make all reasonable efforts to ensure all electronic and hard copies of such information are securely destroyed and irreversibly deleted from our systems.

We use various physical, technical and administrative security measures, appropriate to the sensitivity of the personal information, that are designed to protect against loss, theft, unauthorized access, disclosure, copying, use or modification by. Although we will take reasonable measures to protect personal information, the transmission of information through the internet or other electronic means is not guaranteed to be secure and may create risks for the privacy and security of your information.

How to access your personal information

Subject to certain exceptions provided by applicable law, you have the right to access your personal information, request corrections about your personal information if you identify any inaccuracies, and request that we delete your information. If you would like to exercise any of these rights, please contact the Ombudsperson at info@lloyds.ca.

The Ombudsperson can also provide additional information about Lloyd's policies and practices, answer questions about the collection, use, disclosure or storage of personal information by Lloyd's and its service providers located outside Canada, as well as discuss any complaints you may have regarding the collection, use and disclosure of your personal information.

Changes

We may amend this Privacy notice from time to time as our business evolves, in response to legal developments, as new technologies become available, or as we introduce new features, products or services.

When we make changes to wording of this Privacy notice we will revise the "last updated" date at the bottom of this Privacy notice. You should check back here periodically to find out if any changes have been made to this Privacy notice. If we make substantial changes we will, as appropriate prominently post these changes to our Site or notify registered Users directly.

How to contact us

Further information about Lloyd's personal information protection policy may be obtained by visiting, https://www.lloyds.com/lloyds-around-the-world/americas/canada/market-conduct_from your broker, or by contacting Lloyd's by phone: 514 861 8361, 1 877 455 6937 or email: info@lloyds.ca.

LLOYD'S UNDERWRITERS' POLICYHOLDERS' COMPLAINT PROTOCOL

Lloyd's strives to enhance your customer experience with us through superior service and innovative insurance products.

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd's representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

- Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.
- If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints Officer:
1155 rue Metcalfe, Suite 2220, Montréal (Québec) H3B 2V6
Tel: 1-877-455-6937 - Fax: (514) 861-0470
E-mail: info@lloyds.ca

Your complaint will be directed to the appropriate business contact for handling. They will write to you within two business days to acknowledge receipt of your complaint and to let you know when you can expect a full response. If need be, we will also engage internal staff in Lloyd's Policyholder and Market Assistance Department in London, England, who will respond directly to you, and in the last stages, they will issue a final letter of position on your complaint.

In the event that your concerns are still not addressed to your satisfaction, you have the right to continue your pursuit to have your complaint reviewed by the following organizations:

General Insurance OmbudService (GIO): assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at:

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

Autorité des marchés financiers (AMF): The regulation of insurance companies in Quebec is administered by the AMF. If you remain dissatisfied with the manner in which your complaint has been handled, or with the results of the complaint protocol, you may send your complaint to the AMF who will study your file and who may recommend mediation, if it deems this action appropriate and if both parties agree to it. The AMF can be reached at:

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca

If you have a complaint specifically about Lloyd's Underwriters' complaints handling procedures you may contact the FCAC.

Financial Consumer Agency of Canada (FCAC) provides consumers with accurate and objective information about financial products and services, and informs Canadians of their rights and responsibilities when dealing with financial institutions. FCAC also ensures compliance with the federal consumer protection laws that apply to banks and federally incorporated trust, loan and insurance companies. The FCAC does not get involved in individual disputes. The FCAC can be reached at:

427 Laurier Avenue West, 6th Floor, Ottawa ON K1R 1B9

Services in English: 1-866-461-FCAC (3222)

Services in French: 1-866-461-ACFC (2232)

www.fcac-acfc.gc.ca

09/14

LSW1542F

MICROORGANISM EXCLUSION (ABSOLUTE)

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

14/09/2005

LMA5018

Form approved by Lloyd's Market Association

PLEASE NOTE – This notice contains important information. PLEASE READ CAREFULLY

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100
15 September 2010

SERVICE OF SUIT CLAUSE (CANADA)
(Action against Insurer)

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is Royal Bank Plaza South Tower, 200 Bay Street, Suite 2930, P.O. Box 51 Toronto, Ontario M5J 2J2.

