

Policy Declarations Page

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE.

Policy Number: As Per Certificate of Insurance

Renewal Of: New

Item 1. Named Insured and Address:

Named Insured: As per Certificate of Insurance

	Street	City	Province	Postal Code
Mailing Address:	<u>As Per Certificate of Insurance</u>			

Location Address: As Per Certificate of Insurance

Item 2. Broker Name and Address

Broker Name Dion Insurance Program Management Inc.

Address 801-55 York Street, Toronto, ON M5J 1R7

Item 3: Policy Premium

Annual Policy Premium: As Per Certificate of Insurance

Minimum Retained Premium: \$100

Item 4. Policy Period:

Effective Date As Per Certificate of Insurance

Expiry Date: As Per Certificate of Insurance

Retroactive Date: Inception Date as Shown on Certificate of Insurance

12:01 am Standard Time at the mailing address of the Named Insured shown above.

Item 5. Description of Operations: Chamber of Commerce

Item 6. Summary of Coverages and Limits of Liability

Form No.	Form Title	Coverage	Limits of Liability	Deductible	Co-Ins		
00 CPR0251 56 04 18	The Chamber of Commerce Business Insurance Programs Combined Property and Liability Policy	Property and Business Interruption Coverage Part					
		Section I - Property Coverages					
		Location #1					
		"Building"	As per Certificate of Insurance		\$1,000	90%	
		"Contents of Every Description"	As per Certificate of Insurance		\$1,000	90%	
		"Sewer Back-Up"	Included		\$2,500		
		"Flood"	Included		\$10,000		
		"Earthquake"	Included		As per Certificate of Insurance		
		Section II Business Income					
		"Business Income"	Actual Loss Sustained		24 Hour Waiting Period		
		"Ordinary Payroll"	Included				
		Section III Definitions					
		Section IV - Loss Conditions					
		Section V - Special Basis of Settlement					
		Section VI - General Property and Business Interruption Conditions					
		Section VII - Supplemental Coverages		The Limits of Liability shown for the following Supplemental Coverages are in addition to the Limits of Liability for Section I - Property Coverages and Section II - Business Income.		Deductible for Supplemental Coverages follows the All Other Losses deductible for Section I - Property Coverages above unless specifically indicated otherwise below	
			Accounts Receivable	\$100,000			
			"Building" Damage by Theft	\$50,000			
			By-Laws Clause	Included			
			Catch All Clause	\$50,000			
			Commercial Condominium, Strata and Co-Ownership Unit Owners	\$25,000			
			Computer Equipment, Media and Programs	Included			
			Contingent Business Income	\$100,000			
			Earthquake Coverage	Included			
			Eco-Friendly Enhancement	\$50,000			
			Employees Personal Property	\$50,000			
			Exhibition Floater	\$100,000			
			Expediting Expenses	\$75,000			
			Exterior Signs and Glass	Included			
			Extra Expense	As per Certificate of Insurance		24 Hour Waiting Period	
			Fine Arts	\$100,000			
			Fines or Damages for Breach of Contract	\$25,000			
	Fire Department Service Charges	\$50,000					
00 CPR0251 56 04 18 - continued	The Chamber of Commerce Business Insurance Programs Combined Property and Liability Policy - continued	Inflation Protection	Included		24 Hour Waiting Period		
		Interruption by Civil Authority	4 consecutive weeks		48 consecutive Hours		
		Leasehold Interest	\$100,000				
		Master Key Coverage	\$25,000				
		Mortgage Rate Guarantee	\$100,000				

Newly Acquired Property ("Buildings" and "Equipment")	\$1,500,000	90 Days Reporting Period		
Off Premises Power	\$100,000		2 consecutive work days	
Outdoor Property	Included			
Pollution Clean Up and Removal	\$50,000			
Professional Fees	\$50,000			
Property in Transit	\$25,000			
Property Insured Not On Premises	\$100,000			
Recharge of Fire Protection Equipment	\$50,000			
Removal	25% of the total amount payable for direct physical loss to Property Insured.			
Reward Payments	\$10,000			
Sod, Trees, Shrubs and Plants	\$10,000			
Stated Amount Co-Insurance Clause	Included			
Valuable Papers and Records	\$500,000			
Section VIII - Equipment Breakdown				
Insuring Agreement a.	Follows Property Limit	any "One Breakdown"	\$500	
Insuring Agreement b.	Follows Business Income Limit		24 Hour Waiting Period	
Insuring Agreement c.	Follows Extra Expense Limit		24 Hour Waiting Period	
Expediting Expenses	\$10,000			
By-Laws	Included			
Professional Fees/Auditors Fees	\$50,000			
Service Interruption	30 consecutive days		24 Hour Waiting Period	
Hazardous Substance	\$25,000			
Comprehensive Crime Coverage Part				
Coverage A - Employee theft	\$100,000		\$1,000	
Coverage B - Customer Property	\$25,000		\$2,500	
Coverage C - Inside Premises	\$10,000		\$1,000	
Coverage D - Outside Premises	\$10,000		\$1,000	
Coverage E - Forgery or Alteration	\$100,000		\$1,000	
Coverage F - Computer Fraud or Fraudulent Transfer Instructions	\$100,000		\$1,000	
Coverage G - Currency Fraud	\$100,000		\$1,000	
Coverage H - Charge Card Forgery or Alteration	\$100,000		\$1,000	
Coverage J - Computer Restoration Costs Coverage	\$100,000		\$1,000	
Coverage K - Extortion	\$100,000		\$1,000	
Investigation Costs	\$50,000			

		Canada Commercial General Liability Coverage Part					
00 CPR0251 56 04 18 - continued	The Chamber of Commerce Business Insurance Programs Combined Property and Liability Policy - continued	Coverage A. "Bodily Injury" and "Property Damage" Liability	As per Certificate of Insurance	Each "Occurrence"	\$1,000		
		Coverage B. "Personal and Advertising Injury" Liability	Follows Coverage A	Sustained by any one person or organization			
		Coverage C. Medical Payments	\$25,000	"Bodily Injury" sustained by any one person			
		Coverage D. Tenants Legal Liability	\$2,000,000	"Property Damage" to any one premises	\$1,000		
		Products-Completed Operations Aggregate	Follows Coverage A				
		General Aggregate (other than Products-Completed Operations)	\$5,000,000				
00 CPR0015 56 10 10	Employee Benefits Liability Coverage Endorsement	Employee Benefits	\$2,000,000	Each Employee			
			\$2,000,000	Aggregate			
00 CPR0014 56 10 10	Employer's Liability Coverage Endorsement	Employers Liability	\$2,000,000	Each Accident			
			\$2,000,000	Aggregate			
00 CPR0018 56 10 10	Voluntary Compensation for an "Employee" of Insured (Canada Only)	Voluntary Compensation	As per Endorsement				
00 MLN0207 56 12 08	Fungi or Bacteria Exclusion Amendment Endorsement	Fungi and Bacteria	\$250,000				
00 CA0124 56 10 12	S.P.F. No. 6 Standard Non-Owned Automobile Policy	Non-Owned Automobile	As per Certificate of Insurance				
00 CA0117 56 08 10	S.E.F. No. 94 Legal Liability for Damage to Hired Automobiles Endorsement	SEF No 94	\$75,000				
00 CA0119 56 08 10	S.E.F. No. 96 Contractual Liability Endorsement	SEF No 96	Included				
00 CA0118 56 08 10	S.E.F. No. 99 Excluding Long Term Leased Vehicle Endorsement	SEF No 99	Included				
00 CPR0198 56 04 15	Network Security and Privacy Endorsement	Network Security Liability Coverage	\$250,000	Each Claim	\$1,000		
		Privacy Violation Liability Coverage	\$250,000	Each Claim			
		Cyber Extortion Coverage	\$25,000	Each Claim			
		Crisis Management Coverage	\$250,000	Each Claim			
		Business Interruption Coverage	\$250,000	Each Claim			
		Aggregate	\$250,000	Aggregate			
00 CPR0046 56 11 10	Canada Programs Commercial Liability Umbrella Policy	Commercial Umbrella Liability Coverage Part					
		Bodily Injury, Property Damage and Personal and Advertising Injury Liability	As per Certificate of Insurance	Each Occurrence	\$10,000 SIR		
		Products-Completed Operations Aggregate	As per Certificate of Insurance				
		General Aggregate					
		Schedule A. - Schedule of Underlying Insurance					
		Commercial General Liability Coverage Part		Each "Occurrence"			
				Sustained by any one person or organization			
				Products-Completed Operations Aggregate			
				General Aggregate			

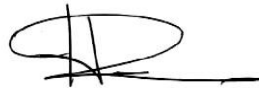
		Automobile Liability	As per Certificate of Insurance			
		Name of Insurer: Policy Number: Policy Period:	As per Certificate of Insurance			
00 CA066 56 12 08	Canada Standard Excess Automobile Policy (Third Party Liability Only)	Excess Automobile	See attached Supplemental Declaration Page.			
BSP0041225	Commercial Legal Expense Insurance	Employment Disputes	\$50,000		\$2,500	
		Legal Defense	\$50,000		Nil	
		Statutory License Protection	\$50,000		Nil	
		Contract Disputes & Debt Recovery	\$50,000		Nil	
		Property Protection	\$50,000		Nil	
		Bodily Injury	\$50,000		Nil	
		Tax Protection	\$25,000		\$500	
		Telephone Legal Advice Service	Unlimited		Nil	
		Aggregate Limit per Annual Period	\$250,000			

Item 7. Loss Payees

IN CONSIDERATION OF THE PAYMENT OF PREMIUM AND IN RELIANCE UPON STATEMENTS MADE IN THE APPLICATION, THIS



Patrick K. Nails
Secretary



Hugh Sturgess
CEO & President

Date: _____

Subscribing Companies	Participation	Premium
<u>Property and Liability Package</u> Arch Insurance Canada Limited	100%	Included
<u>Commercial Legal Expense Insurance</u> PFP Inc. DAS Legal Protection Insurance Company Limited	100%	Included

SUBSCRIPTION FORM

Whenever reference is made to "the Insurer" in this Policy or any forms or endorsements attached to this Policy, the reference shall be interpreted as being applicable severally to each of the Subscribing Insurers shown above.

The Subscribing Insurers shown above shall be liable severally and not jointly for their shares of :

- a. The "ultimate net Loss" for each "occurrence" to which this Policy applies, plus
- b. If applicable, any costs incurred for defence or settlement of the claim arising from the "occurrence", as more fully described in the Policy.

Under no circumstances shall a Subscribing Insurer be liable for more than its share of any loss, cost or expense.

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

In consideration of the Insured having paid or agreed to pay to each of the Insurers named in the list of Subscribing Carriers forming part hereof, or to Insurers whose names are substituted therefore or added thereto by endorsement, hereinafter called "THE INSURERS", the premium set against its name in the list of Subscribing Companies.

The Insurers severally and not jointly agree, each for the Participation set against its name in the list of Subscribing Companies, (subject to the terms and conditions contained herein or endorsed hereon, and which are to be taken as part of this Policy), that if the property insured described in the Declarations and forms attached hereto, or any part of such property be lost, destroyed or damaged by fire, lightning, or explosion of natural, coal or manufactured gas or such other Perils for which insurance is provided by the Terms of the Declarations and Forms attached hereto, at any time while this Policy is in force, the Insurers will indemnify the Insured against such direct loss or damage.

CANCELLATION AGREEMENT

The undersigned Insured named in this Policy hereby acknowledges the cancellation thereof effective as of _____, at 12:01 a.m. Standard Time at the Insured's address stated in the Declarations and agreed that all liability of the Insurer(s) thereunder with respect to accidents, losses, or damage occurring on and after that date is hereby terminated.

Name of Insured:

Policy No:

Mortgagee(s)

Insureds

THE CHAMBER OF COMMERCE BUSINESS INSURANCE PROGRAM COMBINED PROPERTY AND LIABILITY POLICY

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DECLARATIONS

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CLAIMS HANDLING PROCEDURES

An important value of your insurance coverage is the ability of the insurance company to respond when you have a claim. Arch Insurance Canada Ltd. is committed to providing its insureds with effective claim services.

Notices of each incident, claim or suit must be sent immediately to:

Arch Insurance Canada Ltd.
ATTN: Claims Department
77 King Street West
Suite 3600, P.O. Box 308
Toronto-Dominion Centre
Toronto, ON M5K 1K2

P (416) 309-8100
F (416) 309-8150

You will be contacted by a representative of the company's Claim Department. This representative will confirm receipt of the loss notice directly to you, provide a company claim number for all future correspondence, refer to legal counsel if necessary, and discuss handling of the claim.

STATUTORY CONDITIONS APPLICABLE TO ALL PROVINCES EXCEPT ALBERTA, BRITISH COLUMBIA AND QUEBEC

The following conditions are applicable to all Coverage Parts for the Provinces indicated, as they may apply:

The following conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy:

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 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 and Insolvency Act* (Canada) 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:

- a) This contract may be terminated,
 - (i) By the Insurer giving to the Insured fifteen days notice of termination by registered mail or five days written notice of termination personally delivered;
 - (ii) By the Insured at any time on request.
- b) Where this contract is terminated by the Insurer,
 - (i) 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

- (ii) 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.
- c) 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.
- d) The refund may be made by money, postal or express company money order or cheque payable at par.
- e) The fifteen days mentioned in Clause (i) of sub-condition (a) 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:

- a) 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.
 - (i) Forthwith give notice thereof in writing to the Insurer;
 - (ii) Deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (1) 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;
 - (2) 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;
 - (3) Stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;
 - (4) Showing the amount of other insurances and the names of other Insurers;
 - (5) 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;
 - (6) Showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - (7) Showing the place where the property insured was at the time of loss;
 - (iii) If required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - (iv) 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.

- b) The evidence furnished under Clauses (iii) and (iv) of subparagraph (a) 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:

- a) 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 thereto.
- b) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (1) 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 therefore is made in writing and until after proof of loss has been delivered.

12. WHEN LOSS PAYABLE:

The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

13. REPLACEMENT:

- a) 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 days after receipt of the proofs of loss.

- b) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five 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 twelve months next after the loss or damage occurs.

15. NOTICE:

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the 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.

SAMPLE

STATUTORY CONDITIONS APPLICABLE TO ALBERTA AND BRITISH COLUMBIA

The following conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy:

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 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.

STATUTORY CONDITIONS APPLICABLE TO QUEBEC

This Policy is subject to the Civil Code of the Province of Quebec when applicable. Reference to Civil Code articles in some instances is for ease of reading only and should not be construed as the Code's exact wording.

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) 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 or 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 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) 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) The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of 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) Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the 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 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 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) 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 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 primarily 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 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 of 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 of the 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.

COMMON POLICY CONDITIONS

All Coverage Parts included in this Policy are subject to the following Common Policy Conditions. These Common Policy Conditions apply to all Coverage Parts of this Policy, except as modified by the Statutory Conditions applicable to your Province(s)/Territory(ies). If there is any conflict between the Policy, any of its Coverage Parts, other endorsements to the Policy and these Common Policy Conditions, the terms providing the broadest coverage insurable under applicable law shall prevail.

Throughout these Common Policy Conditions and any Statutory Conditions applicable to this Policy, the words you, your and Insured refer to the Named Insured(s) shown in the Declarations and any other person(s) or organization(s) qualifying as a Named Insured under this Policy. The words we, us, our, and Insurer refer to the company providing this insurance.

A. Termination

1. The first Named Insured shown in the Declarations may terminate this Policy by mailing or delivering to us advance written notice of termination.
2. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - a. 15 days before the effective date of cancellation if we terminate for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we terminate for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of termination will state the effective date of termination. The Policy period will end on that date.
5. If this Policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata subject to any minimum retained premium specified and the standard cancellation penalty. The termination will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. 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 only 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.

C. 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.

D. Inspections And Surveys

1. We have the right to:

- a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake 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.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under federal, provincial or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. 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.

G. Canadian Currency Clause

All limits of liability, premiums and other amounts as expressed in this Policy are in Canadian currency. With respect to all "Premises" and property in the course of transit, if such coverage is applicable, premiums will be paid and losses will be adjusted and paid in Canadian currency.

H. Titles of Paragraphs

The several titles of the various paragraphs of this Policy (and of endorsements if any, now or hereafter attached to this Policy) are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which you relate.

I. References To Laws

Any law, statute, act, or code mentioned in this Policy shall be deemed to include all amendments of, and rules and regulations promulgated under, such law, statute, act, or code.

Any law, statute, act, or code mentioned in this Policy that is followed by the phrase "or any similar law" shall be deemed to include all similar laws of all jurisdictions throughout the world, including, without limitation, any common or civil law.

J. Subrogation

We shall, upon making any payment or assuming liability therefore under this Policy, be subrogated to your rights of recovery against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby 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 complete indemnity for the loss or damage suffered, that amount shall be divided between us and you in the proportion in which the loss or damage has been borne by each respectively.

Any release from liability entered into by you prior to loss or damage shall not affect your right to recover.

K. Liberalization

If, during the Policy period, the conditions included in this Policy are revised by us, or by applicable laws, to provide broader coverage at no increase in premium, your current policy will provide that additional coverage, automatically, as of the date the revision becomes effective.

L. Other Insurance

Coverage under this Policy shall apply only in excess of any other valid and collectible insurance regardless of whether such other insurance is stated to be excess, contributory, contingent or otherwise, unless such other insurance is written specifically excess of this Policy.

M. Application

You represent that the information contained in the Application for this Policy (including any information and materials submitted therewith or incorporated therein) is true, accurate and complete. This Policy is issued in reliance upon such Application. If the Application contains misrepresentations or omissions made with intent to deceive or that materially affect the acceptance of the risk or the hazard assumed by the Insurer, this Policy shall be void *ab initio* and shall not afford coverage for any Insured who knew on the inception date of this Policy the facts that were not truthfully disclosed in the Application, whether or not the Insured knew the Application contained such misrepresentation or omission.

With respect to the truth, accuracy and completeness of the information contained in the Application and consequent coverage available to the Insured under this Policy, knowledge possessed by the Insured's chairman of the board, chief executive officer, president, chief operating officer, chief financial officer, limited liability company manager, or anyone signing the Application shall be imputed to all Insured.

N. Suits Against Us

No suit or other proceeding shall be commenced by you against us unless there shall have been full compliance with all the terms and conditions of this Policy.

No person or organization shall have any right under this Policy to join us as a party to any claim against you nor shall we be impleaded by you in any claim.

O. Entire Agreement

This Policy, including the Declarations, written endorsements, and the Application for this Policy shall constitute the entire agreement between us and you regarding the insurance provided hereunder.

P. Assignment

Assignment of any interest under this Policy shall not bind us unless such assignment is acknowledged by a written endorsement issued by us.

Q. Notices

Notices to you shall be sent to the Named Insured at the address specified in Item 1 of the Declarations.

Notices to us shall be sent to the applicable address specified in the Declarations and become effective upon receipt at such address.

All notices shall be in writing.

SAMPLE

PROPERTY AND BUSINESS INTERRUPTION COVERAGE PART

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties, and what is and is not covered. All references in this Coverage Part to "Policy" apply only to this PROPERTY AND BUSINESS INTERRUPTION COVERAGE PART.

Throughout the Policy, the words you and your refer to the Named Insured(s) shown in the Policy Declarations Page and any other person(s) or organization(s) qualifying as a Named Insured under this Policy. The words we, us, and our, refer to the company providing this insurance. Words and phrases which appear in quotation marks are defined terms. Please refer to Section III-Definitions.

In consideration of the payment of the premium, in reliance upon the statements in the Application and any attachments thereto which form part of this Policy and subject to all the Policy terms and endorsements attached thereto we agree with you as follows:

SECTION I – PROPERTY COVERAGES

1. Indemnity Agreement

In the event of loss of or damage to Property Insured during the Policy Period, by the Perils Insured by this Policy, subject to all the terms of this Policy, we will indemnify you against the direct loss of or damage to Property Insured; provided however, the amount we will pay is limited to the least of:

- a. the "replacement cost" of the Property Insured at the time of loss or damage, as determined in Condition 3. Valuation of Section IV- Loss Conditions;
- b. your interest in the Property Insured; or
- c. the amount of insurance provided by this Policy 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 our total liability for loss or damage sustained by all such persons and interests shall be limited to the specific applicable Limit of Liability as shown on the Declarations Page.

2. Limits of Liability

- a. Subject to any extensions of coverage specifically attached to and forming part of this Policy providing an additional amount of insurance, our liability under this Policy for all loss, damage and expense arising out of an "Occurrence" shall not exceed the amount shown on the Declarations Page irrespective of whether such loss, damage or expense is caused by one or more Perils Insured.

b. Deductible

Unless stated otherwise in an endorsement or extension of coverage, the following shall apply to all coverages:

- (1) We shall not pay for loss, damage or expense for any one "Occurrence" until the amount of loss, damage or expense exceeds the applicable Deductible shown on the Declarations Page. We will pay the amount of loss, damage or expense in excess of the Deductible, up to the applicable Limit of Liability.
- (2) If more than one Deductible applies to an "Occurrence", the Deductible will not exceed the largest applicable Deductible.

In respect of:

(i) "Sewer Back-Up"

The Deductible indicated on the Declarations Page for "Building", "Equipment", "Stock", "Contents of Every Description" and "Property of Every Description" applies unless a separate "Sewer Back-up" Deductible is indicated on the Declarations Page.

(ii) "Flood"

The Deductible indicated on the Declarations Page for "Building", "Equipment", "Stock", "Contents of Every Description" and "Property of Every Description" applies unless a separate "Flood" Deductible is indicated on the Declarations Page.

If the Declarations Page indicates that the Deductible shall be a percentage of the gross loss, we will have no obligation to pay for loss, damage or expense until you have paid the indicated percentage of the gross amount of loss. If the dollar amount of such percentage is less than the indicated minimum Deductible, the minimum Deductible will be the applicable Deductible.

3. Co-Insurance Clause

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

You shall maintain insurance concurrent with this insurance on the Property Insured to the extent of at least the co-insurance percentage specified on the Declarations Page, and, failing so to do, shall only be entitled to recover that portion of any loss, damage or expense that the amount of insurance in force at the time of such loss, damage or expense bears to the amount of insurance required to be maintained by this clause.