LMA5028A

01/10/2020

BINDING AUTHORITY COMBINED CERTIFICATES ENDORSEMENT

(For use in conjunction with LMA Binding Authority Agreements)

Notwithstanding any reference to Joint Certificates in the Agreement/Schedule and/or (where applicable) U.S. General Cover Conditions the following provisions apply with respect to the issuance of Joint Certificates:

A. 'Joint Certificate' is amended to read 'Combined Certificate' in the Binding Authority Agreement to which this endorsement is attached.

B. COMBINED CERTIFICATES:

other Lloyd's Underwriters - *Permitted / Not permitted

non Underwriting Members of Lloyd's - *Permitted / Not permitted

**(Delete as applicable)*

IDENTITY OF OTHER INSURERS:

{Missing}

C. For the purposes of the Agreement 'Combined Certificate' is a certificate or other document evidencing insurance accepted under the Agreement and which also evidences a proportion of the insurance accepted for other Lloyd's Underwriters or for insurers which are not Underwriting Members of Lloyd's (hereinafter 'the other insurer(s)');

D. Combined Certificates may be issued under the Agreement, as indicated in B above, provided that in each instance:

D.1 the Underwriters have established the identity of the other insurer(s) which is(are) named in B above;

D.2 the Combined Certificate shall include all the details that are required to be included in insurance documentation evidencing contracts of insurance that are issued by an approved Coverholder under a registered binding authority or by a restricted Coverholder under a restricted binding authority;

D.3 the proportion or amount of risk accepted by the Underwriters is expressly stated on the Combined Certificate and is specified separately from the proportion or amount of risk accepted by the other insurer(s);

D.4 the Combined Certificate must contain the following statement:

'PLEASE NOTE – This notice contains important information. PLEASE READ CAREFULLY

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An

insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.'

07/03/08

LMA5097

For the purpose of the *Insurance Companies Act* (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada.

The business insured/reinsured herein meets the necessary conditions to qualify as, and is being transacted as, "insuring in Canada a risk" in accordance with Part XIII of the *Insurance Companies Act* (Canada).

December 2018

LSW5185

WAR AND CIVIL WAR EXCLUSION CLAUSE

(Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

1/1/38
NMA464

NUCLEAR INCIDENT EXCLUSION CLAUSE - LIABILITY - DIRECT (BROAD) - CANADA
(For use with all Public Liability Policies except Personal, Farmers' and Storekeepers')

It is agreed that this Policy does not apply:

- (a) to liability imposed by or arising under the Nuclear Liability Act; nor
- (b) to bodily injury or property damage with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such Policy but for its termination upon exhaustion of its limit of liability; nor
- (c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:
 - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
 - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
 - (iii) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this Policy:

1. The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
2. The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy or as being requisite for the production, use or application of atomic energy;
3. The term "nuclear facility" means:
 - (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - (b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;
 - (c) any equipment or device used for the processing, fabrication or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

4. The term "fissionable substance" means any prescribed substance that is, or from which can be obtained a substance capable of releasing atomic energy by nuclear fission.
5. With respect to property, loss of use of such property shall be deemed to be property damage.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this Clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

11/10/84
NMA1978

TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01

NMA2920

**RADIOACTIVE CONTAMINATION AND EXPLOSIVE NUCLEAR ASSEMBLIES EXCLUSION
CLAUSE**

(Approved by Lloyd's Underwriters' Non-Marine Association)

This Policy does not cover

(a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from

(i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

(ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

4/4/68

NMA1622

CANCELLATION CLAUSE

Notwithstanding anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrender of this contract of Insurance. This insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured by registered, certified or other first class mail, at the Assured's address as shown in this Insurance, written notice stating when, not less than 10 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein whichever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the pro rata proportion of any minimum premium stipulated herein whichever is the greater.

Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

NMA1331

ELECTRONIC DATA ENDORSEMENT B

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure, loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire
Explosion

2) Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

N.M.A. 2915

Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA2962

06/02/03

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918
08/10/2001

U.S.A. & CANADA

LAND, WATER AND AIR EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- (a) any loss, damage, cost or expense, or
- (b) any increase in insured loss, damage, cost or expense, or
- (c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- (a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- (b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

DEBRIS REMOVAL ENDORSEMENT

THIS ENDORSEMENT CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Endorsement shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter referred to as "Damage or Destruction"), this Policy also insures, within the Sum Insured,

subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses;

- (a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and
 - (b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.
2. In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph 1 above):
- (a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of US\$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and
 - (b) the amount of such costs or expenses as limited in (a) above shall be added to:
 - (i) the amount of the Damage or Destruction; and
 - (ii) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and

the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.