4. Territory

This Policy applies to Property Insured when situated anywhere in Canada and the Continental United States of America including their respective provinces, territories and possessions.

5. Property Insured

This Policy insures the following property, provided an amount of insurance is shown on the Declarations Page for such property and provided it is located at "Premises" and it is owned, leased or occupied by you, or for which you are legally liable or have assumed liability, or which you have agreed, prior to the loss, to provide insurance:

- a. "Building";
- b. "Equipment";
- c. "Stock";
- d. "Property of Every Description"; and
- e. "Contents of Every Description".

6. Perils Insured

This Policy, except as otherwise provided, insures against all risks of direct physical loss of or damage to Property Insured not caused by Perils Excluded under this Policy.

7. Property Excluded

Except as otherwise provided in Section VII—Supplemental Coverages or Section VIII—Equipment Breakdown Coverage, this Policy does not insure loss of or damage to:

- a. electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- b. growing plants, trees, shrubs or flowers all while in the open;
- c. live animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by “Named Perils”, provided such perils are not excluded in this Policy;
- d. money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- e. automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in your “Business” solely while on your “Premises”;
- f. furs, fur garments, jewelry, costume jewelry, watches, pearls, and precious or semi-precious stones;
- g. 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;
- h. property in transit;
- i. property sold by you under conditional sale, installment payment or other deferred payment plan, from the time of leaving your custody. This exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at your risk, or if you are responsible at law to insure;
- j. property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- k. underground mines or mine shafts or any property within such mine or shaft;
- l. land, land value or ground or surface water;
- m. loss of or damage, whether direct or indirect, to any Property Insured, in which there is any activity relating to either the growing, cultivating, harvesting, processing, manufacturing, distribution or sale of any substance or substances falling within the Schedules of the federal *Controlled Drugs and Substances Act*, S.C. 1996, c.19 and/or the *Narcotic Control Regulations* C.R.C., c. 1041 (as amended from time to time), whether or not you are aware of such activity;

- n. sewers, drains or water mains located outside your “Premises” unless you are legally responsible under contract for such sewer, drains or water mains;
- o. dams, dikes, docks, piers, or wharves;
- p. roadways, walkways and pavements;
- q. transmission and distribution lines;
- r. property at “Premises” that are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- s. cigarettes, cigars or other tobacco products caused directly or indirectly by theft;
- t.
 - (1) any pressure vessel having normal internal working pressure greater than 103 kilo pascals (15 pounds per square inch) above atmospheric pressure;
 - (2) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (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, but this exclusion does not apply to:
 - (i) manually portable gas cylinders;
 - (ii) explosion of natural coal or manufactured gas; or
 - (iii) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
- u. glassware, statuary, marble, bric-a-brac, porcelains and articles of a fragile or brittle nature, but this exclusion does not apply to:
 - (1) bottles or similar containers of property for sale, or sold but not delivered, or medical or scientific instruments or equipment;
 - (2) any loss or damage caused directly by a “Named Peril”;
- v. brick, stone or concrete foundations.

8. Perils Excluded

Except as otherwise provided in Section VII–Supplemental Coverages or Section VIII–Equipment Breakdown Coverage, this Policy does not insure against loss or damage directly or indirectly resulting from or caused by:

- a. seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, unless caused by or resulting in a peril not excluded elsewhere in this Policy;
- b. centrifugal force, mechanical, contamination or electrical breakdown or derangement in or on the “Premises”, unless caused by or resulting in a peril not excluded elsewhere in this Policy;
- c. loss or damage due to changes, whether atmospheric or not, in:

- (1) temperature;
 - (2) relative humidity;
 - (3) contamination;
 - (4) freezing;
 - (5) heating;
 - (6) evaporation;
 - (7) loss of weight;
 - (8) leakage of contents; or
 - (9) exposure to light;
- d. shrinkage, unless the direct result of other physical damage not excluded elsewhere in this Policy;
- e. changes in color, flavor, texture or finish, unless the direct result of other physical damage not excluded elsewhere in this Policy;
- f. the entrance of rain, sleet or snow through doors, windows, skylights or any other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not excluded elsewhere in this Policy;
- g. settling, expansion, contraction, moving, shifting or cracking of:
- (1) foundations (including any pedestal, pad, platform or other property supporting machinery);
 - (2) building components including, but not limited to, floors, pavements, walls, ceilings and roofs;
- unless concurrently and directly caused or resulting from a peril not excluded elsewhere in this Policy;
- h. smog, vapor, gas or smoke from agricultural smudging or industrial operations;
- i. rodents, insects, bats, skunks or vermin, provided that this exclusion will not apply to ensuing damage caused directly by a peril not excluded elsewhere in this Policy;
- j. delay, loss of market, or loss of use or occupancy;
- k. the voluntary parting with title or possession of property if induced by any fraudulent act or false pretense;
- l. civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power and this exclusion applies whether or not there are one or more causes or events (whether covered or not) that continuously, concurrently or in any sequence to the occasioning of the loss or damage;

- m. (1) any nuclear incident as defined in the *Nuclear Liability Act*, R.S.C., 1985, c.N-28, or any other nuclear liability act, law or statute, or any amendment thereto or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (2) contamination by any type of radioactive material;
- n. any dishonest or criminal act, including, but not limited to theft, committed by you, your employees or agents, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage caused directly by your employees not excluded elsewhere in this Policy;
- o. loss arising from enforcement of any law, by-law, regulation or ordinance:
 - (1) regulating the construction, repair, replacement, rebuild use or removal, including debris removal, of any property; or
 - (2) requiring demolition of any property, including the cost in removing its debris;
- p. explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by you, whilst ready and connected for use, unless a peril not excluded elsewhere in this Policy ensues and then only for the loss or damage caused by such ensuing peril:
 - (1) 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;
 - (2) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure; or
 - (3) 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 Kilo-Pascals (15 pounds per square inch) above atmospheric pressure;but these exclusions (1), (2) and (3) above do not apply to loss or damage resulting from the explosion of manually portable gas cylinders, or to loss or damage resulting from the explosion of gas and/or non-consumed fuel within the furnace of boilers or within the gas passages therefrom to the atmosphere, or to the explosion of any pressure vessel having an internal diameter of 610 millimeters (24 inches) or less, used for the heating and/or storage of hot water for domestic use;
 - (4) moving, production or rotating machinery or any parts thereof;
 - (5) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion; or
 - (6) gas turbines;
- q. any Act of Terrorism, as defined herein, or any loss, damage, cost or expense contributed to by, resulting from, or arising out of 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;

An Act of Terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

- (1) involves violence against one or more persons; or
- (2) involves damage to property; or
- (3) endangers life other than that of the person committing the action; or
- (4) creates a risks to health or safety of the public or a section of the public; or
- (5) is designed to interfere with or to disrupt an electronic system;

this Policy also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action or decision of a government agency or entity in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism;

r. "Earth Movement".

Nor Does This Policy Insure:

- s. rust, corrosion, erosion, wear and tear, gradual deterioration, developing flaws, depletion, as well as hidden or latent defect, inherent vice; or any quality in property that causes it to damage or destroy itself, provided, however, to the extent otherwise insured and not excluded elsewhere in this Policy, resultant damage to the property is insured;
- t. the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded elsewhere in this Policy, resultant damage to the property is insured;
- u. mysterious disappearance of any type nor shortage of "Equipment" or "Stock" disclosed on taking inventory;
- v. disturbance or erasure of electronic recordings by electric or magnetic injury, except by lightning;
- w. loss or damage sustained to "Building", "Equipment", "Stock", "Property of Every Description" or "Contents of Every Description" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing unless resulting from a peril not excluded elsewhere in this Policy and then only for the loss or damage caused by such ensuing peril;
- x. loss, damage, costs or expenses in connection with any kind or description of spill, seepage and/or pollution and/or contamination, direct or indirect, arising from, or caused or contributed to or made worse by actual, alleged or threatened release, discharge, introduction, escape, migration, leakage or dispersal of contaminants or "Pollutants", all whether direct or indirect, proximate or remote or in whole or in part caused, contributed to or aggravated by any physical damage insured by this Policy;

If a fire arises directly or indirectly from seepage and/or contaminants or "Pollutants", any loss or damage insured under this Policy arising directly from the fire is insured, subject to the provisions of this Policy;

"Pollutants" means any material, whether solid, liquid, vapour, gaseous or otherwise, which, after its release, discharge, introduction, escape or dispersal, can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to Property Insured hereunder;

This exclusion shall not apply to loss or damage directly caused by fire, lightning, aircraft impact, explosion, riot, civil commotion, vehicle impact, windstorm, hail, vandalism, malicious mischief or accidental discharge from automatic fire suppression equipment, or to an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of contaminants or "Pollutants", provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of contaminants or "Pollutants":

- (1) results in the injurious presence of contaminants or "Pollutants" in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and
 - (2) is detected within 120 hours after the commencement of the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
 - (3) is reported to us within 120 hours of being detected; and
 - (4) does not occur in a quantity or with a quality that is routine or usual to your "Business";
- y. 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. However, in the event that a peril listed below results from any such matters, this Policy, subject to all its terms will cover physical damage occurring during the Policy Period to Property Insured by this Policy directly caused by such listed peril;

Listed Perils:

- (1) fire;
- (2) explosion;

Should "Electronic Data" processing media insured by this Policy suffer physical loss or damage 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 you or any other party, even if the "Electronic Data" cannot be recreated, gathered or assembled;

- z. loss or damage, directly or indirectly caused by, consisting of, or arising from, the failure of any "Computer Equipment", "Electronic Data" processing equipment or media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether your property or not, and whether occurring before, during or after the year 2000 that results from the inability to:

- (1) correctly recognize any date as its true calendar date;
- (2) capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; and/or
- (3) capture, save, retain or 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 correctly process such data on or after any date;

it is further understood that we will not pay for the repair or modification of any part of an "Electronic Data" processing system or its related equipment, to correct deficiencies or features of logic or operations;

Nor shall we pay for any loss or damage arising from the willful or malicious alteration, manipulation or destruction by your employee, including a temporary or leased employee, or any entity retained by you to inspect, design, install, modify, repair or replace computer systems or components or operator or program errors;

Nor shall we pay for any loss or damage arising from the failure, inadequacy, or malfunction of any advice, consultation, design, evaluation, inspection, maintenance, repair or supervision done by you for yourself or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in paragraphs (1), (2), and/or (3) above;

Any loss or damage described above is excluded regardless of any other cause that contributed concurrently or in any other sequence;

However, any subsequent loss or damage, not otherwise excluded and arising directly from a Peril Insured, shall be insured subject to the provisions of this Policy; and

aa. the cost or expense arising out of testing for, monitoring or, clean up, removal, containment or treatment of asbestos material, whether or not the asbestos is:

- (1) airborne as a fiber or particle;
- (2) contained in a product;
- (3) carried on clothing or transmitted in any fashion whatsoever, or
- (4) contained in any part of any building, building material, insulation, insulation material or any component part of any building;

It is further understood that we will not pay for demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos;

Nor shall we pay for any government direction declaring that asbestos material present in or part of or utilized on any portion of the contract works must be removed or modified; then it should be small, not capital letters.

bb. by any loss, destruction, damage or expense consisting of, caused by, contributed to, or aggravated by mold, moss, mildew, fungi, spores, bacteria infestation or any similar organism, anthrax, small pox, viruses of all kinds, wet or dry rot and extremes of temperature or humidity, whether directly or indirectly the result of a Peril Insured;

This includes, but is not limited to, the cost for investigation, testing, remediation services, extra expense or business interruption;

Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. If loss otherwise covered by this Policy occurs and the cost of removal of debris is increased due to the presence of rust, mold, moss, fungus, bacterial infestation, wet or dry rot and extremes of temperature or humidity, this Policy will only be liable for the costs of debris removal which would have been incurred had no such factors been present in, on or about the Property Insured to be removed;

SECTION II – BUSINESS INCOME

1. Indemnity Agreement

In the event that the “Business” shall be necessarily interrupted as a direct result of “Insured Damage”, we shall, subject to all the terms of this Policy, pay to you the actual loss of “Business Income” suffered during the “Indemnity Period” in consequence thereof, in accordance with the terms of this Policy.

2. Limit of Liability

Regardless of the number of persons and interests insured under this Policy, we shall not be liable to pay “Business Income” that is more than the applicable Limit of Liability specified on the Declarations Page for all loss and expense under this Section, arising out of “Insured Damage”, whether such “Insured Damage” is caused by one or more Perils. We will not pay “Business Income” loss until the amount of such loss exceeds the applicable Deductible as shown on the Declarations Page and the deductible has been paid. Our obligation to pay “Business Income” is subject to all terms of this Policy.

3. Co-Insurance Clause

We shall not be liable for a greater proportion of any loss than the amount of insurance specified on the Declarations Page bears to 80% of the amount produced by multiplying the “Annual Revenue” by the “Business Income Percentage”.

4. Perils Insured

We will only pay “Business Income” loss resulting from direct physical loss or damage caused by a Peril Insured as set out in Section I – Property Coverages. We will not pay “Business Income” loss which is directly or indirectly caused by or resulting from any Perils Excluded and Property Excluded set out in Section I – Property Coverages of this Policy.

5. Additional Exclusion

We shall not be liable under this Policy for “Business Income” loss consisting of fines (whether statutory or otherwise) or liquidated or other damages payable pursuant to a contract or for breach of contract or amounts payable for late or non-completion of orders, or for any penalties whether statutory, contractual or of whatever nature.

6. Measurement of Loss

Subject to the amount of insurance stated on the Declarations, our liability under this Section II – Business Income is limited to loss of “Business Income” due to a. Reduction of “Revenue” and b. Increase in Cost of Operations and the amount payable will be:

- a. IN RESPECT OF REDUCTION OF “REVENUE”: The amount obtained by multiplying the “Revenue Shortfall” by the “Business Income Percentage”;
- b. IN RESPECT OF INCREASE IN COST OF OPERATIONS: The additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the reduction in revenue which but for that expenditure would have taken place during the “Indemnity Period” in consequence of the “Insured Damage”, but not exceeding the sum obtained by multiplying the amount of the reduction thereby avoided by the “Business Income Percentage”, less any sum saved during the “Indemnity Period” in respect of such of the charges and expenses of the “Business” payable out of “Business Income” as may cease or be reduced in consequence of the “Insured Damage”.

7. Payroll Options

This clause applies only when an amount is shown on the Declarations Page for “Ordinary Payroll”.

“Ordinary Payroll” is insured for a period of time not exceeding ninety (90) consecutive days immediately following the date of “Insured Damage”, which may continue during a total or partial suspension of business, insuring only to the extent necessary to resume your “Normal Business” with the same quality of service which existed immediately preceding the “Insured Damage”, and which would have been earned had no “Insured Damage” occurred.

We shall not be liable, in event of loss, for greater proportion of the loss under this clause that the amount hereby insured under this clause bears to 80% of “Ordinary Payroll” that would have been earned (had no “Insured Damage” occurred) during the ninety (90) consecutive days immediately following the date of “Insured Damage”.

8. Alternate Trading

If during the “Indemnity Period” goods shall be sold or services shall be rendered elsewhere than at the “Premises” for the benefit of the “Business”, either by you or by others on your behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the “Revenue” during the “Indemnity Period”.

SECTION III – DEFINITIONS

Wherever used in this Policy:

1. “Annual Revenue”: means the “Revenue” during the twelve (12) months immediately before the date of the “Insured Damage”.
2. “Building”: means:
 - a. the building(s) described in the Declarations Page;
 - b. fixed structures pertaining to the building(s) and located on the “Premises”;
 - c. additions and extensions communicating and in contact with the building(s) on “Premises”;

- d. permanent fittings and fixtures attached to and forming part of the building(s);
 - e. materials, equipment and supplies on the "Premises" for normal maintenance repairs, and minor alternations to the building(s) or for building services;
 - f. growing plants, trees, shrubs or flowers inside the building(s) used for decorative purposes when the Insured is the owner of the building(s) up to a maximum amount of \$2,000 (two thousand dollars).
3. "Business": means your business as specified on the Declarations Page.
4. "Business Income": means the amount by which:
- a. the sum of the "Revenue" and the amounts of closing stock and work in progress is greater than
 - b. the sum of the amounts of opening stock and work in progress and the amount of "Variable Operating Expenses".
- The amounts of opening and closing stocks and work in progress shall be arrived at in accordance with the normal accountancy methods, due provision being made for depreciation.
5. "Business Income Percentage": means the percentage obtained by dividing the "Business Income" by the "Revenue" during the financial year immediately before the date of the "Insured Damage".
6. "Computer Equipment" means the physical aspects of the computer; the computer parts that are tangible (monitor, mouse, key board, processor, printer, audio speakers, etc. and the cables, connectors and power supply units).
7. "Computer Virus" means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized 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'.
8. "Contents of Every Description": means "Equipment" or "Stock".
9. "Earth Movement" means any natural or man-made earth movement including, but not limited to collapse, normal settling, snow slide, mudslide, subsidence, volcanic eruption, tidal wave or tsunami, earthquake or landslide, regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical damage by fire, explosion, sprinkler leakage or "Flood" resulting from "Earth Movement" will not be considered to be loss by "Earth Movement" within the terms and conditions of this Policy.
10. "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 programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment
11. "Equipment": means;
- a. all contents kept and in use by you and usual to your "Business" including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "Building" or "Stock" as herein defined;

17. "Insured Damage": means the direct physical loss of or damage to Property Insured at the "Premises" from a Peril Insured.

18. "Media" means "Electronic Data" storage material divided into three broad categories according to the recording method: (1) Magnetic, such as diskettes, disks, tapes; (2) Optical, such as microfiche; and (3) Magneto-Optical, such as CDs and DVDs.

19. "Named Perils" means:

a. FIRE OR LIGHTENING;

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 you:

(1) 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;

(2) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;

(3) 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 therefrom;

(4) smelt dissolving tanks;

(5) 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;

(6) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;

(7) 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;

(8) gas turbines.

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

(i) electric arcing or any coincident rupture of electrical equipment due to such arcing;

(ii) bursting or rupture caused by hydrostatic pressure or freezing;

(iii) 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 used herein include articles dropped therefrom.

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

- (1) caused by land vehicles belonging to or under your control or any of your employees;
- (2) to aircraft, spacecraft or land vehicles causing the loss or damage;
- (3) 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 in no event be any liability hereunder for loss or damage:

- (1) due to cessation of work or by the interruption to the regular process of the "Business" operations;
- (2) due to changes, whether atmospheric or not, in:
 - (i) temperature; or
 - (ii) relative humidity;
- (3) 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;
- (4) due to theft or attempt thereat.

- e. SMOKE means smoke or vapours due to a sudden, accidental, 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" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "Premises" 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:

- (1) to the interior of the "Buildings" insured or their "Contents of Every Description" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
- (2) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, high water, overflow, "Flood", waterborne objects, ice, land subsidence, or landslide.

20. "Normal": means the condition that would have existed had no loss or damage occurred.

21. "Occurrence" means loss of or damage to Property Insured not foreseen, expected or intended in any way by you. For the purpose of this insurance, where a series of losses or damages occur which are attributable directly or indirectly to one disaster or event, all such losses or damages shall be added together and treated as one "Occurrence".

Notwithstanding the foregoing any and all losses arising out of or contributed to by the perils of riot, riot attending a strike, vandalism, malicious acts, civil commotion, malicious mischief, atmospheric disturbance, or windstorm occurring within a seventy-two (72) hour period shall be deemed to be one "Occurrence" hereunder. We shall be liable for any loss or damage caused by such peril occurring for a period of up to seventy-two (72) hours after the expiration of this Policy provided that the inception of the riot, strike, vandalism, malicious acts, civil commotion, malicious mischief, atmospheric disturbance or windstorm occurs prior to the expiration of this Policy.

22. "Ordinary Payroll": means the entire payroll expense for all your employees, except officers, executives, department managers and employees under contract whose services would not be dispensed with should the "Business" be interfered with or interrupted.
23. "Premises": means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the Declarations Page and includes vehicles within 100 metres (328 feet) of such locations.
24. "Programs" means a sequence of instructions that a computer can interpret and execute which is then used in electronic version stored or executed on the computer.
25. "Property of Every Description": means "Building", "Equipment" and "Stock" as defined herein.
26. "Replacement Cost" meaning the cost of repairing, replacing or reinstating (whichever is the least) with new material of like kind and quality without deduction for depreciation for Property Insured on the same "Premises" with comparable items used for same purpose.
27. "Revenue": means the money paid or payable to you for goods sold and delivered and for services rendered in course of the "Business" at the "Premises" after allowing for returns and discounts.
28. "Revenue Shortfall": means the amount by which the "Revenue" during the "Indemnity Period" in consequence of the "Insured Damage" falls short of the "Expected Revenue".
29. "Sewer Back-Up": means water which causes "Insured Damage" caused directly by the backing up of sewers, sumps, septic tanks or drains including eaves troughs and downspouts.
30. "Stock": means:
 - a. merchandise of every description kept and used by you and usual to your "Business";
 - b. packing, wrapping and advertising materials kept and used by you and usual to your "Business"; and
 - c. similar property belonging to others which you are under obligation to keep insured or for which you are legally liable.
31. "Variable Operating Expenses": means:
 - a. all purchases (less discounts received);
 - b. packing materials;
 - c. delivery and freight (other than by owned vehicles); and
 - d. "Ordinary Payroll".

The words and expressions used in this definition shall have the meaning usually attached to them in your books and accounts.

Applicable to Section III – Definitions, subsection 1., 5. and 12. above, such adjustments shall be made as may be necessary to provide for the trend of the “Business” and for variations in or other circumstances affecting the “Business” either before or after the “Insured Damage” or which would have affected the “Business” had the “Insured Damage” not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the “Insured Damage” would have been obtained during the relative period after the “Insured Damage”.

SECTION IV – LOSS CONDITIONS

1. Duties In The Event Of Loss Or Damage

In the event of loss of or damage to Property Insured, you shall:

- a.** Notify the police if a law may have been broken;
- b.** In the event of theft, provide us with a police report or a report which was submitted to the appropriate civil authorities;
- c.** Give us prompt written notice of the loss or damage and include a description of the Property Insured involved;
- d.** As soon as possible, give us a description of how, when, and where the loss or damage occurred;
- e.** Take all reasonable steps to protect the Property Insured from further damage. If feasible, set the damaged Property Insured aside and in the best possible order for examination. You shall also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim;
- f.** At our request, give us complete inventories of the damaged and undamaged Property Insured. Include quantities, costs, values, and amount of loss claimed;
- g.** Permit us to inspect the Property Insured and records proving the loss or damage and take samples of Property Insured for inspections, testing, and analysis;
- h.** If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records;
- i.** Send us a signed, sworn proof of loss containing the information we request to investigate the claim. We shall supply you with the necessary forms; and
- j.** Cooperate with us in the investigation or settlement of the claim.

2. Loss Payment

- a.** In the event of loss or damage covered by this Policy, at our option, we shall do one of the following:
 - (1)** Pay the value of lost or damaged Property Insured as determined in accordance with Condition 3. Valuation of this Section.

- (2) Take all or any part of the Property Insured at an agreed or appraised value.
- b. We shall not pay you more than your financial interest in the Property Insured.
- c. We may adjust losses with the owners of lost or damaged Property Insured if other than you. If we pay the owners, such payments shall satisfy your claims against us for the owners' Property Insured. We shall not pay the owners more than their financial interest in the Property Insured.
- d. Provided we determine that the claim falls within coverage provided by this Policy, we shall pay for covered loss or damage within thirty (30) days after:
 - (1) You have complied with all of the terms of this Policy; and
 - (2) (i) We have reached an agreement with you on the amount of loss or damage; or
 - (ii) An appraisal award has been made.
- e. In any event of loss of or damage to Property Insured, the most we shall pay is the applicable Limit of Liability.

3. Valuation

We agree to pay you "Replacement Cost", being the cost of repairing, replacing or reinstating (whichever is the least) with new material of like kind and quality without deduction for depreciation. The foregoing agreement shall be subject otherwise to all the terms of the Policy (including any Endorsements) and to the following additional provisions:

- a. the repair, or replacement must be executed with due diligence and dispatch;
- b. until repair, replacement or reinstatement has been effected the amount of liability under this Policy in respect to the loss or damage shall be limited to the actual cash value, but then our liability shall in no event exceed the actual expenditure for repairs, replacement or reinstatement;
- c. if repair, replacement or reinstatement with material of like kind and quality is restricted or prohibited by any bylaw, ordinance or law, any increased cost of repair, replacement or reinstatement due thereto shall not be covered by this clause except as provided by the By-laws Clause in the Section VII – Supplemental Coverages;
- d. any other insurance effected by or on behalf of you in respect to the Perils Insured against by this Policy on the property to which this clause is applicable, shall be upon the identical basis of "Replacement Cost" as set forth herein;
- e. failing compliance by you with the obligations imposed by any of the foregoing provisions, this clause shall be null and void and the valuation shall be based on the actual cash value of the property at the time of loss or damage;
- f. in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purpose of this Policy, but in no event shall this be considered as a betterment to you;
- g. in the event of replacement with new property, we will pay the cost of purchasing and installing technologically current equipment, which is necessitated by incompatibility between new

equipment installed to replace damaged or destroyed equipment and, undamaged existing equipment at the same or an interdependent location; provided that:

- (1) damage or destruction was directly caused by a Peril Insured against;
- (2) we shall be liable only for the amount sufficient to enable you to resume operations in substantially the same manner as before the loss or damage,
- (3) we shall be liable for only the difference between:
 - (i) the highest sales value of the undamaged existing equipment at the same or interdependent location, and
 - (ii) the installed cost of the technologically current equipment;
- (4) for the purposes of the Deductible, the loss or damage, and the necessity to replace incompatible equipment shall be regarded as one "Occurrence".

SECTION V – SPECIAL BASIS OF SETTLEMENT

1. Records:

Our liability for loss or damage to:

- a. books of account, drawings, card index systems and other records, other than as described in b. below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
- b. "Media", data storage devices, and program devices for electronic and electromechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such "Media", data storage devices and program devices from duplicates or from originals of the previous generation of the "Media", but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction.

2. Brands and Labels:

If branded or labeled merchandise covered by this Policy is damaged and we elect to take all or any part of such merchandise at the value established by the terms of this Policy, you may, at our expense, subject to a maximum limit of liability of \$100,000, stamp salvage on the merchandise or its containers or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the merchandise, but you must re-label the merchandise or containers in compliance with the requirements of the law.

3. Replacement Cost Exclusions

Notwithstanding any other term of this Policy, we will not pay "Replacement Cost" for:

- 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. manuscripts and records, including books of account, drawings, card index systems and other records, "Media", data storage devices, and program devices for electronic electromechanical data processing or for electronically controlled equipment; and
- e. any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

4. Property of Others

On improvements and betterments, our liability shall be determined as follows:

- a. if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but in no event exceeding the "Replacement Cost" of the improvements and betterment immediately prior to the time of loss or damage;
- b. if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed improvements and betterment, which the non-expired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such improvements and betterment were made to the expiration date of the lease.

In respect of all other property of others, settlement shall be based upon the amount for which you are legally liable including the value of services performed by you up to the time of loss or damage.

5. Stock

Our liability for loss or damage to:

- a. "Stock" in process shall not exceed the value of raw materials and labor;
- b. finished goods manufactured by you shall not exceed the regular cash selling price at the "Premises" where the loss occurs, less all discount charges and allowances; and
- c. materials, supplies and other merchandise not manufactured by you shall not exceed the "Replacement Cost".

6. Fine Arts

"Fine Arts" are valued at the appraised value at the time of loss or damage, or if there is no appraisal at the greater of:

- a. The original acquisition cost; or
- b. The market value at the time of loss or damage.

7. "Computer Equipment", "Media", and "Programs"

Loss payment shall be determined as follows:

a. "Computer Equipment"

We shall pay the total cost to repair or replace the damaged property without deduction for depreciation. However, we will not pay more than the smallest of the following:

- (1) The actual cost to repair or replace the lost or damaged property with new property of the same kind, quality and capability, on the same site and used for the same purpose;
- (2) The Limit of Liability shown on the Declarations Page for the damaged property.

b. "Programs" are valued at the actual cost to reproduce the "Programs", if you are actually reproducing the "Programs". We will also pay any reasonable additional expense that you may incur in reproducing the "Programs" to continue your normal computer operations. The most we will pay for this coverage is the Limit of Liability shown in the Declarations Page.

c. "Media" items are valued at actual cost to repair or replace with similar like, kind and quality, up to the Limit of Liability shown in the Declarations Page.

SECTION VI – GENERAL PROPERTY AND BUSINESS INTERRUPTION CONDITIONS

1. Breach of Conditions

Where loss or damage occurs and there has been a breach of a condition of this Policy relating to matter(s) before the happening of such loss or damage of which the breach would disentitle you to recover, the breach shall not disentitle you from recovery if you establish that such loss or damage was not caused by or contributed to by the breach in any way or if the breach occurred in any portion of the "Premises" which you have no control.

2. No Control

This Policy shall not be voided by failure to comply with any of its warranties or conditions in any portion of the "Premises" over which you have neither knowledge nor control.

3. Time

It is agreed that the phrase "12:01 a.m." as used with reference to the beginning and ending of this Policy shall mean 12:01 a.m. Standard Time, at the place where the Property Insured is located.

4. Loss Procedures

a. Notice of Occurrence

You shall, as soon as practicable, after knowledge has been received by your Controller, or similarly held position, at your head office, report to us every "Occurrence" which may become a claim under this Policy and shall also file with us a detailed sworn proof of loss.

b. Sue and Labour

In case of actual or imminent loss or damage, it shall be lawful and necessary for you, your factors, servants and assigns to sue, labour and travel for, in or about the defense, safeguard and recovery of property or any part thereof, without prejudice to this insurance; nor shall the acts of you or us in recovering, saving and preserving the Property Insured, in case of loss or damage be considered a waiver or acceptance of abandonment. We shall contribute on a pro rata basis towards any reasonable and proper expenses in connection with the foregoing

according to the respective interest of the parties and such expenses shall be considered an "Occurrence" within the meaning of the deductible provisions. This condition shall not increase any amounts or limits of insurance provided herein.

- c. There shall be no abandonment of property or goods to us.

8. Locked Vehicle Warranty

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

If warranted by you that any vehicle in which the Property Insured is carried is equipped with a fully enclosed metal body or compartment we 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 and windows of which shall have been securely locked.

9. Permission

Permission is hereby granted:

- a. for other insurance concurrent with this Policy;
- b. to make minor alterations or repairs to the "Premises";
- c. to construct or erect a new Building or structure on the "Premises" subject to:
 - (1) a Limit of Liability valued up to a maximum of \$50,000;
 - (2) the new "Building" or structure must be reported to us within sixty (60) days from the beginning of construction or erection;
 - (3) structure or "Building" must be of similar materials and use as the existing "Premises".
- d. for individual "Premises" to cease operations and close down from time to time and to remain unoccupied for up to thirty (30) days (or vacant for up to thirty (30) days), as you may deem necessary or convenient, subject to thirty (30) days reporting to us if vacant, or unoccupied;
- e. to work all hours and for such use of the "Premises" as is usual and incidental to the "Business" and to keep and use all such appliances, articles and materials in such quantities as are usual, convenient or incidental to such "Business"; and
- f. to store or garage motor vehicles on the your "Premises" without prejudice to this insurance, and for motor vehicles to enter the "Premises" for the purpose of loading or unloading.

10. Pair and Sets

- a. In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the settlement of loss or damage to such article or articles shall be as follows:
 - (1) the market value of the entire set; salvage rights on the remaining articles shall revert to us;
 - (2) the cost to repair or replace a lost or damaged article or articles, but in the event that the set, with repaired or replaced articles has reduced value, we shall indemnify you for the reduction of this value;

- (3) the market value of the lost or damaged article or articles, should the article or articles prove to be beyond repair or irreplaceable. In the event that the set with its remaining pieces has reduced value, we shall indemnify you for the reduction in this value.

b. In no event shall the settlement be more than the total value of the set prior to the loss.

In the case of loss of or damage to any part of the Property Insured whether scheduled or unscheduled, consisting, when complete for use, of several parts, we are not liable for more than the insured value of the part lost or damaged, including the cost of installation

11. Arbitration

If there is disagreement between you and us as to the amount of loss or damage, each party shall, within seven (7) days of written demand by either party, select a competent and disinterested arbitrator. The arbitrators shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on request of you or us, such umpire shall be selected by a judge of a Court of Record in the Province or Territory in which the Named Insured address is located. Each party shall select its own appraiser who shall then appraise the loss or damage, stating separately sound value and loss or damage to each item; and failing to agree, shall submit their differences only to the umpire. The arbitrator shall then make an award in writing, so itemized, of any two differing appraisals and this award shall determine the amount of sound value and loss or damage. Each appraiser shall be paid by the party selecting the appraiser and the expense of arbitration and the parties shall pay the umpire equally.

12. Agreement with and/or Claim Against Carrier

No claim for loss or damage during transit shall be payable hereunder until claim has been filed with the carrier. You may, however, waive their rights of recovery against private or contract carriers and may accept Bills of Lading or receipts from carriers limiting the amount of their liability, but this insurance shall not inure to the benefit of any carrier.

13. Statutory Conditions

This Policy shall be subject only to the Statutory Conditions of the Province or State in which the Property Insured is located and to such variations of the Conditions and such other terms as are printed in this Policy or represented in writing.

14. Waiver of Term

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

15. No Benefit To Bailee

It is warranted by you that this insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

16. Notice To Authorities

Where loss or damage is due to malicious acts, theft, burglary, robbery, or attempted threat, or is suspected to be so due, you shall give immediate notice thereof to the police or other authorities having jurisdiction.

17. Standard Mortgage Clause

(Approved by the Insurance Bureau of Canada)

The following clauses shall apply for only those loss payees having a Memorandum of Insurance specifically stating a Mortgage Clause is applicable.

- a. **Breach of Conditions Mortgagor.** 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.
- b. **Right of Subrogation.** Whenever the Insurer(s) pay 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(s); or the Insurer(s) 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.
- c. **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.
- d. **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.
- e. **Termination.** (Applicable to all Provinces except Quebec) The term of this mortgage clause coincides with the term of the policy; provided always that the Insurer(s) reserves the right to cancel the policy as provided by Statutory provision but agrees that the Insurer(s) will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
- f. **Termination.** (Applicable to the Province of Quebec) The term of this mortgage clause coincides with the term of the Policy; provided always that the Insurer(s) reserves the right to cancel the policy as provided by Article 2477 of the Civil Code of the Province of Quebec, but agrees that the Insurer(s) will neither terminate nor alter the policy to the prejudice of the Mortgagee without fifteen (15) days notice to the Mortgagee by registered letter.

- g. 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.

18. Property Protection Systems

It is agreed that you shall forthwith notify us of any interruption to, or flaw or defect in, coming to the knowledge of your officer, employee or independent contractor, in any:

- a.** sprinkler or other fire extinguishing system, or
- b.** fire detection system; or
- c.** intrusion detection system.

and shall also forthwith notify us of the cancellation or non-renewal of any contract that 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.

19. Disputed Loss Agreement

In the event of loss or damage, should a dispute arise between the Property and Boiler Insurers as to which Insurer is liable or as to the proportion of the loss to be paid by each Insurer, it is agreed that the Insurance Bureau of Canada Property/Boiler Agreement respecting disputed losses shall apply.

20. Misrepresentation

If in applying for insurance, you falsely describe, misrepresent, or fraudulently omit to communicate any circumstance that is material to the property in order to enable us to judge the risk to be undertaken, the contract is void.

SECTION VII – SUPPLEMENTAL COVERAGES

It is agreed that Property and Business Interruptions Coverages are amended by the addition of the following Supplemental Coverages, in each case to the extent an amount has been specified in the Declarations for such Supplemental Coverage:

The Limits of Liability for the following Supplemental Coverages are in addition to the Limits of Liability for Section I – Property Coverages and Section II – Business Income indicated in the Declarations Page and are subject to all terms of this Policy and subject to an Aggregate Limit, if applicable, as indicated on the Declarations Page.

1. Accounts Receivable

- a.** Accounts receivable records shall be limited to as follows:

We will indemnify you up to the amount specified on the Declarations Page for:

- (1) All sums due to you from customers, provided you are unable to effect collection thereof, as a direct result of loss or damage by a Peril Insured, to records of accounts receivable;
- (2) Interest charges on any loan to offset impaired collections pending repayment of such sums made non-collectible by such loss or damage by a Peril Insured;
- (3) Collection expenses in excess of normal collection cost and made necessary because of such loss or damage by a Peril Insured; and
- (4) Other expenses, when reasonably incurred by you in re-establishing records of accounts receivable following such loss or damage by a Peril Insured.

b. Additional Exclusions

In addition to the policy exclusions, this Coverage does not apply to loss or damage:

- (1) due to a fraudulent, dishonest or criminal act by you, a partner therein, or an officer, director or trustee, employee(s), including leased employee(s) and authorized representative(s) thereof, while working or otherwise and whether acting alone or in collusion with others;
- (2) due to bookkeeping, accounting or billing errors or omissions;
- (3) 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 or damage which the Insured can prove, through evidence wholly apart there from is due solely to a risk of loss or damage to records of accounts receivable not otherwise excluded hereunder; and
- (4) 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.

c. Removal

Such insurance afforded by this Policy applies while the records of accounts receivable are being removed to and while at a place of safety because of imminent loss or damage and while being returned from such place of safety.

d. Inspection and Audit

We shall be permitted to inspect the "Premises" and the receptacles in which the records of accounts receivable are kept by you, and to examine and audit your books and records at any time during the Policy Period and any extension thereof, and to verify the statements of any outstanding record of accounts receivable submitted by you and the amount of recoveries of accounts receivables on which we have made any settlement.

e. Cooperation

At our request, you shall submit to examination by us, subscribe the same, under oath if required, and produce for us or for our examinations all pertinent records, all at such reasonable times and places as we shall designate, and shall cooperate with us in all

matters pertaining to loss or claims with respect thereto, including rendering of all possible assistance to effect collection of outstanding accounts receivables.

f. Determination of Receivables; Deductions

When there is proof that a loss or damage covered by this Supplemental Coverage has occurred but you cannot accurately establish the total amount of accounts receivables outstanding as of the date of such loss or damage, such amount shall be based on the your monthly statements and shall be computed as follows:

- (1) Determine the amount of all outstanding accounts receivables at the end of the same fiscal month in the year immediately preceding the year in which the loss or damage occurs;
- (2) Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss or damage occurs, or such part thereof for which you have furnished monthly statements to us, as compared with such average for the same months of the preceding year;
- (3) The amount determined under (1) above, increased or decreased by the percentage calculated under (2) above, shall be the agreed total amount of accounts receivables as of the last day of the fiscal month in which said loss or damage occurs;
- (4) The amount determined under (3) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivables 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.

There shall be deducted from the total amount of accounts receivables, however, established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by you, and an amount to allow for probable bad debts, which would normally have been non-collectible by you. On deferred payment accounts receivables, unearned interest and service charges shall be deducted.

g. Recoveries

After payment of loss or damage all amounts recovered by you on accounts receivables for which you have been indemnified shall belong and be paid to us by you up to the total amount of loss paid by us; but all recoveries in excess of such amounts shall belong to you.

2. "Building" Damage by Theft

This Policy is extended, up to the amount specified on the Declarations Page, to insure damage (except by fire) to that part of a "Building" occupied by you directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided you are the owner of such "Building" or are liable for such damage and the "Building" is not otherwise insured hereunder. Glass and lettering or ornamentation thereon is excluded from this extension.

3. By-Laws Clause

The following Supplemental Coverage shall, without increasing the amount of insurance, apply only in respect to "Occurrences" arising out of loss or damage by a Peril Insured against under this Policy and occasioned by the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which regulates zoning or the demolition, repair or construction of damaged "Buildings".

Applicable only to "Buildings" insured by this Policy, up to the amount specified on the Declarations Page:

- a. Increase In Cost Of Construction – coverage is hereby extended to insure the increased cost of replacing, constructing or reconstructing the "Buildings" on the same site and for like occupancy.
- b. Value Of Undamaged Portion Of Building – coverage is hereby extended to indemnify you for the value of any portion of the "Buildings" which has not suffered damage by a Peril Insured under this Policy, but which is required to be demolished under any by-law, regulation, ordinance or law.
- c. Demolition And Debris Removal – Undamaged Portion Of Building – coverage is hereby extended to indemnify you for the cost of demolishing and clearing the site, of any undamaged portion of the "Buildings".
- d. Additional Time Required For Rebuilding (Business Interruption) – subject to any maximum "Indemnity Period" stated in the Policy and all applicable Limits of Liability, the insurance provided extends to include loss due to any additional period of time that would be required for repairing, replacing, constructing or reconstructing any portion of the "Buildings" as a result of the demolition of any portion of the "Buildings" which has not suffered loss of or damage by a Peril Insured against under this Policy.

This extension does not cover:

- (1) any loss or damage unless and until there is actual repair, replacement, construction or reconstruction by you of the damaged or destroyed "Buildings";
- (2) any loss or damage occasioned by the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from repairing or replacing the "Buildings" on the same site; or
- (3) any loss or damage occasioned by the enforcement of any by-law, regulation, ordinance or law, which was not in effect when the loss or damage occurred.

4. Catch All Clause

This Policy is extended, up to the amount specified on the Declaration Page, if the Limit of Liability for any other Supplemental Coverage described in this Policy is insufficient to fully indemnify you following loss of or damage to Property Insured. The insufficiency must be determined after all Policy definitions, conditions and terms have been taken into account in the adjustment of the claim. In that event, we will pay to you, in addition to the adjusted amount of the claim, the lesser of:

- a. The difference between the amount payable under the adjusted claim and the amount required to fully indemnify you; or
- b. The Limit of Liability specified on the Declarations Page.

If the Limit of Liability for more than one Supplemental Coverage is insufficient, this extension may be applied to one or more Supplemental Coverage in any one loss "Occurrence". In the event that claim is made under this extension you shall elect which Supplemental Coverages shall receive the benefit of this extension.

We shall not be liable for more than the amount specified on the Declaration Page for this Supplemental Coverage in any one "Occurrence", no matter how many other Supplemental Coverages are insufficient.

5. Commercial Condominium, Strata and Co-Ownership Unit Owners

This Policy is extended up to the amount specified on the Declarations Page, to insure loss of or damage to:

- a. your "Unit" as originally constructed including items of real property that pertain exclusively to your "Unit" if the condominium corporation, strata in British Columbia or co-ownership in Quebec has no insurance, its insurance is inadequate or it is not effective.
- b. the contents of your "Unit" and other business personal property belonging to others for which you are legally liable, while on your "Premises" which are usual to the operation of the "Business".
- c. your "Unit" improvements and betterments made or acquired at your expense including:
 - (1) any "Building" structure;
 - (2) material and supplies on the "Premises" for use in such improvements and betterments.
- d. up to \$10,000 of your share of any special assessments if:
 - (1) the assessment is valid under the condominium corporation, strata or co-ownership governing rules; and
 - (2) it is made necessary by a direct loss to the collectively owned condominium property caused by Peril Insured under this Policy.

We will not pay for more than the amount shown on the Declarations Page under this extension of coverage, nor will we pay for any amount arising out of a deductible in the insurance policy of the condominium corporation.

Additional Definitions

- a. "Unit" means the unit as defined in the Declarations Page, description or bylaws of the Condominium Corporation provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a strata lot in British Columbia.

6. Computer Equipment, Media and Programs

This Policy is extended, up to the amount specified on the Declarations Page, to insure loss of or damage to "Computer Equipment", "Media", and "Programs" which you own, lease, or rent from others or for which you are legally responsible including the replacement cost to

reproduce "Programs" that are lost or accidentally erased, including documentation and source materials, if you actually replace them;

Computer "Programs" are covered solely as respects direct physical loss or damage by "Named Perils".