Misrepresentation

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property of others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

Change of interest

3. The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

Material change in risk

4.
 - (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
 - (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
 - (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5,or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
 - (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination of insurance

5.
 - (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
 - (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum

retained premium specified in the contract, and

- (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements after loss

- 6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
 - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

7. Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

Who may give notice and proof

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
- (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

Salvage

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

10. After loss or damage to insured property, the insurer has
- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
- (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When loss payable

12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

Repair or replacement

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

Notice

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

Avian Influenza & SARS Exclusion

This Insurance does not cover any claim directly or indirectly caused by, happening through, in consequence of or contributed to by:

- (i) Avian Influenza or any mutant variation thereof;
- (ii) Severe Acute Respiratory Syndrome (SARS) and/or Atypical Pneumonia or any mutant variation thereof.

This insurance also excludes any claim:

- (i) arising from any fear or threat (whether actual or perceived) of such Avian influenza, SARS and/or Atypical Pneumonia;
- (ii) directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any outbreak of such Avian influenza, SARS and/or Atypical Pneumonia.

If the underwriters allege that by reason of this exclusion, any claim is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

Lloyd's Underwriters Code of Consumer Rights & Responsibilities LSW1565C

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

Right to Complaint Resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

LLOYD'S PRIVACY POLICY STATEMENT

UNDERWRITERS AT LLOYD'S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

06/03

LSW1135B

SUBSCRIPTION POLICY

IN CONSIDERATION OF THE INSURED having paid or agreed to pay each of the INSURERS named in the List of Subscribing Companies forming part hereof, or to INSURERS whose names are substituted therefor or added thereto by endorsement, hereinafter called "THE INSURERS", the Premium set against its name in the List of Subscribing Companies (attached hereto),

THE INSURERS SEVERALLY AND NOT JOINTLY agree, each for the Sum(s) Insured or Percentage(s) and for the Coverage(s) Insured set against its name in the List of Subscribing Companies, and subject always to the terms and conditions of this Policy, that if a loss occurs for which insurance is provided by this Policy at any time while it is in force, they will indemnify the INSURED against the loss so caused; the liability of each insurer individually for such loss being limited to that proportion of the loss payable according to the terms and conditions of this Policy which the Sum Insured or the amount corresponding to the Percentage set against its name in the List of Subscribing Companies, or such other sum or percentage as may be substituted therefor by endorsement, bears to the total of the sums insured or of the amounts corresponding to the percentages of the sums insured respectively set out against the coverage concerned on the Declarations page(s).

That as regards each item of property insured which is lost or damaged at any time while this Policy is in force by a peril for which insurance is provided by the terms and conditions of this Policy, the liability of each Insurer individually shall be limited to whichever is the least of:

- (a) that proportion of the actual cash value of the property at the time of the loss, destruction or damage which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual Insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril, or
- (b) that proportion of the interest of THE INSURED in the property which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this policy in respect of that property against that peril, or
- (c) that proportion of the limit of insurance stipulated in respect of the property lost, destroyed or damaged which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril,

Provided however, that where the insurance applies to the property of more than one person or interest THE INSURERS' total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

If this Policy contains a Co-Insurance Clause or a Guaranteed Amount (Stated Amount) Clause, and subject always to the limit of liability of each Insurer corresponding to the percentage of the sum insured by this Policy as set out above, no Insurer shall be liable for a greater proportion of any loss or damage to the property insured, than the sum insured by such Insurer bears to:

- (a) that percentage, stated in the Co-Insurance Clause, of the actual cash value of the said property at the time of loss, or
- (b) the Guaranteed Amount (Stated Amount) of total insurance stated in the Guaranteed Amount (Stated Amount) Clause, as the case may be.

If the insurance under this Policy is divided into two or more items, the foregoing shall apply to each item separately.

Wherever in this Policy, or in any endorsement attached hereto, reference is made to "The Company", "The Insurer", "This Company", "we", "us", or "our", reference shall be deemed to be made to each of the Insurers severally.

This policy is made and accepted subject to the foregoing provisions, and to the other provisions, stipulations and conditions contained herein, which are hereby specially referred to and made a part of this Policy, as well as such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

IN WITNESS WHEREOF THE INSURERS through their representative(s) duly authorized by them for this purpose have executed and signed this Policy.