7. Contingent Business Income

This Policy is extended up to the amount specified on the Declarations Page to cover the interruption of "Business" by reason of loss or damage by a Peril Insured against under Section I – Property Coverages to premises occupied by suppliers of goods or materials or services to you or to premises occupied by customers of yours to which you supply goods or materials or services.

8. Earthquake Coverage

This Policy is extended, up to the amount specified on the Declarations Page, to insure damage caused by or resulting from earthquake.

However, physical loss or damage by fire, explosion, sprinkler leakage, "Flood" or "Sewer Back-Up" resulting from earthquake shock will not be considered to be loss by earthquake within the terms and conditions of this policy.

To the extent that the "Earth Movement" exclusion might conflict with coverage provided under this supplemental coverage, the "Earth Movement" exclusion does not apply. However, we will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an earthquake or volcanic eruption.

Each loss caused by an earthquake shall constitute a single claim hereunder, provided, that more than one earthquake shock occurring within any period of seventy-two (72) consecutive hours during the term of this Policy shall be deemed a single earthquake.

Notwithstanding the foregoing, we shall not be liable for any loss or damage caused by any earthquake shock or tremor before this Policy becomes effective nor for any loss or damage caused by an earthquake shock or tremor occurring after the expiration of this Policy.

Earthquake Deductible Clause:

The Deductible indicated on the Declarations Page for "Building", "Equipment", "Stock", "Property of Every Description" and "Contents of Every Description" applies unless a separate earthquake deductible is indicated on the Declarations Page.

9. Eco-Friendly Enhancement

This Policy is extended, up to the amount specified on the Declaration Page, to cover:

- a. Any increase in the direct costs to repair or replace damaged Property Insured using "Environmentally-friendly" material or modes of construction or "Energy-efficient"; and
- b. Additional fees incurred by you for an accredited professional certified by Canada Green Building Council/ LEED Canada to participate in the design and construction for repairing or rebuilding physically damaged Property Insured as "Environmentally-friendly" or "Energy-efficient"; and

- c. The additional cost incurred by you for certification or re-certification of the repaired or replaced Property Insured as “Environmentally-friendly” or “Energy-efficient”.

Coverage under paragraphs a., b. and c. above is subject to the following provisions:

- a. Replacement shall be at your option and effected by you with due diligence and dispatch.
- b. Settlement for increased costs for repair or replacement of Property Insured shall be made only when the repair or replacement has been effected by you, and in no event shall it exceed the amount actually expended.
- c. This extension applies to “Buildings” and “Equipment”.
- d. Failing compliance by you with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect.

Additional Exclusions

This extension does not apply to:

- a. “Stock”, raw materials, finished goods, merchandise, production machinery and equipment, electronic data processing equipment not used in the support of real property, molds and dies, property in the open, property of others for which you are legally liable, or Employees Personal Property.
- b. Any increase in the cost of repair or replacement of Property Insured occasioned by a restriction or prohibition in any-law, regulation, ordinance or law.
- c. Instances where no “Environmentally-friendly” or “Energy-efficient” equivalent exists. In those instances, we will pay only to replace with standard materials, modes of construction, equipment and products.

Additional Definitions

- a. “Energy-efficient” means those products or modes of construction that are ENERGY STAR or Canada Green Building Council/LEED Canada rated or accredited.
- b. “Environmentally-friendly” means materials or modes of construction that are Canada Green Building Council/LEED Canada accredited.

10. Employees Personal Property

This Policy is extended, up to the amount specified on the Declarations Page, to insured loss of or damage to the personal property of your directors, officers or employees, other than motor vehicles of your directors, officers or employees but only for such loss or damage as occurs at “Premises” and arises out of a Peril Insured against.

11. Exhibition Floater

This Policy is extended to cover, up to the amount specified on the Declarations Page, “Equipment” and “Stock” temporarily on exhibition at locations not owned by you and including while in transit to and from such locations.

12. Expediting Expenses

This Policy is extended, up to the amount specified on the Declarations Page, to pay reasonable extra cost of temporary repair and of expediting repair or replacement of damaged Property Insured under this Policy including overtime and the extra cost of express and other rapid means of transportation and use of temporary facilities.

13. Exterior Signs and Glass

This Policy is extended, up to the amount specified on the Declarations Page, to insure loss of or damage to exterior signs, exterior glass or fibrolite and lettering or ornamentation thereon but only for such loss or damage that occurs at the "Premises" and arises out of a Peril Insured against.

14. Extra Expense

a. Indemnity Agreement

Subject to the Limit of Liability stated in the Declarations Page and to all terms, conditions and exclusions of this Policy, we hereby agree to pay the necessary extra expense incurred by you in order to continue as nearly as practicable the normal conduct of the your "Business" following loss or damage by the Perils Insured to Property Insured, for a period not exceeding such length of time, herein referred to as the "Period of Restoration", commencing with the date of the loss and not limited by the date of expiration of this Policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the Property Insured as may be destroyed or damaged.

b. Maximum Period of Restoration

Twelve (12) months.

c. Resumption of Operations

As soon as practicable after any loss or damage, you shall resume complete or partial operations of the "Business" with respect to the property lost or damaged and, in so far as practicable, reduce or dispense with such extra expenses as are being incurred.

d. Additional Exclusions

The following exclusions are additional to those contained elsewhere in this Policy.

We shall not be liable for:

- (1)** 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 another Supplemental Coverage herein or an endorsement hereon;
- (2)** any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labor disturbances on or about the "Premises" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of the "Business" or free access to

or control of the "Premises" or due to the action of sympathetic strikers elsewhere;

- (3) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (4) loss due to the suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of the "Business" caused by the loss or damage insured hereunder, and then only for such loss as affects your earnings during the Period of Restoration insured by this Policy; nor shall we be liable for any other consequential or remote loss; or
- (5) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disk, drum, cell, or other magnetic recording or storage media for electronic processing.

e. Waiver of Term or Condition

No term or condition of this Policy, including but not limited to 9 a. above, shall be deemed to be waived by us in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by us. Neither we nor you shall be deemed to have waived any term 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.

15. Fine Arts

This Policy is extended, up to the amount specified on the Declarations Page, to insure "Fine Arts" against all risks of direct physical loss of damage to such property, except as hereinafter excluded, while such property is at the "Premises".

This extension does not insure:

- a. any repairing, restoring or retouching; or
- b. deterioration; or
- c. any exhibitions at a fairground, or at the premises of a national or international exposition, unless the "Premises" are covered by this Policy; or
- d. any breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles, unless caused directly by fire, earthquake, explosion, falling object striking the exterior of a building, flood, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by accident to land, water or air conveyances, or by theft or attempt threat.

16. Fines or Damages for Breach of Contract

This Policy is extended, up to the amount specified on the Declarations Page, to insure such sums as you shall be legally liable to pay and shall pay in discharge of fines or damages for breach of contract or non-completion of orders, incurred solely in consequence of loss of or damage to Property Insured arising out of an Perils Insured.

17. Fire Department Service Charges

If the fire department is called to save or protect your Property Insured from a Peril Insured, we shall pay for your liability for fire department service charges up to the amount specified on the Declarations Page:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance.

18. Inflation Protection

If this Supplemental Coverage is indicated as "included" on the Declarations Page, and if you have a loss while the policy is in effect, we will automatically increase the limit of liability during the Policy Period on the

- a. "Building(s)" by the percentage that the index for non-residential construction published by Statistics Canada has increased since the effective date of the current Policy Period and an appropriate premium charged.
- b. "Contents of Every Description", "Equipment" "Stock", by a percentage attributable to inflation and an appropriate premium charged.

If you increase the amount of insurance on the "Building(s)" during the Policy period, then we will base the percentage change from the date of the increase. We will also adjust the Limit of Liability each year when the renewal premium is due. The premium will be raised to reflect the increased coverage.

19. Interruption by Civil Authority

We shall be liable for the actual loss of "Business Income", up to the amount specified in the Declarations Page, during the period of time, not exceeding the number of consecutive weeks specified on the Declarations Page (to a maximum of four (4) consecutive weeks), while access to the "Premises" is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighboring premises by any Peril Insured against under this Policy.

Our liability, in respect to each suspension of "Business", whether in whole or in part under this Policy, shall not attach until the period of suspension exceeds forty-eight (48) consecutive hours.

20. Leasehold Interest

This Policy is extended, up the amount specified on the Declarations Page, as follows:

- a. Where improvements are damaged or destroyed by a Peril Insured, we will pay the cost to replace on the same site if possible or if this is not possible, the cost of moving, temporary storage and restoration on another site. If the tenant does not replace, the Policy will pay pro rata the original cost of the improvements for the balance of the lease term.
- b. Where improvements are not damaged or destroyed by a Peril Insured, if as a result of a Peril Insured, your interest in building improvements reverts to the landlord, as a result

of the landlord exercising the cancellation clause in the lease, we will pay up to the pro rata costs to replace the improvements at this or another location based on the original cost of the improvements for the balance of the cancelled lease term.

- c. In addition, where the landlord terminates the lease as a result of a Peril Insured, property is damaged, in whole or in part, and the lease calls for insurance proceeds to be paid to the landlord, this Policy will pay the cost to replace the damaged property to the landlord.

We are not liable for any loss of leasehold interest resulting from you exercising an option to cancel the lease.

21. Master Key Coverage Extension

This Policy is extended, up to the amount specified on the Declarations Page, to insure direct physical loss or damage caused by the necessary replacement of locks and keys and the increased necessary and reasonable cost of security following burglary, robbery or mysterious disappearance of master keys.

22. Mortgage Rate Guarantee

This Policy is extended, up the amount specified on the Declarations Page, to insure the increase in mortgage cost required as a result of direct physical loss or damage to "Building"(s) from a Peril Insured where loss or damage to such "Building"(s) is deemed to be a total, and where the mortgagor at the time of the loss closes the existing mortgage, requiring a new mortgage at a higher competitive rate of interest. Terms of the new mortgage must be the same in time frame, amortization and interest rate option of the mortgage at the time of loss.

Indemnity shall be based on the difference between the mortgage rate in effect on the date of the loss and the new mortgage rate, based on the outstanding mortgage balance.

This extension will continue for:

- a. The duration of the existing mortgage period in effect at the time of the loss, until its expiry;
- b. The insured relinquishes title or interest in the "Building"(s); or
- c. Sixty (60) months

Whichever occurs first.

This extension shall have full force and effect only if loss of or damage to "Building"(s) is deemed to be total, and settlement of partial losses shall be made as if this extension had not been in effect.

23. Newly Acquired Property ("Buildings" and "Equipment")

This Policy is extended to insure "Buildings" and "Equipment" newly acquired by you up to the amount specified in the Declarations Page. Coverage is automatic on condition that notification of such property shall be filed with us within ninety (90) days of such acquisition and any additional premium required by us shall be effected from the date of acquisition.

24. Off Premises Power Extension

This Policy is extended, up to the amount specified on the Declarations Page, to include loss arising from the interruption of "Business" by reason of loss or damage by a Peril Insured against under Section I – Property Coverages of this Policy, to any off premises electric power and/or water facilities furnishing or transmitting power and/or gas and/or water to the "Business".

Our liability, as respects each suspension of "Business", whether in whole or in part under this Policy, shall not attach until the period of suspension exceeds two (2) consecutive work days and then we shall be liable only for the continuing period of suspension in excess of the first two (2) consecutive work days of that suspension.

25. Outdoor Property

This Policy is extended, up to the amount specified on the Declarations Page, to insure your outdoor property, within 1000 feet of the "Premises" including outdoor fences, radio and television antennas, satellite dishes, signs (other than signs attached to buildings), roadway, walkway, parking lots, if caused directly by "Named Perils" with the exception of windstorm or hail or from theft or attempted thereat.

26. Pollution Clean Up and Removal

This Policy is extended, up to the amount specified on the Declarations Page, to pay your expense to extract "Pollutants" from land or water at the "Premises" if the discharge, dispersal, seepage, migration, release, or escape of the "Pollutants" commences during the Policy Period and is caused by or results from a Peril Insured. The expenses shall be paid only if you reported it to us in writing within 180 days of the date of direct physical loss or damage.

27. Professional Fees

This Policy is extended, up to the amount specified on the Declarations Page, to insure architects', surveyors', consulting engineers' (excluding public adjusters) and other fees necessarily incurred by you in the reinstatement of the Property Insured including the applicable amount of fees payable to auditors for producing and certifying details of your "Business" as may be required by us following its loss or damage by any Peril Insured against not exceeding the amounts authorized under the scale of the various institutions regulating such charges prevailing at the time of the loss or damage.

28. Property In Transit

This Policy is extended, up to the amount specified on the Declarations Page, to insure your "Equipment", valuable papers, Accounts Receivables records, "Computer Equipment", "Media", "Data", and "Programs" while in transit, except while waterborne, within or between the Continental United States, Alaska, Hawaii, Puerto Rico, or Canada. This coverage shall not apply to the property of others for which you are responsible as a carrier for hire, as a shipper, or hauler. We shall pay for those shipments in the custody of a carrier under a shipping document.

29. Property Insured Not On Premises

This Policy is extended, up to the amount specified on the Declarations Page, to cover your Property Insured that is at Premises not described on the Declarations page. This, however, shall not apply to Property Insured in or on a vehicle.

30. Recharge of Fire Protection Equipment

This Policy is extended, up to the amount specified on the Declarations Page, to pay expenses you incur to recharge your fire protection equipment, if you use your equipment, or the equipment automatically discharges, to protect Property Insured as a result of a Peril Insured against.

31. Removal

- a. If any of the Property Insured is necessarily removed from the "Premises" to prevent loss or damage or further loss or damage thereto, that part of the Property Insured that exceeds the amount of our liability for any loss already incurred we shall, for seven days, insure the property removed and any property remaining in the "Premises" in the proportion which the value of the property in each of the respective "Premises" bears to the value of the Property Insured in them all.
- b. **Debris Removal:** We will indemnify you for expenses incurred, up to the amount specified in the Declarations Page, in the removal from the "Premises" of debris of the Property Insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Policy.
- c. **Removal of Windstorm Debris:** We will indemnify you for expenses incurred, up to the amount specified in the Declarations Page, in the removal of debris or other property which is not insured by this Policy but which has been blown by windstorm upon the "Premises".

The amount payable under extensions **a.**, **b.**, and **c.** shall not exceed 25% of the total amount payable for the direct physical loss to Property Insured and the amount of the applicable deductible.

Extensions **b.** and **c.** above shall not increase the Limit of Liability under this Policy.

Extensions **b.** and **c.** shall not be considered in the determination of actual cash value for the purpose of applying any Co-insurance Clause.

These Extensions do not apply to costs or expenses to clean up "Pollutants" from land or water, or 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".

32. Reward Payments

In the event of covered loss or damage as a result of arson, theft or vandalism, we will pay for amounts you offer, and subsequently pay, up to the amount specified on the Declarations Page, as a reward to anyone other than you, your officers, partners, directors, employees, or any family member(s) of such individuals, or any employee of a law enforcement agency or any employee of a business engaged in property protection, or any person(s) involved in the crime, as a reward for information leading to:

- a. The arrest and conviction of any person(s) responsible for the arson, theft or vandalism loss; or
- b. The recovery of the stolen property.

33. Sod, Trees, Shrubs, and Plants

This Policy is extended, up to the amount specified on the Declarations Page, to insure direct physical loss of or damage to your sod, trees, shrubs and plants within 1000 feet of the "Premises" if caused directly by "Named Perils" with the exception of windstorm or hail or from theft or attempt thereat.

34. Stated Amount Co-Insurance Clause

It is agreed that Sub-section 3. Co-Insurance Clause of Section I – Property Coverages is deleted in its entirety provided that:

- a. A statement of values attested by you is filed with us, and
- b. That you shall maintain insurance concurrent in form, range and wording with this Policy on the Property Insured, so that the total amount of insurance on the Property Insured shall be not less than the amount indicated in the filed statement of values with us (including the amount of insurance effected by this Policy) and that, failing to do so, You shall be a co-insurer to the extent of an amount sufficient to make the total insurance on the Property Insured equal to the amount indicated in the filed statement of values with us, and in that capacity, You shall bear your proportion of any loss that may occur.
- c. The signed Statement of Values must be filed with us within 60 days of the effective date of this Policy. If you fail to file a Statement of Values within the 60 day period the terms and conditions of Sub-section 3. Co-Insurance Clause of Section I – Property Coverages shall then be reinstated and apply.

35. Valuable Papers and Records

a. Insuring Agreement

Subject to the limit of liability stated in the Declarations Page, to paragraph **b.** below and to all terms, conditions and exclusions of this Policy, we hereby agree to insure the following:

- (1) Loss inside the "Premises": to pay for direct physical loss or damage to Valuable Papers and Records in the "Premises";
- (2) Loss outside the "Premises": such insurance as if afforded by this Policy applies to the Valuable Papers and Records:
 - (a) while being removed to and while at a place of safety because of imminent danger of loss and while being returned from such place, provided you give written notice to us of such removal within ten (10) days thereafter;
 - (b) while being conveyed outside the "Premises" and while temporarily within other premises, except for storage. Our liability for loss hereunder shall not exceed 10% of the Limit of Liability stated on the Declarations Page(s) or \$50,000 whichever is less.

b. Limits of Liability

Limits of Liability; Valuation; Betterment Options: The limit of our liability hereunder for loss shall not exceed the actual cash value of the property at time of loss nor what it would then cost to repair or replace the property with other of like kind and quality, nor the applicable limit of liability stipulated on the Declarations Page;

We may pay for the loss in money or may repair or replace the property and may settle any claim for loss of the property either with you or the owner thereof. Any property so paid for or replaced shall become our property. You or we, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and you shall be entitled to the property upon reimbursing us for the amount so paid or the cost of replacement.

Application of this insurance to property of more than one person, firm or corporation shall not operate to increase the applicable Limit of Liability as stated on the Declarations Page.

c. Additional Exclusions

The following exclusions are additional to those contained elsewhere in this Policy:

This Policy shall not apply to:

- (1) loss of "Valuable Paper and Records" that cannot be replaced with other of like kind and quality;
- (2) loss of property held as samples or for sale or for delivery after sales;
- (3) damage directly resulting from processing, copying or any work upon the property.

"Valuable papers and records" as used above is defined as inscribed, printed or written documents, manuscripts, or records, including abstracts, books, deeds, drawings, films, maps or mortgages and "Electronic Data". But, "valuable papers and records" does not mean money, stocks, or securities,

SECTION VIII – EQUIPMENT BREAKDOWN COVERAGE

In this Section VIII – Equipment Breakdown Coverage, unless otherwise noted, words and phrases which appear in quotation marks are defined below in Paragraph 4 – Definitions below.

1. Insuring Agreement

We agree with you that if there is a "Breakdown" occurring during the term of this Policy to the "Insured Equipment", while the "Insured Equipment" is at a location specified in the Declarations Page and subject to all the terms of this Policy, as follows:

- a. to pay for loss
 - (1) to the "Insured Equipment" and
 - (2) to other "Insured Property"directly damaged by the "Breakdown";
- b. to pay for loss of perishable "Insured Property" that spoils solely as a result of the "Breakdown"; or
- c. (1) if this Policy provides coverage under Section II – Business Income Coverage, to pay for the loss of "Business Income" (as defined in Section III – Definitions above) which results solely from the "Breakdown", or

- (2) if this Policy provides coverage under the Extra Expenses Supplemental Coverage of Section VII – Supplemental Coverage, to pay for “Extra Expenses” which results solely from the “Breakdown”.

2. Exclusions

The insurance provided under this Section VIII – Equipment Breakdown does not apply to:

- a. loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused;
- b. loss caused by or resulting from:
 - (1) war, including undeclared or civil war;
 - (2) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these;

but unless associated with the foregoing, loss from a “Breakdown” of “Insured Equipment” arising out of any strike, riot, civil commotion, acts of sabotage, vandalism or malicious acts by others is covered;

- c. any act of terrorism, as defined herein, or any loss, damage, cost or expense contributed to by, resulting from, or arising out of 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.

An act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

- (1) involves violence against one or more persons; or
- (2) involves damage to property; or
- (3) endangers life other than that of the person committing the action; or
- (4) creates a risks to health or safety of the public or a section of the public; or
- (5) is designed to interfere with or to disrupt an electronic system.

The insurance provided under this Coverage Part also does not apply to loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action, or decision of a government agency or other entity in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

- d. loss caused by or resulting from pollution, contamination or damage by a “Hazardous Substance”, however caused, except as provided in Condition 7;

- e. loss from a "Breakdown" caused by or resulting from:
- (1) earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;
 - (2) wind, including but not limited to cyclone, tornado or hurricane;
 - (3) fire, smoke or combustion explosion; or
 - (4) water or other means used to extinguish a fire;
- f. loss caused by or resulting from:
- (1) fire, smoke or combustion explosion that occurs at the same time as a "Breakdown" or that ensues from a "Breakdown". However, with respect to any "Insured Equipment" which is an electrical or electronic machine or apparatus, fire damage within the said machine or apparatus which occurs at the same time as a "Breakdown" or that ensues from a "Breakdown" is covered;
 - (2) flood, however, if a "Breakdown" of "Insured Equipment" results from a flood, damage or expense caused by the "Breakdown" is covered;
 - (3) lightning, if coverage for that cause of loss is provided by any other insurance in effect at the time of the loss;
 - (4) damage to "Data" used with any electronic computer or electronic data processing equipment;
- g. loss from:
- (1) delay or interruption of business except as may be provided in Insuring Agreement 1. c.;
 - (2) any other indirect result of a "Breakdown" except as may be provided in Insuring Agreement 1. b. and 1.c.;
- h. loss to "Insured Property" damaged by water, resulting from a "Breakdown" of "Insured Equipment" if coverage is provided by any other insurance in effect at the time of the loss;
- i. loss caused by or resulting from the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:
- (1) the erasure, destruction, corruption, misappropriation, or misinterpretation of "Data";
 - (2) any error in creating, amending, entering, deleting or using "Data";
 - (3) the inability to receive, transmit or use "Data"; or
 - (4) the impact of any virus or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility;

however we shall pay for loss that ensues solely from the "Breakdown" of any other "Insured Equipment".

3. Conditions

a. Limit of Liability

Our total liability from any "One Breakdown" under Insuring Agreements **1. a.** and **1. b.** shall not exceed the Limit of Liability as specified in the Declarations Page as applicable to this Section VIII – Equipment Breakdown Coverage.

b. Business Income and Extra Expense

(1) Business Income.

If this Policy provides coverage under Section II – Business Income Coverage, this Section VIII – Equipment Breakdown Coverage will also cover such loss of "Business Income" which results solely from a "Breakdown" of "Insured Equipment" subject to all the terms, provisions and conditions of Section II Business Income Coverage, and subject to the additional provisions in paragraphs (3) and (4) below.

(2) Extra Expense

If this Policy provides coverage under the Extra Expenses Supplement Coverage of Section VII – Supplemental Coverage, this Section VIII – Equipment Breakdown Coverage will also cover "Extra Expenses" which result solely from a "Breakdown" of "Insured Equipment" subject to all the terms, provisions and conditions of Section VII – Supplemental Coverage, and subject to the additional provisions in paragraphs (3) and (4) below.

(3) Notice of "Breakdown" and Commencement of Liability

You shall immediately give notice of "Breakdown" to any or our offices and that notice must be confirmed in writing. The commencement of our liability under this coverage shall be

- (1) the time of the "Breakdown" or
- (2) twenty-four hours (24) before the notice of "Breakdown" is received, whichever is later.

(4) Limit of Insurance

Under Insuring Agreement **1.c.**, our liability for Business Income and Extra Expense shall be part of the Limit of Liability specified in the Declarations Page applicable to this Section VIII – Equipment Breakdown Coverage.

c. Expediting Expenses

If there is a "Breakdown" of "Insured Equipment", we shall pay the reasonable extra cost to:

- (1) make temporary repairs;
- (2) expedite permanent repairs; or
- (3) expedite permanent replacement;

of the "Insured Equipment" or other "Insured Property" which is directly damaged by the "Breakdown".

d. By-Laws

If prior to the time of a "Breakdown" of "Insured Equipment" there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of "Insured Property", we shall be liable under this Section VIII – Equipment Breakdown Coverage for:

- (1) the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling;
- (2) if "Business Income" and "Extra Expense" is provided by this Policy, but not otherwise, the increase in "Business Income" and "Extra Expense" caused solely as a result of the law, by-law, ordinance, regulation, rule or ruling.

e. Professional Fees/Auditors' Fees

If the Policy otherwise covers Professional Fees or Auditors' Fees, but not otherwise, this Section VIII – Equipment Breakdown Coverage also covers such Professional or Auditors Fees subject to the limit specified for this coverage in the Policy.

f. Service Interruption

If there is a "Breakdown" of equipment not owned or operated by you, we shall be liable:

- (1) for loss of perishable "Insured Property" which spoils; and
- (2) if this Policy includes Section II Business Income Coverage, for a service interruption loss consisting of the services described in (4) below, but only if the equipment is:
 - (i) of a type described in the applicable definition of "Insured Equipment";
 - (ii) located on or within one thousand (1,000) metres of your premises;
 - (iii) owned by the building owner at your premises or by a public utility company; and
 - (iv) used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to your premises.

g. "Hazardous Substances"

If a "Hazardous Substance" is involved in or released by a "Breakdown" of "Insured Equipment", we shall be liable to pay:

- (1) the increase in cost to repair, replace, clean up or dispose of, affected "Insured Property"; and
- (2) if this Policy includes Section II Business Income Coverage, the increase in loss of "Business Income" and "Extra Expenses" because of the presence of "Hazardous Substances".

However, in no event shall we be liable for loss in excess of the amount specified on the Declarations Page.

As used in this coverage, increase in cost or in loss is that cost or loss beyond that for which we would have been liable had no "Hazardous Substance" been present.

h. Basis of Settlement

(1) Property Damage

Under Insuring Agreement **1.a.**, we agree to pay for "Insured Property" which is damaged, as follows:

- (i) "Media", the cost of blank material;
- (ii) exposed film, records, manuscripts and drawings, the cost of blank material plus the cost of transcription;
- (iii) all other "Insured Property", the lesser of the cost at the time of the "Breakdown"
 - (a) to repair; or
 - (b) to replace with similar property of like kind, capacity, size, quality and function.

We shall not be liable for:

- (i) the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- (ii) more than the cost to replace the property with other property of like kind, capacity, size, quality and function;
- (iii) more than the cost to replace the property at the same or adjacent site; or
- (iv) loss or damage to property which is useless or obsolete to you.

If the damaged property is not repaired or replaced within twelve (12) months after the date of the "Breakdown", our liability will only be for the actual cash value of the damaged property. Actual cash value is the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. In determining depreciation consideration will be given to such items as the age, condition, and normal life expectancy of the property.

(2) Spoilage

We shall pay under Insuring Agreement **1.b.** the amount that is spent to replace perishable "Insured Property" which spoils solely as a result of the "Breakdown" of "Insured Equipment". If the "Insured Property" is not replaced, we shall only pay for the actual cash value of the property.

i. Deductible

From the total amount of loss, damage and expense for which we are liable following any “One Breakdown” of “Insured Equipment” shall be subtracted from the Deductible specified in the Declarations Page.

j. Inspection

We or our Reinsurer shall have the right to make inspections of “Insured Equipment” at any reasonable time. Neither this right to make inspections nor making them is an undertaking to you or others that the “Insured Equipment” is safe and not hazardous or injurious to health.

k. Suspension

Upon the discovery of “Insured Equipment” in or exposed to a dangerous condition any of our representatives or our Reinsurer may immediately suspend the coverage afforded against loss from the “Breakdown” of that equipment (which will include any insurance applying to the interest of any Mortgagee specified in the policy). Notice of suspension shall be given either at the Mailing Address specified in the Declarations Page, or at the location of the equipment. We or our Reinsurer agrees to furnish a copy of the Suspension Notice to the Mortgagee. Once coverage has been suspended, it can only be reinstated by an endorsement issued to form part of this Policy. You shall be allowed a pro-rata refund of premium for that equipment for the period that coverage is suspended.

4. Definitions

a. “Breakdown”

“Breakdown” means a sudden and accidental failure of “Insured Equipment” resulting in physical damage to the “Insured Equipment” which requires the repair or replacement of the “Insured Equipment” or a part of the “Insured Equipment”.

“Breakdown” does not mean:

- (1) depletion, deterioration, corrosion or erosion of material;
- (2) wear and tear;
- (3) vibration or misalignment;
- (4) the functioning of any safety device or protective device; nor
- (5) the failure of a structure or foundation supporting the “Insured Equipment” or a part of the “Insured Equipment”.

b. “Data”

“Data” means facts, concepts, information or software in a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.

c. “Extra Expenses”

“Extra Expenses” means extra expenses covered under the Extra Expenses Supplement Coverage of Section VII – Supplemental Coverage.

d. “Hazardous Substance”

A "Hazardous Substance" is:

- (1) any pollutant, contaminant or other substance declared by a governmental authority to be hazardous to health or the environment; or
- (2) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

e. "Insured Equipment"

"Insured Equipment" shall mean any equipment owned, leased, operated or controlled by you as described below:

- (1) any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including:
 - (i) any boiler setting, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- (2) any mechanical or electrical equipment used for the generation, transmission or utilization of mechanical or electrical power, but not including:
 - (i) any vehicle or mobile equipment; nor
 - (ii) any elevator or escalator but not excluding any electrical or electronic equipment used with such apparatus;
- (3) any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

f. "Insured Property"

"Insured Property" is:

- (1) your property; or
- (2) property of others in your care, custody or control and for which you are legally liable.

g. "Media"

"Media" means material on which "Data" is recorded, such as magnetic tapes, hard disks or floppy disks.

h. "One Breakdown"

If either the "Breakdown" of "Insured Equipment" causes the "Breakdown" of other "Insured Equipment" or a series of "Breakdowns" occur at the same time as a result of the same cause, you will all be considered as "One Breakdown".

COMPREHENSIVE CRIME COVERAGE PART

Various provisions in the Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. All references in this Coverage Part to "Policy" apply only to this COMPREHENSIVE CRIME COVERAGE PART.

Throughout the Comprehensive Crime Policy, the word "**Insurer**" refers to the company providing this insurance. Words and phrases which appear in bold are defined terms. Please refer to Section 2. Definitions.

In consideration of the payment of the premium and in reliance upon the **Application**, the **Insurer** and the **Insured** agree as follows:

1. INSURING AGREEMENTS

A. Employee Theft

The **Insurer** shall pay **Loss** by an **Insured** resulting from any **Employee**, acting alone or in collusion with others, committing any:

1. **Theft of Money, Property, or Securities;**
2. **Forgery;** or
3. **Alteration of a Financial Instrument.**

B. Customer Property

The **Insurer** shall pay **Loss** by a **Customer** resulting from any **Employee**, not in collusion with such **Customer** or **Customer's** employees, committing any:

1. **Theft of Money, Property, or Securities;**
2. **Forgery;** or
3. **Alteration of a Financial Instrument.**

C. Inside the Premises

The **Insurer** shall pay **Loss** by an **Insured**:

1. of **Money** or **Securities** while inside the **Premises** or any **Banking Premises** resulting from any:
 - a. **Third Party** committing any **Robbery, Safe Burglary, or Theft;** or
 - b. destruction or disappearance;
2. inside the **Premises** resulting from any **Third Party** committing any:
 - a. damage to **Property** during any **Robbery** or attempted **Robbery;**
 - b. damage to **Property** contained inside any safe during any **Safe Burglary** or attempted **Safe Burglary;**

- c. damage to a locked safe, cash drawer, cash box or cash register during any felonious entry or attempted felonious entry;
- d. felonious abstraction of a locked safe, cash drawer, cash box or cash register; or
- e. damage to the **Premises** during any **Safe Burglary** or attempted **Safe Burglary** or **Robbery** or attempted **Robbery**.

D. Outside the Premises

The **Insurer** shall pay **Loss** by an **Insured**:

- 1. of **Money** or **Securities** while **In Transit**, or while temporarily inside the home of an **Employee** or a **Partner** of an **Insured Organization**, resulting from any:
 - a. **Third Party** committing any **Robbery** or **Theft**; or
 - b. destruction or disappearance;
- 2. resulting from any **Third Party** committing any:
 - a. damage to **Property** while **In Transit** during any **Robbery** or attempted **Robbery**; or
 - b. **Theft** of **Property** while temporarily inside the home of an **Employee** or a **Partner** of an **Insured Organization**.

E. Forgery or Alteration

- 1. The **Insurer** shall pay **Loss** by an **Insured** resulting from any **Third Party** committing any:
 - a. **Forgery** of a **Financial Instrument**; or
 - b. **Alteration** of a **Financial Instrument**.
- 2. If a legal proceeding to enforce payment of a **Financial Instrument** is brought against an **Insured Organization** or **Insured Organization's** financial institution, with the written consent of the **Insurer**, the **Insurer** will pay reasonable legal fees incurred to defend such proceeding and notice of any such proceeding must be made to the **Insurer** no later than thirty (30) days after the end of the **Policy Period**. The amount that the **Insurer** will pay is part of, and not in addition to, the Limit of Liability specified in the Declarations for Insuring Agreement E above.

F. Computer Fraud or Fraudulent Transfer Instructions

The **Insurer** shall pay **Loss** by an **Insured** of **Money** or **Securities** resulting from any **Third Party** committing any:

- 1. **Computer Fraud**; or
- 2. **Fraudulent Transfer Instructions**.

G. Currency Fraud

The **Insurer** shall pay **Loss** by an **Insured** resulting from any **Third Party** committing any **Currency Fraud**.

H. Charge Card Forgery or Alteration

The **Insurer** shall pay **Loss** by an **Insured** resulting from a **Third Party** committing any **Charge Card Fraud** provided that:

1. the terms and conditions imposed by the issuer of any credit, debit or charge card have been complied with; and
2. the **Insured** is legally liable for such **Loss**.

J. Computer Restoration Costs Coverage (Insuring Agreements A, B & F)

1. The **Insurer** shall pay **Computer Restoration Costs** incurred by any **Insured** resulting from any **Loss** covered under Insuring Agreements A, B, or F provided that such **Loss** exceeds the Deductible applicable to the relevant Insuring Agreement.
2. This coverage shall be subject to a Sublimit of Liability of \$ _____ under Insuring Agreements A, B, and F. Such Sublimit of Liability shall be the maximum aggregate amount that the **Insurer** shall pay for this coverage under each relevant Insuring Agreement. Such Sublimit of Liability shall be part of, and not in addition to, the Limit of Liability applicable to each relevant Insuring Agreement. Other than as specified above, no Deductible shall apply to this coverage.

K. Extortion

1. The **Insurer** shall reimburse **Loss** paid to the perpetrators of any **Extortion** first commenced during the **Policy Period**.
2. The **Insurer** shall reimburse **Loss** resulting from any destruction, disappearance, confiscation or theft of money, property or other consideration to the extent that such money, property or other consideration was:
 - a. Intended as payment to the perpetrators of any **Extortion** first commenced during the **Policy Period**: and
 - b. Being held or conveyed by a person authorized by an **Insured Organization** to make such payment.

2. DEFINITIONS

Whether used in the singular or plural, the following terms shall have the meanings specified below:

- A. **“Alteration”** means the material modification of an original document by a person acting without authority and with the intent to deceive.
- B. **“Application”** means the application for this Policy, including any information and materials submitted therewith or incorporated therein. **“Application”** also means any application, including any information and materials submitted therewith or incorporated therein, for any insurance policy in an uninterrupted series of policies issued by the **Insurer**, or any insurance company controlling, controlled by or under common control with the **Insurer**, of which this

Policy is a direct or indirect renewal or replacement. The **Application** shall be deemed attached to and is incorporated into this Policy.

- C. **“Assault”** means bodily injury to any **Insured Person**.
- D. **“Banking Premises”** means the interior portion of any building occupied by a banking institution or similar safe depository.
- E. **“Charge Card Fraud”** means **Forgery** or **Alteration** of any **Financial Instrument** required in connection with any corporate credit, debit or charge card issued to any:
1. **Insured Organization**; or
 2. **Executive** or **Employee** provided that an **Insured Organization** has requested the issuance of such card to such **Executive** or **Employee**.
- F. **“Computer Attack”** means any:
1. entry into, or deletion of data from a **Computer System**;
 2. change to data elements or program logic kept in machine readable format in a **Computer System**; or
 3. introduction of instructions that propagate throughout a **Computer System**,
- provided that such occurrence is directed solely against, and is not authorized by, any **Insured Organization**.
- G. **“Computer Fraud”** means **Theft** directed solely against an **Insured Organization** committed through the use of any computer or computer network, including all input, output, processing, storage, and communication devices connected to any computer or computer network.
- H. **“Computer Restoration Costs”** means reasonable and necessary expenses incurred by an **Insured** with the **Insurer’s** prior written consent to reproduce or duplicate damaged or destroyed **Data** or computer programs. If such computer programs cannot be duplicated from other computer programs, then **Computer Restoration Costs** shall also include reasonable costs incurred for computer time, computer programmers, technical experts, and consultants to restore the computer programs to substantially the same level of operational capability immediately preceding the covered loss. **Computer Restoration Costs** shall not include any compensation, benefit expenses, or overhead of any **Insureds** or any expenses incurred by any **Customer**.
- I. **“Computer System”** means any computer or computer network utilized by an **Insured Organization**, including any input, processing, storage, communication facilities, and off-line media libraries.
- J. **“Counterfeit”** means an imitation of an actual valid original that is intended to deceive and to be taken as the original.
- K. **“Currency Fraud”** means the good faith acceptance by an **Insured Organization** in the regular course of business and in exchange for merchandise, **Money**, or services of any:
1. **Counterfeit** Canadian or United States of America post office or express money order or bank draft issued or purporting to have been issued by any post office, express company, or bank, that is not paid upon presentation; or

2. **Counterfeit** Canadian or United States of America paper currency.
- L. **“Customer”** means any person or entity to which an **Insured Organization** provides goods or services for consideration.
- M. **“Data”** means information contained in any records, accounts, microfilms, tapes or other paper or electronic records.
- N. **“Discovery”** means knowledge acquired by a **Named Organization’s Executive**, who is not a Customer, that would cause a reasonable person to believe:
1. a covered **Loss** has occurred; or
 2. that circumstances have arisen that may subsequently result in a covered **Loss**, including **Loss**:
 - a. sustained prior to the inception date of this Policy specified in the Declarations Page;
 - b. not exceeding the applicable Deductible specified in the Declarations Page; or
 - c. for which exact details are unknown.
- Discovery** shall not include knowledge acquired by an **Executive** or a **Risk Manager** acting alone or in collusion with an **Employee** as a participant in a **Theft** or **Forgery**.
- O. **“Employee”** means any natural person whose labour or service is engaged and directed by any **Insured Organization** and who is compensated directly by salary, wages or commissions by the **Insured Organization** including fulltime, part-time, seasonal, leased and temporary employees, as well as volunteers.
- Employee** shall not include any: (i) **Executive** except to the extent that such person is also acting in the usual scope of duties of an **Employee**; (ii) volunteer or student acting as a fund solicitor during fund-raising activities; or (iii) **Independent Contractor**
- P. **“Executive”** means any natural person who is a duly elected or appointed:
1. director, officer, or member of the board of directors or part of the management committee of an **Insured Organization**; or
 2. in-house general counsel of an **Insured Organization**.
- Q. **“Extortion”** means any credible threat to:
1. commit a **Kidnapping, Assault, Hijacking, or Wrongful Detention**;
 2. damage, destroy or contaminate any **Property**;
 3. improperly disclose or utilize any trade secrets or other proprietary information of any **Insured Organization** provided that such **Insured Organization** makes all reasonable efforts to protect such information from unauthorized disclosure;
 4. distribute counterfeit **Products** or disseminate negative information regarding **Products** or

5. initiate a **Computer Attack**,

in which a demand for payment is made as a condition for the avoidance or mitigation of such harm.

R. “**Financial Institution**” means:

1. A bank, trust company, credit union or other deposit-taking institution.
2. An insurance company.
3. A stock brokerage, securities dealer firm, mutual fund company, or pension fund, or liquid assets fund company or other investment institutions.

at which the **Insured Organization** maintains one or more accounts.

S. “**Financial Instrument**” means cheques, drafts, or similar orders to pay a specific amount of money that are made by, drawn by or drawn upon an **Insured Organization** or by anyone acting as an agent of an **Insured Organization**, or that are purported to have been so made or drawn.

T. “**Forgery**” means the signing of another natural person’s name without their consent or permission and with the intent to deceive. Mechanically or electronically produced or reproduced signatures shall be treated the same as hand-written signatures.

U. “**Fraudulent Transfer Instructions**” means any fraudulent written, electronic, telegraphic, cable, teletype or telephonic instructions issued to a financial institution directing such institution to initiate a transfer of **Money** or **Securities** from any account maintained by an **Insured Organization** at such institution which instructions purport to have been authorized by such **Insured Organization** but were, in fact, fraudulently transmitted by someone other than the **Insured Organization**.

V. “**Hijacking**” means any unlawful detention of an **Insured Person**, other than a **Kidnapping**, for a period in excess of 4 hours, commenced while such **Insured Person** was travelling in or on a vehicle, watercraft or aircraft.

W. “**In Transit**” means a conveyance outside the **Premises** by an **Insured Organization** within the custody of any:

1. **Employee** or **Partner** of an **Insured Organization**; or
2. authorized custodian of an **Insured Organization**.

Such conveyance begins upon receipt of the conveyance by any person described in 1 or 2 above from any **Insured Organization**, and ceases upon delivery of the conveyance to the designated recipient or its agent.

X. “**Independent Contractor**” means any natural person working for an **Insured Organization** in the capacity of an independent contractor pursuant to an express contract or agreement with an **Insured Organization** governing the nature of such person’s engagement.

Y. “**Insured**” means any **Insured Organization**. **Insured** shall not include a **Customer**.

- Z.** “**Insured Organization**” means the **Named Organization** or any **Subsidiary**, including any such organization in its capacity as a debtor company under Canadian insolvency law or in an equivalent capacity under the law of any other country.
- AA.** “**Investigation Costs**” means reasonable and necessary expenses incurred by an **Insured** with the **Insurer’s** prior written consent to establish the existence and amount of a covered **Loss**. **Investigation Costs** shall not include any compensation, benefit expenses, or overhead of any **Insureds** or any expenses incurred by any **Customer**.
- BB.** “**Interrelated Wrongful Acts**” means acts that have as a common nexus any fact, circumstances, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- CC.** “**Kidnapping**” means any wrongful abduction and holding under duress or by fraudulent means, of an **Insured Person** in which a demand for payment of ransom is made as a condition for the release of such **Insured Person**.
- DD.** “**Loss**” means direct loss sustained. If **Investigation Costs** coverage is elected on the Declarations Page, “**Loss**” shall also mean **Investigation Costs**.
- EE.** “**Money**” means currency, coin, and bank notes in current use and having a face value, and electronic representations thereof.
- FF.** “**Named Organization**” means the Named Insured(s) shown in the Policy Declarations Page and any other person(s) or organization(s) qualifying as a Named Insured under this Policy named in Item 1 of the Declarations Page.
- GG.** “**Partner**” means a natural person who is a general partner or limited partner of the **Insured** during the **Policy Period**.
- HH.** “**Policy Period**” means the period specified on the Declarations Page, subject to any cancellation prior to the scheduled expiration date.
- II.** “**Premises**” means the interior portion of a building occupied by an **Insured Organization** to conduct its business.
- JJ.** “**Property**” means tangible property other than **Money** or **Securities**. **Property** shall not include **Data**.
- KK.** “**Products**” means any raw materials, work in progress, inventory or products stored, manufactured or distributed by an **Insured Organization**.
- LL.** “**Risk Manager**” means an **Employee** designated by an **Insured Organization** to effect and maintain insurance for the **Insured Organization**.
- MM.** “**Robbery**” means a **Theft** from the care and custody of any:
1. **Employee**; or
 2. authorized custodian of an **Insured Organization** other than a watchman, porter, janitor or security personnel,
- by violence or threat of violence committed in the presence of such person.

NN. “**Safe Burglary**” means **Theft** from a locked vault or safe located inside the **Premises** by forcible or violent entry as evidenced by visible marks.