Property/Liability/Other

07/05

LSW1554

LLOYD'S

[Insert class] INSURANCE

Effected with certain Lloyd's Underwriters **[Insert term used in coverage wordings attached, eg: "the company", "the insurer", etc.]** through Lloyd's Approved Coverholder ("the Coverholder"):

[Insert name and complete address of Canadian Coverholder]

**THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE
AMOUNT PAYABLE.**

DECLARATIONS

POLICY NO:

INSURED NAME:

INSURED ADDRESS:

PERIOD OF INSURANCE:

from:

to:

(both days at 12:01 a.m. Standard Time at the Address of the Insured).

PREMIUM:

LIMIT OF LIABILITY OR AMOUNT OF INSURANCE:

The insurance contract consists of this Declarations page as well as all coverage wordings, riders, or endorsements that are attached hereto.

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been effected in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to Agreement No. **[insert number]** (hereinafter referred to as “the Underwriters”). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as “Lloyd’s Underwriters” and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd’s Underwriters, whose address for such service is 1155 rue Metcalfe, Suite 2220, Montreal, Quebec H3B 2V6.

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder.

In witness whereof this policy has been signed as authorized by the Underwriters, by **[Insert name of Canadian Coverholder]**.

Per

The Insured is requested to read this policy, and if incorrect, return it immediately for alteration.

In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder whose name and address appears above. All inquiries and disputes are also to be addressed to this Coverholder.

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd’s Underwriters’ insurance business in Canada.

LSW1548C
05 July 2018

Short Rate Cancellation Table

R7

Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time as indicated in the table below. In no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned
1	0.95	64	0.72	127	0.55	190	0.38	253	0.24	316	0.10
2	0.94	65	0.72	128	0.54	191	0.38	254	0.24	317	0.10
3	0.93	66	0.71	129	0.54	192	0.37	255	0.24	318	0.10
4	0.93	67	0.71	130	0.54	193	0.37	256	0.23	319	0.10
5	0.92	68	0.71	131	0.54	194	0.37	257	0.23	320	0.09
6	0.92	69	0.71	132	0.53	195	0.37	258	0.23	321	0.09
7	0.91	70	0.70	133	0.53	196	0.37	259	0.23	322	0.09
8	0.91	71	0.70	134	0.53	197	0.36	260	0.23	323	0.09
9	0.90	72	0.70	135	0.53	198	0.36	261	0.22	324	0.08
10	0.90	73	0.70	136	0.52	199	0.36	262	0.22	325	0.08
11	0.89	74	0.69	137	0.52	200	0.36	263	0.22	326	0.08
12	0.89	75	0.69	138	0.52	201	0.35	264	0.22	327	0.08
13	0.88	76	0.69	139	0.51	202	0.35	265	0.21	328	0.08
14	0.88	77	0.68	140	0.51	203	0.35	266	0.21	329	0.07
15	0.87	78	0.68	141	0.51	204	0.35	267	0.21	330	0.07
16	0.87	79	0.68	142	0.51	205	0.35	268	0.21	331	0.07
17	0.86	80	0.68	143	0.50	206	0.34	269	0.21	332	0.07
18	0.86	81	0.67	144	0.50	207	0.34	270	0.20	333	0.06
19	0.85	82	0.67	145	0.50	208	0.34	271	0.20	334	0.06
20	0.85	83	0.67	146	0.50	209	0.34	272	0.20	335	0.06
21	0.84	84	0.66	147	0.49	210	0.33	273	0.20	336	0.06
22	0.84	85	0.66	148	0.49	211	0.33	274	0.19	337	0.06
23	0.83	86	0.66	149	0.49	212	0.33	275	0.19	338	0.05
24	0.83	87	0.66	150	0.48	213	0.33	276	0.19	339	0.05
25	0.83	88	0.65	151	0.48	214	0.33	277	0.19	340	0.05
26	0.82	89	0.65	152	0.48	215	0.32	278	0.19	341	0.05
27	0.82	90	0.65	153	0.48	216	0.32	279	0.18	342	0.05
28	0.82	91	0.65	154	0.47	217	0.32	280	0.18	343	0.04
29	0.82	92	0.64	155	0.47	218	0.32	281	0.18	344	0.04
30	0.81	93	0.64	156	0.47	219	0.31	282	0.18	345	0.04
31	0.81	94	0.64	157	0.46	220	0.31	283	0.17	346	0.04
32	0.81	95	0.63	158	0.46	221	0.31	284	0.17	347	0.03
33	0.80	96	0.63	159	0.46	222	0.31	285	0.17	348	0.03
34	0.80	97	0.63	160	0.46	223	0.31	286	0.17	349	0.03
35	0.80	98	0.63	161	0.45	224	0.30	287	0.17	350	0.03
36	0.80	99	0.62	162	0.45	225	0.30	288	0.16	351	0.03
37	0.79	100	0.62	163	0.45	226	0.30	289	0.16	352	0.02
38	0.79	101	0.62	164	0.45	227	0.30	290	0.16	353	0.02
39	0.79	102	0.62	165	0.44	228	0.30	291	0.16	354	0.02
40	0.79	103	0.61	166	0.44	229	0.29	292	0.15	355	0.02
41	0.78	104	0.61	167	0.44	230	0.29	293	0.15	356	0.01
42	0.78	105	0.61	168	0.43	231	0.29	294	0.15	357	0.01
43	0.78	106	0.60	169	0.43	232	0.29	295	0.15	358	0.01
44	0.77	107	0.60	170	0.43	233	0.28	296	0.15	359	0.01
45	0.77	108	0.60	171	0.43	234	0.28	297	0.14	360	0.01
46	0.77	109	0.60	172	0.42	235	0.28	298	0.14	361	0.00
47	0.77	110	0.59	173	0.42	236	0.28	299	0.14	362	0.00
48	0.76	111	0.59	174	0.42	237	0.28	300	0.14	363	0.00
49	0.76	112	0.59	175	0.42	238	0.27	301	0.14	364	0.00
50	0.76	113	0.59	176	0.41	239	0.27	302	0.13	365	0.00
51	0.76	114	0.58	177	0.41	240	0.27	303	0.13		
52	0.75	115	0.58	178	0.41	241	0.27	304	0.13		
53	0.75	116	0.58	179	0.40	242	0.26	305	0.13		
54	0.75	117	0.57	180	0.40	243	0.26	306	0.12		
55	0.74	118	0.57	181	0.40	244	0.26	307	0.12		
56	0.74	119	0.57	182	0.40	245	0.26	308	0.12		
57	0.74	120	0.57	183	0.39	246	0.26	309	0.12		
58	0.74	121	0.56	184	0.39	247	0.25	310	0.12		
59	0.73	122	0.56	185	0.39	248	0.25	311	0.11		
60	0.73	123	0.56	186	0.39	249	0.25	312	0.11		
61	0.73	124	0.56	187	0.39	250	0.25	313	0.11		
62	0.73	125	0.55	188	0.38	251	0.24	314	0.11		
63	0.72	126	0.55	189	0.38	252	0.24	315	0.10		