OO. “**Securities**” means negotiable and non-negotiable instruments representing either **Money** or **Property**.

PP. “**Subsidiary**” means any:

1. corporation in which, and for as long as, the **Named Organization** owns or controls, either directly or indirectly, more than 50% of the outstanding securities representing a present right to vote for the election of the board of directors of such corporation;
2. limited liability company in which, and for as long as, the **Named Organization** owns or controls, either directly or indirectly, the right to elect, appoint or designate more than 50% of the members of the board of managers or management committee of such limited liability company;
3. not-for-profit corporation that is incorporated under Part II of the *Canada Corporations Act*, R.S.C. 1970, c. C-32, as amended, or the *Canada Not-for-profit Corporations Act* S.C. 2009, c. 23 or any successor legislation, or under any similar provisions of any provincial or territorial statute, as amended, which, and for as long as, the **Named Organization** exclusively sponsors such entity or organization.

QQ. “**Theft**” means any unlawful taking.

RR. “**Third Party**” means any natural person other than:

1. an **Employee** or an **Executive**; or
2. a person acting in collusion with an **Employee** or an **Executive**.

SS. “**Wrongful Detention**” means wrongful involuntary confinement of an **Insured Person** by others, other than **Kidnapping**, for a period of 24 hours or more.

3. EXCLUSIONS

A. The **Insurer** shall not be liable to pay **Loss** resulting from any:

1. **Theft, Computer Fraud, Fraudulent Transfer Instructions** or any other fraudulent, dishonest or criminal act (other than **Robbery** or **Safe Burglary**), by any authorized representative of the **Insured Organization**, other than an **Employee**, provided that this exclusion shall not apply if an authorized representative is acting in collusion with an **Employee**;
2. fire, provided that this exclusion shall not apply to:
 - a. **Loss of Money or Securities**; or
 - b. damage to any safe or vault caused by the application of fire during any **Safe Burglary** or attempted **Safe Burglary**;
3. **Theft** or **Forgery** by a **Partner** of an **Insured Organization**, whether acting alone or in collusion with others; however, if such **Theft** or **Forgery** would have otherwise resulted in a covered **Loss**, the **Insurer** shall pay the amount which exceeds such **Partner**'s percentage ownership of the **Insured Organization**, on the day immediately preceding

the date of **Discovery**, calculated by the **Insured Organization's** total assets as reflected in such **Insured Organization's** most recent audited financial statements. ;

4. authorized or unauthorized trading, regardless of whether such trading is: (i) in the name of the **Insured, Employee** or another; (ii) in a genuine or fictitious account; or (iii) with or without the knowledge of any **Insured** or **Employee**. However, this exclusion shall not apply to **Loss** caused by **Theft** or **Forgery** resulting in improper financial gain to an **Employee** (**Loss** as used in this Exclusion means only the amount of improper financial gain to such **Employee** and shall not include any compensation paid by an **Insured Organization** to such **Employee** such as salary, bonuses, incentive payments, commissions, or employee benefits);
5. misappropriation or loss of use of trade secrets, trade dress, logos, slogans, trademarks, confidential processing methods, personally identifiable information, customer data, or other confidential information of any kind;
6. declared or undeclared war, civil war, riot, insurrection, rebellion or revolution, military, naval or usurped power, governmental intervention or authority, expropriation or nationalization, or any act or condition incident or related to any of the foregoing;
7. unrealized loss of income, including, without limitation, interest and dividends;
8. indirect or consequential loss of any nature, including, without limitation, fines, penalties, multiple or punitive damages;
9. **Employee** to the extent that **Loss** occurs:
 - a. after an **Executive** or **Risk Manager** acquires knowledge of fraud or dishonesty committed by such **Employee** involving **Money, Securities** or **Property**, regardless of whether such fraud or dishonesty occurred prior to or during employment of the **Employee** with an **Insured**; or
 - b. more than thirty (30) days after termination of such **Employee**;
10. expenses incurred by an **Insured** in defending or prosecuting any legal proceeding, provided that this Exclusion shall not apply to the coverage provided under Section 6. Defence Costs Coverage (Forgery or Alteration);
11. **Insured** knowingly giving or surrendering **Money, Property**, or **Securities** in any exchange or purchase with a **Third Party** not in collusion with an **Employee**, provided that this exclusion shall not apply to **Currency Fraud**;
12. **Loss** sustained by one **Insured** to the advantage of any other **Insured**;
13. coin-operated devices or vending machines;
14. disappearance of, or damage to, **Money, Property**, or **Securities** while in the custody of any bank, trust company, similar recognized place of safe deposit, armoured motor vehicle company, or any person duly authorized by an **Insured Organization** to have custody of the **Property**, provided that this exclusion shall not apply to **Loss** excess of the amount recovered or received by an **Insured Organization** under:
 - a. the **Insured Organization's** contract, if any, with, or insurance carried by, any of the foregoing; or

3. from any unrealized income, including, without limitation, loss of interest and dividends;
 4. from any **Wrongful Detention** caused by:
 - a. an allegation any **Insured Person** engaged in criminal conduct if the **Domicile Country** of such **Insured Person** also recognizes such conduct as criminal; provided that this exclusion shall not apply if the **Named Organization** concludes such allegation is fraudulent and politically motivated; or
 - b. failure to comply with immigration, employment, residence or visa requirements;
 5. from any **Loss** sustained by one **Insured** to the advantage of any other **Insured**;
 6. from any participation in political activities or military operations; or
 7. unless surrendered to the perpetrators of an **Extortion**.
- F. The **Insurer** shall not be liable to pay **Loss** unless:
1. **Discovery** occurs and written notice thereof is given to the **Insurer** prior to the termination of this Policy at the earliest practicable moment, but no later than thirty (30) days after **Discovery**; or
 2. **the Loss** is sustained prior to the termination of this Policy and **Discovery** occurs and written notice thereof is given to the **Insurer** within ninety (90) days following such termination if the termination results from the voluntary liquidation or voluntary dissolution of the **Named Organization**.
- G. The **Insurer** shall not be liable to pay **Loss** of which **Discovery** occurred prior to the inception date of this Policy specified on the Declarations Page.

4. LIMIT OF LIABILITY AND DEDUCTIBLE

- A. The **Insurer's** maximum aggregate liability for each single **Loss** under each elected Insuring Agreement shall not exceed the applicable Limit of Liability specified on the Declarations Page, regardless of the number of **Insureds** sustaining such **Loss**.
- B. All **Loss** resulting from a single act or any number of acts including any **Interrelated Wrongful Acts**, of the same **Employee** or **Third Party**, regardless of whether such act or acts occurred before or during the **Policy Period**, shall be treated as a single **Loss** and the applicable Limit of Liability of this Policy shall apply, subject to Section 7. No Prior Loss Coverage.
- C. If **Loss** is covered under more than one Insuring Agreement of this Policy, the maximum amount payable under this Policy shall not exceed the largest applicable Limit of Liability of any such Insuring Agreement.
- D. If there is more than one **Insured**, the maximum liability of the **Insurer** for any single **Loss** sustained by more than one **Insured** shall not exceed the amount for which the **Insurer** would have been liable if the single **Loss** had been sustained by one **Insured**.
- E. The amount that the **Insurer** shall pay for any single **Loss** shall not be cumulative from **Policy Period** to **Policy Period**.

- F. The **Insurer's** liability under this Policy shall apply only to that part of each **Loss** excess of the applicable Deductible specified on the Declarations Page. Each Deductible shall be uninsured.
- G. Regarding Insuring Agreement K, all **Loss** arising from any single **Extortion** or any series of related **Extortions** shall be considered a single **Loss**.

5. OWNERSHIP OF PROPERTY; INTERESTS COVERED

- A. Regarding all Insuring Agreements other than Insuring Agreement B, coverage shall only apply to **Money, Property** or **Securities** owned by the **Insured**, for which the **Insured** is legally liable, or held by the **Insured** whether or not the **Insured** is liable, provided that:
 - 1. the **Insurer** shall not be liable for damage to the **Premises** unless the **Insured Organization** is the owner or is liable for such damage; and
 - 2. regarding Insuring Agreement A, no coverage shall apply to **Money, Property** or **Securities** of a **Customer**.
- B. Regarding Insuring Agreement B, coverage shall only apply to **Money, Property** or **Securities** of a **Customer** held by the **Insured Organization** or for which the **Insured Organization** is legally liable.

6. INVESTIGATION COSTS COVERAGE (ALL INSURING AGREEMENTS)

- A. If Investigation Costs Coverage is elected on the Declarations Page, the **Insurer** shall pay **Investigation Costs** incurred by any **Insured** resulting from any **Loss** covered under Insuring Agreements A through G provided that such **Loss** exceeds the Deductible applicable to the relevant Insuring Agreement.
- B. This coverage shall be subject to a Sublimit of Liability of \$50,000 which shall be the maximum aggregate amount that the **Insurer** shall pay under this coverage. Such Sublimit of Liability shall be part of, and not in addition to, the Limits of Liability applicable to the above Insurance Agreements.

7. NO PRIOR LOSS COVERAGE.

There shall be no coverage under this Policy for **Loss** sustained prior to the:

- 1. inception date of this Policy specified in the Declarations Page; or
- 2. effective date of coverage for any additional **Insureds** or coverage added by endorsement.

8. CALCULATION OF LOSS

- A. For **Loss** of **Securities**, the **Insurer** shall pay the lesser of either:
 - 1. the actual market value of lost, damaged or destroyed **Securities**, but only up to and including their value at the close of business on the business day immediately preceding the **Discovery** of such **Loss**;
 - 2. the cost of replacing **Securities**; or
 - 3. the cost to post a lost securities bond in connection with issuing duplicates of the **Securities**.

- B.** For **Loss** of books of account or other records, the **Insurer** shall pay the cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records.

The **Insurer** shall pay expenses of transferring **Data**, programs or software from back-up or from originals of a previous generation. These expenses will not include research, engineering or any costs of restoring or re-creating lost information.

- C.** For **Loss of Property**, the **Insurer** shall pay the lesser of:

1. the price paid by an **Insured** for the **Property**; or
2. the cost to repair or replace **Property** with that of like kind, quality and value at the time that the **Insured Organization** furnishes a proof of loss pursuant to Section 9. Loss Reporting Rights and Duties.

- D.** For **Loss** of currency other than Canadian dollars, the **Insurer** shall pay the Canadian dollar equivalent of such currency determined by the Bank of Canada noon rate of exchange on the date of **Discovery** of such **Loss**.

9. LOSS REPORTING RIGHTS AND DUTIES

- A.** Knowledge possessed or **Discovery** by any **Insured** shall be deemed knowledge possessed or **Discovery** by all **Insureds**.

- B.** Upon **Discovery** and as a condition precedent to coverage, the **Insured Organization** shall provide to the **Insurer**:

1. written notice at the earliest practicable moment, but no later than thirty (30) days after **Discovery**;
2. a sworn proof of Loss with full particulars within 90 days of **Discovery**, including:
 - a. submission to examination under oath at the **Insurer's** request and a signed statement of answers; and
 - b. production of all pertinent records at such reasonable times and places as the **Insurer** shall designate; and
3. full and complete cooperation in all matters pertaining to a **Loss**, including the investigation and settlement thereof.

- C.** If an **Insured Organization** establishes wholly apart from its inventory records that it has a covered **Loss** caused by an identified **Employee**, then it may offer a comparison between its inventory records and a physical count of its inventory to prove the amount of such **Loss**.

- D.** No **Insured** shall institute legal proceedings against the **Insurer** regarding any **Loss**:

1. more than two (2) years after **Discovery**; or
2. to recover a judgment or settlement against it or its bank resulting from **Forgery** or **Alteration**, or defence costs as specified in Insuring Agreement E. B., more than two (2) years after the date such judgment shall become final or settlement was entered.

10. COVERAGE TERRITORY

This Policy shall apply in Canada and the United States of America including their respective provinces, territories and possessions.

11. CORPORATE TRANSACTIONS

A. Take over of **Named Organization**

If during the **Policy Period**:

1. any person or entity or group of persons and/or entities acting in concert acquires securities which result in ownership by such person(s) and/or entity(ies) of more than 50% of the outstanding securities representing the present right to vote for the election of directors or equivalent positions of the **Named Organization**; or
2. the **Named Organization** merges into or consolidates with another organization such that the **Named Organization** is not the surviving organization,

then coverage shall continue under this Policy, but only for covered **Loss** occurring before such transaction. No coverage shall be available for **Loss** occurring after such transaction. Upon such transaction, the entire premium for this Policy shall be deemed fully earned. The **Insureds** shall give the **Insurer** written notice of such transaction as soon as practicable, but not later than sixty (60) days after the effective date of such transaction.

B. Acquisition or Creation of **Subsidiary**

If, before or during the **Policy Period**, the **Named Organization**:

1. creates or acquires a **Subsidiary**; or
2. merges with another organization such that the **Named Organization** is the surviving entity,

then such newly created, acquired or merged organization shall be covered under this Policy for a covered **Loss** occurring after such acquisition, merger or creation. No coverage shall be available for any **Loss** of any new **Insureds** occurring before such transaction.

If either the fair value of the assets or gross annual revenues of any newly acquired or merged organization exceeds 25% of the total consolidated assets or gross annual revenues, respectively, of the **Named Organization** as reflected in its most recent consolidated audited financial statements prior to such acquisition or merger, then as a condition precedent to coverage for such new **Insureds**, the **Named Organization** shall give the **Insurer** written notice of the transaction as soon as practicable, pay any reasonable additional premium, and be subject to any additional terms and conditions required by the **Insurer**. The **Insureds** shall furnish all information regarding such transaction which the **Insurer** shall request.

C. Loss of **Subsidiary** Status

If, before or during the **Policy Period**, any organization ceases to be a **Subsidiary**, then coverage shall be available under this Policy for such **Subsidiary**, but only for covered **Loss** occurring before such cessation. No coverage shall be available for any **Loss** occurring after such cessation.

12. BANKRUPTCY

Bankruptcy or insolvency of any **Insureds** shall not relieve the Insurer of any of its obligations under this Policy.

13. LOSS COOPERATION

The **Insured** shall cooperate with the **Insurer** regarding the handling and processing of all covered matters under Insuring Agreement K.

14. CONFIDENTIALITY

The **Insured** shall not disclose the existence of Insuring Agreement K. to any third party.

SAMPLE

CANADA COMMERCIAL GENERAL LIABILITY COVERAGE PART

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. All references in this Coverage Part to "Policy" apply only to this COMMERCIAL GENERAL LIABILITY COVERAGE PART.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. 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. Refer to **SECTION V– DEFINITIONS**.

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 damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our sole discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III – Limits Of Insurance**; and
- (2) 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**.

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**.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of **Section II – Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or "suit", knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II – Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or "suit", includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph 1. of **Section II – Who Is An Insured**, or any "employee" authorized by you to give or receive notice of an "occurrence" or "suit":
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"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. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement.

c. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment or employment compensation law(s) or any similar law(s).

d. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, common law partner, child, parent, brother or sister of that "employee" as a consequence of **Paragraph (1)** above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to:

- (a) Liability assumed by the insured under an "insured contract"; or
- (b) A claim made or "suit" brought by a Canadian resident "employee" on whose behalf contributions are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

e. Aircraft or Watercraft

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of:

- (i) Any aircraft, air cushion vehicle or watercraft owned or operated by or rented or loaned to any insured; or
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading or unloading".

This exclusion applies even if the "suits" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, air cushion vehicle or watercraft that is owned or operated by or rented or loaned to any insured.

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 Canadian provincial or territorial workers' compensation law, if the "bodily injury" results from an "occurrence" involving watercraft.

f. Automobile

“Bodily injury” or “property damage” arising directly or indirectly, in whole or part, out of the ownership, maintenance, use or entrustment to others of any “automobile” owned or operated by or on behalf of or rented or loaned to any insured. Use includes operation and “loading or unloading”. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury” or “property damage”.

This exclusion applies to any motorized snow vehicle or its trailers and any vehicle while being used in any speed or demolition contest or in any stunting activity or in practise or preparation for any such contest or activity.

This exclusion applies even if the “suit(s)” against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury” or “property damage” involved the ownership, maintenance, use or entrustment to others of any “automobile” that is owned or operated by or on behalf of or rented or loaned to any insured.

This exclusion does not apply to:

- (1) “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 Canadian provincial or territorial workers’ compensation law if the “bodily injury” results from an “occurrence” involving an “automobile”.
- (2) “Bodily injury” or “property damage” arising out of a defective condition in, or improper maintenance of, any “automobile” owned by the Insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the “automobile” is insured.
- (3) “Bodily injury” or “property damage” arising out of the operation of “mobile equipment” while at the site of the use or operation of such equipment, provided that such “mobile equipment” was not required by law at the time of the “occurrence” to be insured under a contract evidenced by a motor vehicle liability policy.

g. Damage To Property

“Property damage” to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another’s property;
- (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 care, custody or control of any insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are 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”.

h. Damage To Your Product

“Property damage” to “your product” arising out of “your product” or any part of “your product”.

i. Damage To Your Work

“Property damage” to “your work” arising out of “your work” or any part of “your work” 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.

j. Damage To Impaired Property Or Property Not Physically Injured

“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.

k. Recall Of Products, Work Or Impaired Property

Damages claimed for 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.

l. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate “electronic data”.

m. Personal and Advertising Injury

“Bodily injury” arising out of “personal and advertising injury”.

n. Professional Services

“Bodily Injury” (other than “incidental medical malpractice injury”), or “property damage” due to the rendering of or failure to render by you or on your behalf of any “professional services” for others, or any error or omission, malpractice or mistake in providing those services.

o. Employment Related Practices

“Bodily injury” to:

- (1) A person arising out of any:
 - (a) Refusal to employ;
 - (b) Termination of that person’s employment;
 - (c) Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - (d) Proceedings or actions under Title VII of the 1964 Civil Rights Act or under any Canadian federal, territorial, or provincial human rights code, including any amendments thereto; and
- (2) The spouse, common law partner, child, parent, brother or sister of that person as a consequence of any injury or damage to the person in respect of whom any of the employment-related practices described in **Paragraphs (a), (b), (c) or (d)** above are directed.

This exclusion applies:

- (1) Whether the insured may be held liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

p. Liquor Liability

“Bodily injury” or “property damage” that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

- (1) The intoxication of any person; or
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

However, this exclusion only applies to those insured whose business is the distribution, servicing, sale, or manufacturing of alcoholic beverages.

q. Abuse

“Bodily injury” or “property damage” that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from the:

(1) Actual, alleged or threatened physical, verbal or mental abuse, harassment or molestation of any person by any insured, including, but not limited to, any sexual abuse, harassment or molestation;

(2) Negligent:

- a. Employment;
- b. Investigation;
- c. Supervision;
- d. Reporting to the proper authorities, or failure to so report; or
- e. Retention;

Of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph **(1)** above.

This exclusion also applies regardless of any other contributing or aggregating cause or event that contributes concurrently or in any sequence to the “bodily injury” or “property damage”.

r. Asbestos – see Common Exclusions.

s. Fungi or Bacteria – see Common Exclusions.

t. Lead – see Common Exclusions.

u. Nuclear – see Common Exclusions.

v. Pollution – see Common Exclusions.

w. Silica – see Common Exclusions.

x. Terrorism – see Common Exclusions.

y. War – see Common Exclusions.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages for “personal and

advertising injury” to which this insurance does not apply. We may, at our discretion, investigate any offence and settle any claim or “suit” that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III – Limits Of Insurance**; and
- (2) 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**.

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**.

- b. This insurance applies to “personal and advertising injury” caused by an offence arising out of your business but only if the offence was committed in the “coverage territory” during the policy period.

2. Exclusions

This insurance does not apply to:

a. **Knowing Violation Of Rights Of Another**

“Personal and advertising injury” caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict “personal and advertising injury”.

b. **Material Published With Knowledge Of Falsity**

“Personal and advertising injury” arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. **Material Published Prior To Policy Period**

“Personal and advertising injury” arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. **Criminal Acts**

“Personal and advertising injury” arising out of a criminal act committed by or at the direction of the insured.

e. **Contractual Liability**

“Personal and advertising injury” for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. **Breach Of Contract**

“Personal and advertising injury” arising out of a breach of contract.

g. **Quality Or Performance Of Goods – Failure To Conform To Statements**

“Personal and advertising injury” arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your “advertisement”.

h. Wrong Description Of Prices

“Personal and advertising injury” arising out of the wrong description of the price of goods, products or services stated in your “advertisement”.

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

j. Insureds In Media And Internet Type Businesses

“Personal and advertising injury” committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to **Paragraphs 16. a., b. and c.** of “personal and advertising injury” under **Section V – Definitions.**

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

“Personal and advertising injury” arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another’s Name Or Product

“Personal and advertising injury” arising out of the unauthorized use of another’s name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another’s potential customers.

m. Employment-Related Practices

“Personal and advertising injury” arising out of employment-related practices to:

- (1) A person arising out of any:
 - (a) Refusal to employ;
 - (b) Termination of a person’s employment;
 - (c) Employment-related practices, policies, act or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (d) Proceedings or actions under Title VII of the 1964 Civil Rights Act or under any Canadian federal, territorial or provincial human rights code, including any amendments thereto; and
- (2) Any other person as a consequence of any “personal and advertising injury” to the person in respect of whom any of the employment-related practices described in Paragraphs (a), (b), (c) or (d) above are directed.

This exclusion applies:

- (1) Whether or not the insured may be held liable as an employer or in any other capacity; and
 - (2) To any obligation to share damages with or repay someone else who must pay damages because of any such injury.
- n. **Asbestos – see Common Exclusions.**
 - o. **Fungi or Bacteria – see Common Exclusions.**
 - p. **Lead – see Common Exclusions.**
 - q. **Nuclear – see Common Exclusions.**
 - r. **Pollution – see Common Exclusions.**
 - s. **Silica – see Common Exclusions.**
 - t. **Terrorism – see Common Exclusions.**
 - u. **War – see Common Exclusions.**

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 as described in **Section III – Limits of Insurance**. We will pay reasonable expenses for:
- (1) First aid administered 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. **Any Insured**

To any insured, except “volunteer workers”.

b. **Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. **Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

d. **Workers’ Compensation and Similar Laws**

To a person, whether or not an “employee” of any insured, if benefits for the “bodily injury” are payable or must be provided under a workers’ compensation or disability benefits law or a similar law.

e. **Athletics Activities**

To a person injured while practicing, instructing, or participating in any physical exercises or games, sports, or athletic contests.

f. **Products-Completed Operations Hazard**

Included within the “products-completed operations hazard”.

g. **Coverage A Exclusions**

Excluded under **Coverage A**.

COVERAGE D. TENANTS’ LEGAL LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “property damage” to which this insurance applies. This insurance applies only to “property damage” to premises (including the contents thereof) of others rented to you or occupied by you. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any

“suit” seeking damages for “property damage” to which this insurance does not apply. We may, at our discretion, investigate any “occurrence” and settle any claim or “suit” that may result. But:

- (1) The amount we will pay for damages is limited as described in the **Section III – Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments under **Coverages A, B, or D** or medical expenses under **Coverage C**.

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**

b. This insurance applies to “property damage” only if:

- (1) The “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
- (2) The “property damage” occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of **Section II – Who Is An Insured** and no “employee” authorized by you to give or receive notice of an “occurrence” or “suit”, knew that the “property damage” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “property damage” occurred, then any continuation, change or resumption of such “property damage” during or after the policy period will be deemed to have been known prior to the policy period.

c. “Property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II – Who Is An Insured** or any “employee” authorized by you to give or receive notice of an “occurrence” or “suit”, includes any continuation, change or resumption of that “property damage” after the end of the policy period.

d. “Property damage” will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1 of **Section II – Who Is An Insured** or any “employee” authorized by you to give or receive notice of an “occurrence” or “suit”:

- (1) Reports all, or any part, of the “property damage” to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the “property damage”; or
- (3) Becomes aware by any other means that “property damage” has occurred or has begun to occur.

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

“Property damage” expected or intended from the standpoint of the insured.

b. Contractual Liability

“Property damage” for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an “insured contract”, provided the “property damage” occurs subsequent to the execution of the contract or agreement.

c. Asbestos – see Common Exclusions.

d. Fungi or Bacteria – see Common Exclusions.

e. Lead – see Common Exclusions.

f. Nuclear – see Common Exclusions.

g. Pollution – see Common Exclusions.

h. Silica – see Common Exclusions.

i. Terrorism – see Common Exclusions.

j. War – see Common Exclusions.

COMMON EXCLUSIONS – COVERAGES A., B., C. and D.

This insurance does not apply to:

1. Asbestos

“Bodily injury”, “property damage” or “personal and advertising injury” that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from the “asbestos hazard”, including any actual or alleged liability for any legal remedy of any kind whatsoever.

This exclusion includes but is not limited to compliance with any request, demand, order, or statutory or regulatory requirement, or any other action authorized or required by law, or any loss, cost or expense arising out of or relating to the investigation of, abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediation or disposing of, or in any way responding to, or assessing the effects of asbestos, as well as any costs, fees, expenses, penalties, judgments, fines or sanctions arising from or relating thereto. This exclusion also applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.

As used in this exclusion, “asbestos hazard” means:

- (1) the actual, alleged or threatened exposure to, consumption, ingestion of, inhalation of, absorption of, existence of, or presence of, asbestos in any manner or form whatsoever, either directly or indirectly;

- (2) the actual or alleged failure to warn, advise or instruct related to asbestos in any manner or form whatsoever;
- (3) the actual or alleged failure to prevent exposure to asbestos in any manner or form whatsoever; or
- (4) the actual or alleged presence of asbestos in any manner or form whatsoever, in any place whatsoever, whether or not within a building or structure, including its contents.

As used in this exclusion, "asbestos" means any substance, regardless of its form or state, containing asbestos.

2. Fungi or Bacteria

"Bodily injury", "property damage" or "personal and advertising injury" that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from the "fungi or bacteria hazard".

This exclusion includes but is not limited to compliance with any request, demand, order, or statutory or regulatory requirement, or any other action authorized or required by law, or any loss, cost or expense arising out of or relating to the investigation of, abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediation or disposing of, or in any way responding to, or assessing the effects of "fungi or bacteria", as well as any costs, fees, expenses, penalties, judgments, fines, or sanctions arising from or relating thereto.

This exclusion does not apply to any "fungi or bacteria" that are on or are contained in food or beverages.

This exclusion also applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

As used in this exclusion, "fungi or bacteria hazard" means:

- (1) actual, alleged or threatened exposure to, consumption, ingestion of, inhalation of, absorption of, existence of, or presence of "fungi or bacteria" in any manner or form whatsoever, either directly or indirectly;
- (2) the actual or alleged failure to warn, advise or instruct related to "fungi or bacteria" in any manner or form whatsoever;
- (3) the actual or alleged failure to prevent exposure to "fungi or bacteria" in any manner or form whatsoever; or
- (4) the actual or alleged presence of "fungi or bacteria" in any manner or form whatsoever, in any place whatsoever, whether or not within a building or structure, including its contents.

As used in this exclusion, "fungi or bacteria" includes, but is not limited to, any form or type of mold, mildew, yeast, spores, mycotoxins, endotoxins, or other pathogens, as well as any particulates or byproducts of any of the foregoing, either directly or indirectly.

3. Lead

“Bodily injury”, “property damage”, or “personal and advertising injury” that in any way, in whole or in part, directly or indirectly arises out of, relates to, or results from the “lead hazard”.

This exclusion includes but is not limited to compliance with any request, demand, order, or statutory or regulatory requirement, or any other action authorized or required by law, or any loss, cost or expense arising out of or relating to the investigation of, abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediation or disposing of, or in any way responding to, or assessing the effects of, lead, as well as any costs, fees, expenses, penalties, judgments, fines, or sanctions arising from or relating thereto.

This exclusion also applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.

As used in this exclusion, “lead hazard” means:

- (1) the actual, alleged or threatened exposure to, consumption, ingestion of, inhalation of, absorption of, existence of, or presence of, lead in any manner or form whatsoever, either directly or indirectly;
- (2) the actual or alleged failure to warn, advise or instruct related to lead in any manner or form whatsoever;
- (3) The actual or alleged failure to prevent exposure to lead in any manner or form whatsoever; or
- (4) the actual or alleged presence of lead in any manner or form whatsoever, in any place whatsoever, whether or not within a building or structure, including its contents.

4. Nuclear

Nuclear Energy Liability

- a. To any liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b. “Bodily injury”, “property damage” or “personal and advertising injury” 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”, “property damage” or “personal and advertising injury” 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”; or
 - (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 useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

This exclusion also applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.

As used in this exclusion:

- (1) “nuclear energy hazard” means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
- (2) “radioactive material” means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by or pursuant to any law, act or statute, or 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) “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, 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) “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”.

5. Pollution

- (1) Any “bodily injury”, “property damage” or “personal and advertising injury” that in any way, in whole or in part, directly or indirectly arises out of, relates to or results from the

actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

- (a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

 - (i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
 - (ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b)** At or from any premises, site or location which is or was at any time used by or for any person or entity for the handling, storage, disposal, processing or treatment of waste;
- (c)** 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 you may be legally responsible; or
- (d)** 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 if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

 - (i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) 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 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 effects of, "pollutants".
- (f) To the extent that any "bodily injury" or "property damage" is included in the "products-completed operations hazard".
- (2) Any loss, cost or expense that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from any:
 - (a) Request, demand, order, or statutory or regulatory requirement, or any other action authorized or required by law, that any insured or others investigate, test for, monitor, clean up, remove, dispose of, contain, treat, abate, remediate, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of investigating, testing for, monitoring, cleaning up, removing, disposing of, containing, treating, abating, remediation, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this section (2) does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

6. Silica

"Bodily injury", "property damage", or "personal and advertising injury" that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

- (1) the actual, alleged or threatened exposure to, consumption of, ingestion of, inhalation of or absorption of, "silica", either directly or indirectly;
- (2) the actual, alleged or threatened exposure to, consumption of, ingestion of, inhalation of, absorption of, existence of or presence of, "silica dust" either directly or indirectly;
- (3) the actual or alleged failure to warn, advise or instruct related to "silica" in any manner or form whatsoever; or
- (4) the actual or alleged failure to prevent exposure to "silica".

This exclusion includes but is not limited to compliance with any request, demand, order, or statutory or regulatory requirement, or any other action authorized or required by law, or any other claim, "suit", demand, loss, cost or expense directly or indirectly arising out of, relating to or resulting from the investigation of, abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediation or disposing of, or in any way responding to, or assessing the effects of "silica", as well as any costs, fees, expenses, penalties, judgments, fines, or sanctions arising or resulting therefrom or relating thereto.

This exclusion also applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.

As used in this exclusion:

- a. “silica” means any substance containing silicon dioxide (SiO₂), including, but not limited to, crystalline or non-crystalline silica, silica particles, silica compounds, “silica dust” or synthetic silica, including but not limited to precipitated silica, silica gel, fumed silica or silica flour;
- b. “silica dust” means dust containing “silica” alone or mixed with any other dust or fiber(s).

7. Terrorism

“Bodily injury”, “property damage” or “personal and advertising injury” arising directly or indirectly, in whole or in part, out of “Terrorism” or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate “terrorism”. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.

8. War

“Bodily injury”, “property damage” or “personal and advertising injury” that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

- (1) War, invasion, hostilities or act of foreign enemy, including but not limited to, undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

This exclusion also applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.

SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D

1. We will pay, with respect to any claim we investigate or settle, or any “suit” against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not furnish these bonds.

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$250 a day because of time off from work.
- e. All costs assessed or awarded against the insured in the “suit”.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. Any interest accruing after the entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that 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 or common law partner 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 and common law partners are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your shareholders are also insureds, but only with respect to their liability as shareholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than either your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” are insureds for:
 - (1) “Bodily injury” or “personal and advertising injury”:
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;

- (b) To the spouse, common law partner, child, parent, brother or sister of that co-“employee” or “volunteer worker” as a consequence of **Paragraph (1)(a)** above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in **Paragraphs (1)(a)** or **(b)** above;
 - (d) Arising out of his or her providing or failing to provide professional health care services; or
 - (e) To any person who at the time of injury is entitled to benefits under any workers’ compensation or disability benefits law or similar law.
- (2) “Property damage” to property:
- (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your “employee” or “volunteer worker”), 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, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as 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. **Coverage 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 and advertising injury” arising out of an offence 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, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Liability 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 "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit shown in the Declarations, is the most we will pay for the sum of:
 - a. Damages under **Coverage A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - b. Damages under **Coverage B**;
 - c. Medical expenses under **Coverage C**; and
 - d. Damages under **Coverage D**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under **Coverage A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to **Paragraph 2.** above, the Personal and Advertising Injury Limit is the most we will pay under **Coverage B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to **Paragraphs 2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under **Coverage A**;
 - b. Medical expenses under **Coverage C**; and
 - c. Damages under **Coverage D**because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to **Paragraph 5** above, the Tenants' Legal Liability Limit is the most we will pay under **Coverage D** for damages because of "property damage" to any one premises.
7. Subject to **Paragraph 5.** above, the Medical Payment Limit is the most we will pay under **Coverage C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance 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.

8. **Deductible or Self-Insured Retention**

Our obligation to pay damages on your behalf is subject to either a deductible or self insured retention, as set forth in the applicable endorsements attached to the policy. The deductible or self-

insured retention amounts, whichever are applicable, are shown in the Declarations as amended by the applicable endorsement.

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. Duties In The Event Of Occurrence, Offence, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offence which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offence took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offence.

Notice of an "occurrence" or an offence is not notice of a claim or "suit".

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

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 "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; 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 insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. 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.

4. 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 a “suit” asking for 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; but we will not be liable for 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.

5. 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:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder’s Risk, Installation Risk or similar coverage for “your work”;
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for “property damage” to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, “automobiles” or watercraft to the extent not subject to Exclusions **e.** or **f.** of Section **I** – Coverage **A** – Bodily Injury and Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations or products-completed operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A**, **B** or **D** to defend the insured against any “suit” if any other insurer has a duty to defend the insured against that “suit”. If no other insurer defends, we will undertake to do so, but we will be entitled to 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 retention 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.

6. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured unless otherwise specified in the declarations page of this policy. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured, subject to the retention of the minimum retained 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.

7. Named Insureds And Premiums

- a. The First Named Insured shown in the Declarations is authorized to act on behalf of all persons or organizations insured under this policy with respect to all matters pertaining to the insurance afforded by the policy.
- b. Each Named Insured is joint and severally liable for:
 - (1) All premiums due under this policy; and
 - (2) All obligations that arise due to any deductible or self-insured retention amount (as may be applicable) including claim expenses; and
 - (3) Any other financial obligations of any Named Insured to us arising out of any agreements contained in this policy.

8. 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.

9. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy 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 "suit" is brought.

10. 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 our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

11. Governing Law and Service of Suit

This policy shall be construed according to the laws of the province or territory in Canada in which the first Named Insured has its office in Canada as listed in the Declarations.

In the event of the failure by us to pay any amount claimed to be due under this policy or any dispute whatsoever between any insured and us relating to, arising from or in any way involving this policy (including but not limited to, the interpretation or meaning of any defined or undefined terms or any other issue(s) of interpretation impacting either the nature or scope of coverage provided by this policy), it is hereby agreed and understood that both we and all insureds irrevocably submit and attorn to the jurisdiction of the provincial or territorial superior court in Canada where either the first Named Insured has its head office as listed in the Declarations or where we have our head office in Canada as listed in the Declarations.

Nothing in this condition constitutes or should be understood to constitute a waiver of our right to commence a proceeding in any provincial or territorial superior court in Canada or to seek the stay or dismissal of any proceeding against us to have the issues in that proceeding determined in a different provincial or territorial superior court in Canada.

Further, no objection as to applicable law, forum or jurisdiction shall be raised by any Insured regardless of where an "occurrence" takes place, where the resulting "bodily injury", "property damage" or "personal and advertising injury" is sustained or where the "suit" is commenced against any "Insured".

Service of process in any suit may be made upon our CEO & President in Canada at our address specified in the Declarations of this policy.

SECTION V – DEFINITIONS

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Automobile" means a land motor vehicle, trailer or semitrailer designed for travel on public roads or required by law to be insured under a contract evidenced by a motor vehicle liability policy or any vehicle insured under such a contract, including any attached machinery or equipment. "Automobile" shall also include any self-propelled vehicle with the following types of permanently attached equipment:
 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
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 their respective provinces, territories and possessions).
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **Paragraph a.** above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you;
 - (2) The activities of a person whose home is in the territory described in **Paragraph a.** above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offences that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **Paragraph a.** above or in a settlement we agree to.
5. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

6. "Employee" includes a "leased worker" and a "temporary worker".
7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
8. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
9. "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.
10. "Incidental medical malpractice injury" means "bodily injury" arising out of the rendering of or failure to render, during the policy period, the following services:
 - a. medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - b. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;by any insured or any indemnitee causing the "incidental medical malpractice injury" who is not engaged in the business or occupation of providing any of the services described in a. and b. above.
11. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with vehicle or pedestrian private railway crossings at grade;
 - d. Any other easement agreement;
 - e. An obligation, as required by ordinance or by-law, to indemnify a municipality, except in connection with work for a municipality;
 - f. A written elevator maintenance agreement;
 - g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay damages because of "bodily injury"

or “property damage” to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any written contract or written agreement.

Paragraph **g.** does not include that part of any contract or agreement:

- (1)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured’s rendering or failure to render “professional services”, including those listed in **(1)** above and supervisory, inspection, architectural or engineering activities.

12. “Leased worker” means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. “Leased worker” does not include a “temporary worker”.

13. “Loading or unloading” means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or “automobile”;
- b.** While it is in or on an aircraft, watercraft or “automobile”; or
- c.** While it is being moved from an aircraft, watercraft or “automobile” to the place where it is finally delivered;

but “loading or unloading” does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or “automobile”.

14. “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in **Paragraphs a., b., c. or d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in **Paragraphs a., b., c. or d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment (but not the attached equipment itself while it is in use at a site and the self-propelled vehicle is not in operation) are not “mobile equipment” but will be considered “automobiles”:

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
15. “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
16. “Personal and advertising injury” means injury, including consequential “bodily injury”, arising out of one or more of the following offences:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products or services;
 - e. Oral or written publication of material, in any manner, that violates a person’s right of privacy;
 - f. The use of another’s advertising idea in your “advertisement”; or
 - g. Infringing upon another’s copyright, trade dress or slogan in your “advertisement”.

All "personal and advertising injury" arising out of the same or similar material, regardless of the mode in which such material is communicated, including but not limited to publication by means of Internet, extra-net, email or website, will be considered as arising solely out of one offence.

- 17.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 18.** "Products-completed operations hazard":
- a.** Means 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. However, "your work" will be deemed completed at the earliest of the following times:
- (a)** When all of the work called for in your contract has been completed.
- (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c)** When that part of the 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.
- b.** Does not include "bodily injury" or "property damage" arising out of:
- (1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
- (2)** The existence of tools, uninstalled equipment or abandoned or unused materials.
- 19.** "Professional services" shall include but not be limited to:
- a.** Medical, surgical, dental, and x-ray services or treatments,
- b.** Professional services of a pharmacist;
- c.** The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- d.** The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- e.** Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
- f.** The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;

- g.** Supervisory, inspection, architectural, design or engineering services;
- h.** Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
- i.** Any computer programming or re-programming, consulting, advisory or related services; or
- j.** Claim investigation, adjustment, appraisal, survey or audit services.

Paragraphs f. and g. do not include that part of the preparation of drawings and specifications, change orders, supervisory, inspection, design or engineering services used in "Your Product" or "Your Work".

20. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

23. "Terrorism" means activities against persons, organizations or property of any nature that involve the use or threat of force or violence, ideologically motivated commission or threat of a dangerous act or the commission or threat of any act that interferes with or disrupts any electronic communication, information or mechanical system and shall include, without limiting the generality of the foregoing, (i) any such activities involving preparation in respect of any of the foregoing activities and any act which is verified or recognized by the Government of Canada as an act of terrorism or the governing body of the country where the act occurred; (ii) any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002, as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015; or (iii) any "terrorist activity" as defined in the *Criminal Code of Canada*, R.S.C. 1985, c. C-46, as amended.

24. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

25. "Your product":

- a.** Means:
- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
 - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b.** Includes:
- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your product”; and
 - (2)** The providing of or failure to provide warnings or instructions.
- c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

26. “Your work”:

- a.** Means:
- (1)** Work or operations performed by you or on your behalf; and
 - (2)** Materials, parts or equipment furnished in connection with such work or operations.
- b.** Includes:
- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your work”, and
 - (2)** The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGE ENDORSEMENT

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

This Endorsement modifies insurance provided under the following:

CANADA PROGRAMS COMMERCIAL GENERAL LIABILITY COVERAGE FORM

1. **SECTION I - COVERAGES** is amended by adding the following:

Employee Benefits Liability	\$ 2,000,000	Each Employee
	\$ 2,000,000	Aggregate Limit

If no entry appears above with respect to the Aggregate, then the Aggregate limit will be \$1,000,000.

2. The following is added as the Retroactive Date for the purposes of the coverage provided pursuant to this Endorsement:

Retroactive Date:

If no entry appears above with respect to the Retroactive Date, then the Retroactive Date will be the Policy Period effective date

3. The following is added to **SECTION I - COVERAGES**:

COVERAGE - EMPLOYEE BENEFITS LIABILITY

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of any negligent act, error or omission by the insured, or of any person for whom the insured is legally liable, in the "administration" of the insureds "employee benefit program", to which this insurance applies. However, we will have no duty to defend the insured in any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any occurrence and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in the Limits of Insurance in the Declarations as amended by this Endorsement; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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.**

- b.** This insurance applies to damages only if:

- (1) The negligent act, error or omission did not take place before the Retroactive Date, if any, in this Endorsement, or after the end of the policy period; and
 - (2) A "suit" for damages, because of an act, error or omission, is first made against any insured, in accordance with paragraph **c.** below, during the policy period.
- c.** A "suit" seeking damages will be deemed to have been made when notice of such "claim" is received and recorded by any insured or by us, whichever comes first.
- A "suit" received and recorded by the insured within thirty (30) days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover that "claim".
- d.** All "suits" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

4. **Exclusions**

For the purposes of the coverage provided pursuant to the terms of this Endorsement and notwithstanding any other provision of this policy, this insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute or regulation.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "suit" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of any investment; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "suit" arising out of your failure to comply with any workers' compensation, unemployment compensation insurance, social security, old age retirement or disability benefits laws or any similar laws.

g. ERISA/Pension Benefit Standards Act

Any "suit", demand or damages that in any way, in whole or in part, arises out of, relates to, or results from any responsibilities, obligations or duties imposed by or under the Employee Retirement Income Security Act of 1974, including any amendments thereto, the *Pension Benefit Standards Act*, 1985 of Canada, including any amendments thereto or by the same or similar provisions of any federal, state, provincial, territorial law of Canada or the United States or other statutory or common law upon fiduciaries or administrators of any pension, profit sharing, health and welfare or other employee benefit plan or trust.

h. Available Benefits

Any "suit" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under any federal, state, provincial territorial, municipal or local taxation statute, code or regulation.

j. Employment-Related Practices

Damages arising out of employment-related practices to:

- (1) A person arising out of any:
 - (a) Refusal to employ;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, including but not limited to coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - (d) Proceedings or actions under Title VII of the 1964 Civil Rights Act or under any Canadian federal, territorial or provincial human rights code, including any amendments thereto; or
- (2) any other person as a consequence of any injury or damage to that person at whom any of the employment-related practices described in paragraphs (a), (b), (c), or (d) above are directed.