Lloyd's endorsement (only to be used in conjunction with LSW1554 or an alternative subscription policy document containing the attributes of LSW1554)

PLEASE NOTE - This notice contains important information - PLEASE READ CAREFULLY

Whereas the Subscription Policy ("the Policy") has been entered into by the Coverholder in accordance with the authorization granted to the Coverholder by the underwriting members ("the members") of the Lloyd's syndicates as shown in the List of Subscribing Companies (and where the List of Subscribing Companies also notes the identity of the Coverholder);

Whereas the liability of each insurer under the Policy is several and not joint with other insurers party to the Policy;

The following additional provisions shall apply in respect of the participation of the members to the Policy. The following provisions are in addition to and not in substitution for the provisions, terms and condition as set out in the Policy (including any amendment or endorsement thereto).

Several liability

1. The proportion of liability under the Policy underwritten by the members of a Lloyd's syndicate (being the total of the proportions underwritten by all the members of the syndicate taken together) is as provided for in the binding authority agreement number shown in the List of Subscribing Companies, or which may be obtained on application to the Coverholder whose name is also noted in the List of Subscribing Companies.
2. In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total being the total of the proportions of the total shown for the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members or other insurers. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite the Policy. The business address of each member is Lloyd's, One Lime Street, EC3M 7HA, United Kingdom. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained in writing to Market Services, Lloyd's at the above address.
3. Although reference is made at various points in this endorsement to "the Policy" in the singular, where the circumstances so require this should be read as a reference to Policies in the plural.

Action Against Insurer

4. In any action to enforce the obligations of the members they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the members as if they had been individually named as defendant. Service of such proceedings may be validly made upon the attorney-in-fact in Canada for Lloyd's Underwriters, whose address for service is 1155, rue Metcalfe, Suite 2220, Montreal, Quebec, H3B 2V6

Notice

5. Any notice to the members may be validly given to the Coverholder whose signature and name appear in the List of Subscribing Companies.