This exclusion applies:

- (1) Whether or not the insured may be held liable as an employer or in any other capacity; and

- (2) To any obligation to share damages with or repay someone else who must pay damages because of any such injury.

k. Punitive Damages

Multiple, exemplary or punitive damages.

l. Electronic-Data

Damages arising out of the misappropriation, erasure, destruction, loss of, loss of use of, damage to, corruption of, inability to access, inability to manipulate, or misinterpretation of "electronic data", including but not limited to the erroneous creation or entering of "electronic data".

m. Asbestos – see Common Exclusions.

n. Fungi or Bacteria – see Common Exclusions.

o. Lead – see Common Exclusions.

p. Nuclear – see Common Exclusions.

q. Pollution – see Common Exclusions.

r. Silica – see Common Exclusions.

s. Terrorism - see Common Exclusions.

t. War – see Common Exclusions.

5. For the purposes of the coverage provided pursuant to the terms of this Endorsement, paragraphs 2. and 3. of "**SECTION II – WHO IS AN INSURED**" are deleted and replaced with the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any other "employees", other than those described in paragraph a. above, having proper temporary authorization to administer your "employee benefit program" if the "employee" described in paragraph a. dies, but only until his or her legal representative is appointed.
- c. The legal representative of any "employee" who is or was authorized to administer your "employee benefit program" if any of them die, but only with respect to duties as such. That representative will have the "employee's" rights and duties under this Endorsement.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:

- a. Coverage under this Endorsement is afforded only until ninety (90) days after you acquire or form the organization or the end of the policy period, whichever is earlier.

- b. Coverage under this Endorsement does not apply to any act, error or omission that was committed before you acquired or formed the organization.
 6. For the purposes of the coverage provided pursuant to the terms of this Endorsement, paragraphs 1. and 2. of "**SECTION III – LIMITS OF INSURANCE**" are replaced with the following:
 1. Limits Of Insurance
 - a. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of, as may be applicable, the number of:
 - (1) Insureds;
 - (2) Claims made or "suits" brought;
 - (3) Persons or organizations making claims or bringing "suits";
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your "employee benefit program".
 2. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of:
 - a. Damages under **Coverage A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - b. Damages under **Coverage B**;
 - c. Medical expenses under **Coverage C**;
 - d. Damages under **Coverage D**; and
 - e. Damages under **Coverage - Employee Benefits Liability**.
7. For the purposes of the coverage provided pursuant to the terms of this Endorsement and notwithstanding any other provision of this Policy:
 - a. The Aggregate Limit in section 1 of this Endorsement is the most we will pay for all damages to which this insurance applies.
 - b. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - (1) A negligent act, error or omission; or
 - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, any amounts paid under the coverage provided pursuant to this Endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The limits of the coverage provided pursuant to the terms of this Endorsement apply to the policy period set forth in the Declarations or any Endorsements thereto.

8. For the purposes of the coverage provided pursuant to the terms of this Endorsement and notwithstanding any other provision of this Policy:
- a. Our obligation to pay damages on behalf of the insured is subject to a deductible as set forth in the applicable Endorsement attached to this policy.
 - b. Any deductible amount applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

9. For the purposes of the coverage provided pursuant to the terms of this Endorsement only, Condition 4. of "**SECTION IV- COMMERCIAL GENERAL LIABILITY CONDITIONS**" is replaced by the following:

4. Duties In The Event Of An Act, Error Or Omission, Claim or "Suit"

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "suit". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

- b. If a claim is made or "suit" or brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- 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 "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, defence or settlement of the claim or "suit"; 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 an act, error or omission to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

10. For the purposes of the coverage provided pursuant to the terms of this Endorsement, Condition 8. of "**SECTION IV- COMMERCIAL GENERAL LIABILITY CONDITIONS**" is amended by deleting subsection (1) of subparagraph b. **Excess Insurance**, in its entirety and replacing it with the following:

b. Excess Insurance

Any of the other insurance, whether primary, excess, contingent or on any other basis that is insurance purchased by you to cover your liability as a fiduciary or in respect of administration of any "employee benefit program".

11. For the purposes of the coverage provided pursuant to the terms of this Endorsement only, the following definitions are added to the "**SECTION V- DEFINITIONS**":

1.1 "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

4.1 "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.

4.2 "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

6.1 "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
- e. Any other similar benefits designated by specific Endorsement to this policy.

12. For the purposes of the coverage provided pursuant to the terms of this Endorsement only, definitions **6** and **21** of "**SECTION V- DEFINITIONS**" are replaced with the following:
- 6.** "Employee" either in the singular or plural means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker" and a "temporary worker".
 - 21.** "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Policy Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Named Insured: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYER'S LIABILITY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

CANADA PROGRAMS COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Schedule

Limits Of Insurance		
Bodily Injury By Accident or Disease:	\$2,000,000	Each Accident
Bodily Injury By Accident or Disease:	\$2,000,000	Aggregate Limit
If no entry appears with respect to any of the limits shown above, then the limit will be deemed to be \$1,000,000		

1. **SECTION I – COVERAGES** is amended by adding the following as “**COVERAGE – EMPLOYER’S LIABILITY**”:

COVERAGE – EMPLOYER’S LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated by the law of Canada, including any province or territory therein, to pay as damages because of “Bodily injury by accident or disease” to your “employee” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages to which this insurance does not apply. We may, at our discretion, investigate any accident and settle any claim or “suit” that may result. But:

- (1) The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**; and
- (2) 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 this coverage.

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**.

- b. This insurance applies to “Bodily injury by accident or disease” only if:

- (1) The:
 - (a) “Bodily injury by accident or disease” takes place in the “coverage territory”;

- (b) "Bodily injury by accident or disease" arises out of and in the course of the injured "employee's" employment by you in Canada; and
 - (c) "Employee", at the time of the injury, was not covered or entitled to be covered under a statutory Canadian provincial, territorial or federal workers' compensation, disability benefits or similar law; and
 - (2) The "Bodily injury by accident or disease":
 - (a) is caused by an accident that occurs during the policy period; or
 - (b) if a disease, is caused by or aggravated by conditions of employment by you, and the injured "employee's" last day of last exposure to the conditions causing or aggravating such "Bodily injury by accident or disease" occurs during the policy period.
- c. The damages we will pay, where recovery is permitted by applicable law, include damages:
 - (1) For:
 - (a) Which you are liable to a third party by reason of a claim or "suit" against you by that third party to recover the damages claimed against such third party as a result of injury to your "employee";
 - (b) Care and loss of services; and
 - (c) Consequential "Bodily injury by accident or disease" to a spouse, common law partner, child, parent, brother or sister of the injured "employee";

provided that these damages are the direct consequence of "Bodily injury by accident or disease" that arises out of and in the course of the injured "employee's" employment by you; and
 - (2) Because of "Bodily injury by accident or disease" to your "employee" that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

2. Exclusions

For the purposes of the coverage provided pursuant to the terms of this Endorsement and notwithstanding any other provision of this policy, this insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury by accident or disease" intentionally caused or aggravated by you or "Bodily injury by accident or disease" resulting from an act which is determined to have been committed by you if it was reasonable to believe that an injury was substantially likely to occur.

b. Contractual Liability

Liability assumed by you under any contract or agreement.

c. Statutory Obligations

Any obligation of the insured under a workers' compensation, disability benefits or unemployment or employment compensation law(s) or any similar law(s), including any penalty, fine, benefits or other obligations imposed thereunder.

d. Fines or Penalties

Any assessment, penalty or fine levied by any regulatory agency or authority.

e. Punitive Damages

Multiple, exemplary or punitive damages.

f. Employment Related Practices

Damages arising out of employment-related practices to:

- (1) A person arising out of any:
 - (a) Refusal to employ;
 - (b) Termination of that person's employment;
 - (c) Employment-related practices, policies, act or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - (d) Proceedings or actions under any Canadian federal, territorial or provincial human rights code, including any amendments thereto and under Title VII of the 1964 Civil Rights Act; and
- (2) Any other person as a consequence of any damages to the person in respect of whom any of the employment-related practices described in paragraphs (a), (b), (c) or (d) above are directed.

This exclusion applies:

- (1) Whether or not the insured may be held liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of any such injury.

g. Vessels, Aircraft and Automobiles

"Bodily injury by accident or disease" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of:

- (i) Any aircraft, air cushion vehicle or watercraft owned or operated by or rented or loaned to any insured;
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto; or

- (iii) Any "automobile" owned or operated by or on behalf of or rented or loaned to any insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "Bodily injury by accident or disease".

This exclusion applies to any motorized snow vehicle or its trailers and 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.

This exclusion applies even if the "suit(s)" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "Bodily injury by accident or disease" involved the ownership, maintenance, use or entrustment to others of any "automobile" that is owned or operated by or on behalf of or rented or loaned to any insured.

h. Violation Of Law

"Bodily injury by accident or disease" suffered or caused by any "employee" while employed in violation of law with your actual knowledge or the actual knowledge of any of your "executive officers".

i. Violation Of Age Laws Or Employment Of Minors

"Bodily injury by accident or disease" suffered or caused by any person:

- (1) Knowingly employed by you in violation of any law as to age; or
- (2) Under the age of 14 years, regardless of any such law.

j. Personal and Advertising Injury

"Bodily injury by accident or disease" arising out of "personal and advertising injury".

k. Asbestos – see Common Exclusions.

l. Fungi or Bacteria – see Common Exclusions.

m. Lead – see Common Exclusions.

n. Nuclear – see Common Exclusions.

o. Pollution – see Common Exclusions.

p. Silica – see Common Exclusions.

q. War – see Common Exclusions.

r. Terrorism – see Common Exclusions.

- 3. The provision, "**SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D**" shall also apply to "**COVERAGE – EMPLOYER'S LIABILITY**".
- 4. For the purposes of the coverage provided pursuant to the terms of this Endorsement "**SECTION III – LIMITS OF INSURANCE**", is amended by deleting subsections **2.** and adding the following:

2. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of:
 - a. Damages under **Coverage A**, except damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard”;
 - b. Damages under **Coverage B**;
 - c. Medical expenses under **Coverage C**;
 - d. Damages under **Coverage D**; and
 - e. Damages under **Coverage – Employer’s Liability**.
5. For the purposes of the coverage provided pursuant to the terms of this Endorsement:
 - (a) the “Bodily injury by accident or disease” – Each Accident Limit shown in the **Schedule** of this Endorsement is the most we will pay for all damages covered by this insurance because of “Bodily injury by accident or disease” to one or more “employees” in any one accident or disease to any one “employee”; and
 - (b) the “Bodily injury by accident or disease” – Aggregate Limit shown in the **Schedule** of this Endorsement is the most we will pay for all damages covered by this insurance and arising out of “Bodily injury by accident or disease” to one or more “employees” who sustain “Bodily injury by accident or disease”.
6. For the purposes of the coverage provided pursuant to the terms of this Endorsement, paragraph 4. of “**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**” is deleted and replaced with the following:
 4. **Duties In The Event of an Accident or Disease**
 - a. You must see to it that we are notified at once of “Bodily injury by accident or disease” which may result in a claim or “suit”. Notice should include:
 - (1) The names and addresses of the injured persons and any witnesses;
 - (2) How, when and where the “Bodily injury by accident or disease” took place; and
 - (3) The nature and location of any injury.
 - b. If a claim is made or “suit” is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or “suit” and the date received; and
 - (2) Provide prompt notice to us.
 - 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 injury, claim or “suit”;
 - (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the “suit”; 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 to which this insurance may also apply.
 - d. No insured will, except at that insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
 - e. You must furnish complete information on any claim or “suit” arising out of “Bodily injury by accident or disease” or any claim or “suit” involving any of the following:
 - (1) Death;
 - (2) Quadriplegia or Paraplegia;
 - (3) Brain damage;
 - (4) Loss of vision or loss of hearing;
 - (5) Loss of limb;
 - (6) Hospitalization for more than thirty (30) days;
 - (7) Second or Third degree burns;
 - (8) Massive internal injuries affecting body organ(s);
 - (9) Pollution claims and/or allegations of sexual abuse or sexual assault; or
 - (10) Class actions, representative proceedings or any single proceeding with more than 5 named plaintiffs.
- 7. For the purposes of the coverage provided pursuant to this Endorsement, paragraphs **2.** and **3.** of “**SECTION II – WHO IS AN INSURED**” are deleted in their entirety.
- 8. For the purposes of this Endorsement, definition **4.** of “**SECTION V – DEFINITIONS**”, is deleted in its entirety and replaced by the following:
 - 4.** “Coverage territory” means:
 - a.** Canada and the United States of America (including their respective territories and possessions);
 - b.** International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **Paragraph a.** above; or
 - c.** All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in **a.** above, but who is away for a short time on your business;

provided the insured’s responsibility to pay damages is determined, in a “suit” on the merits, in Canada only (including its territories and possessions) or in a settlement we agree to.

9. For the purposes of this Endorsement, **“SECTION V – DEFINITIONS”** is amended to include the following additional definitions:

“Bodily injury by accident or disease” means bodily injury, sickness or disease sustained by a person, including death, resulting from an accident. A disease does not constitute “Bodily injury by accident or disease” unless it results directly from an accident.

10. For the purposes of the coverage provided pursuant to this Endorsement, the definition of “Bodily injury” under **“SECTION V – DEFINITIONS”** does not apply.

All other terms and conditions of this Policy remain unchanged

COPY

Endorsement Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Policy Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Named Insured: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**VOLUNTARY COMPENSATION FOR AN "EMPLOYEE" OF INSURED
(CANADA ONLY)**

This endorsement modifies insurance provided under the following:

CANADA PROGRAMS GENERAL LIABILITY COVERAGE FORM

It is hereby agreed that the following is added to this policy:

INSURING AGREEMENT

We will pay the voluntary compensation benefits as set out herein either to or on behalf of an "employee" of the insured who accidentally sustains "bodily injury" arising out of and in the course of his employment by the insured, whether or not such "bodily injury" could give rise to liability imposed by law upon the insured. Provided, however, that:

- (i) If the "employee" of the insured or any person claiming on his or her behalf shall refuse to accept the voluntary compensation benefits offered under this policy, then we shall be permitted, at any time in our discretion and without notice, to withdraw such offer to pay the said benefits, in which case we will no longer be under any obligation to provide voluntary compensation benefits under this policy. If any claim or demand is made upon, or "suit" instituted against the insured for damages for such injuries, such claim, demand or "suit", as applicable, shall be considered a refusal to accept such voluntary compensation benefits and such refusal shall abrogate in its entirety our obligation to pay such voluntary compensation benefits under this policy. In such event our obligations in respect of the other terms and conditions of the policy shall apply in the same manner and on the same basis as though the voluntary compensation benefits coverage had not been provided under this policy;
- (ii) The voluntary benefits under this policy shall not be payable unless at the time of the accident the "employee" was engaged in duties coming within the scope of the business activities of the insured;
- (iii) A full legal release of all claims of such "employee" or any person claiming on his or her behalf, against the insured is executed and delivered to us and that we are fully subrogated in any rights of such "employee" or person (excluding all services available under any provincial or territorial hospital insurance act) against anyone other than the insured;
- (iv) We shall in no event be liable for:
 - a. any voluntary compensation benefits for any claims, injury, death or other loss caused directly or indirectly, wholly or in part, by war, riot or invasion, or bodily or mental infirmity, narcotics, intoxicants, hernia (either as a cause or effect), ptomaines, bacterial infections (except pyogenic infections which shall occur with and through an accidental cut or wound), or by any other disease;
 - b. any voluntary compensation benefits for any fatal or non-fatal injuries sustained while in military or naval service in the time of war, or while participating in any horse, bicycle, automobile, motorcycle or motorboat race or speed contests;
 - c. any voluntary compensation benefits for any fatal or non-fatal injury sustained while in or on any vehicle or mechanical device for aerial navigation, or in falling therefrom or therewith, or while operating or handling any such vehicle or device; or

- d. any voluntary compensation benefits for any fatal or non-fatal injury sustained as a result of suicide or attempted suicide.
- (v) We shall in no event be liable for any voluntary compensation benefits for any "employee" of the insured if such "employee" is normally resident of any country other than Canada.

DEFINITION

For the purposes of the coverage under this Endorsement, the term "weekly indemnity" shall mean two-thirds of the weekly wage of the "employee" at the time of the accident, but in any event not exceeding the sum of \$100 per week.

SCHEDULE OF BENEFITS

Section 1 – LOSS OF LIFE

In the event of death resulting from such "bodily injury" within a period of twenty-six (26) weeks after the date of the accident we will pay:

- (a) to dependents of the "employee" who were wholly dependent upon him or her, an amount equal to one hundred (100) times the "weekly indemnity" in addition to the benefits provided under Section 2 up to the date of death.
- (b) the actual funeral expenses not exceeding, however, the sum of one thousand dollars (\$1,000).

Section 2 – TEMPORARY TOTAL DISABILITY

If such "bodily injury" shall within fourteen days from the date of the accident totally and continuously disable the "employee" and prevent him or her from performing any and every duty pertaining to any occupation or employment we will pay "weekly indemnity" for the period of such disability, or for twenty-six (26) weeks whichever is the lesser period. Provided however, that if the period of such disability is less than six (6) weeks, no benefit under this Section 2, shall be payable for the first seven (7) days of such disability.

Section 3 – PERMANENT TOTAL DISABILITY

If within twenty-six (26) weeks from the date of the accident and as a direct result of such "bodily injury" the "employee" shall be deemed permanently and totally disabled by medical evidence satisfactory to us, we will pay, in addition to the benefits provided under Section 2, "weekly indemnity" for a further period of one hundred (100) weeks.

Section 4 – DISMEMBERMENT BENEFITS

If such "bodily injury" shall within twenty-six (26) weeks from the date of the accident result in any one or more of the incapacities listed hereinafter in the "Schedule of Incapacities" we will pay "weekly indemnity" for the number of weeks shown opposite the incapacity in the said schedule in addition to the benefits payable under Section 2, but no event shall it be payable in addition to the benefits provided under Sections 1 or 3. The total amount payable under this Section 4, for one or more incapacities shall not exceed one hundred (100) times the "weekly indemnity".

Section 5 – MEDICAL, SURGICAL, HOSPITAL EXPENSES

If such "bodily injury" shall necessitate medical or surgical treatment or confinement to hospital, we will pay in addition to all other benefits provided under the voluntary compensation benefits extension the cost of necessary medical, surgical, pharmaceutical, and hospital services (excluding all services available

under any provincial or territorial hospital insurance act or statute) in accordance with the scale of charges provided by the Workers' Compensation Act of the province or territory of Canada in which the accident occurred, not to exceed in all the sum of ONE THOUSAND DOLLARS (\$1,000) during a period not exceeding twenty-six (26) weeks from the date of the accident.

SCHEDULE OF INCAPACITIES

LOSS OR TOTAL IRRECOVERABLE LOSS OF USE OF:

DIVISION A		<u>No. of Weeks</u>
1.	Arm	
	(a) At or above elbow, or	100
	(b) Below elbow, or	80
2.	Hand or wrist, or	75
3.	* (i) Thumb	
	(a) At or above the second phalangeal joint, or	25
	(b) Below the second phalangeal joint, involving a portion of the second phalangeal	18
	* (ii) Index Finger	
	(a) At or above the second phalangeal joint, or	25
	(b) At or above the third phalangeal joint, or	18
	(c) Below the third phalangeal joint, involving a portion of the third phalangeal	12
	* (iii) Any other finger	
	(a) At or above the second phalangeal joint, or	15
	(b) At or above the third phalangeal joint, or	8
	(c) Below the third phalangeal joint, involving a portion of the third phalangeal	8

NOTE: For a combination of two or more of the incapacities marked with a "*" the total amount payable under this division shall not exceed Eighty (80) times the "weekly indemnity".

DIVISION B		
1.	Leg	
	(a) At or above knee, or	100
	(b) Below knee, or	75
2.	Foot at Ankle, or	75
3.	** (i) Great Toe	
	(a) At or above the second phalangeal joint, or	15
	(b) Below the second phalangeal joint, involving a portion of the second phalangeal	8
	** (ii) Any other toe	
	(a) At or above the second phalangeal joint, or	10
	(b) At or above the third phalangeal joint, or	5
	(c) Below the third phalangeal joint, involving a portion of the third phalangeal	3

NOTE: For a combination of two or more of the incapacities marked with a “***” the total amount payable under this division shall not exceed thirty-five (35) times the “weekly indemnity”.

DIVISION C

- | | | | |
|----|------|-------------|-----|
| 1. | (i) | One eye, or | 50 |
| | (ii) | Both eyes | 100 |

DIVISION D

- | | | | |
|----|------|------------------------|-----|
| 1. | (i) | Hearing or one ear, or | 25 |
| | (ii) | Hearing of both ears | 100 |

SPECIAL CONDITION

We shall have the right to examine the person of the injured “employee” when and as often as we may require while the claim is pending and also in the case of death of the injured “employee” to make an autopsy subject to any law of the province or territory relating to autopsies.

It is hereby understood and agreed that this Endorsement shall only apply to an “employee” of the insured normally resident in Canada.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Policy Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Named Insured: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION AMENDMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Fungi and Bacteria Liability Aggregate Limit \$250,000

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal and Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

- a. "Personal and advertising injury" arising out of a "fungi or bacteria incident".
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- B. Coverage provided by this insurance for "bodily injury" or "property damage", arising out of a "fungi or bacteria incident" is subject to the Fungi and Bacteria Liability Aggregate Limit as described in Paragraph C. of this endorsement. This provision B. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.**

- C. The following are added to Section III – Limits of Insurance:**

1. Subject to Paragraphs 2. And 3. Of Section III – Limits of Insurance, as applicable, the Fungi and Bacteria Liability Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage A for all "bodily injury" or property damage" and Coverage C. for Medical Payments arising out of one or more "fungi or bacteria incident". This provision C.1. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.
2. Paragraphs 5., the Each Occurrence Limit, Paragraph 6., the Damage To Premises Rented To You Limit, and Paragraph 7., the Medical Expense Limit, of Section III – Limits Of Insurance continue to apply to bodily injury" or "property damage" arising out of a "fungi or bacteria incident" but only if, and to the extent that, limits are available under the Fungi and bacteria Liability Aggregate Limit.

- D. The following definitions are added to the Definitions Section:**

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

2. "Fungi or bacteria incident" means an incident which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this policy unless otherwise stated herein:

Endorsement Effective Date:



ARCH INSURANCE CANADA LTD.

77 King Street West
 Suite 3600, P.O. Box 308
 Toronto-Dominion Centre
 Toronto, Ontario M5K 1K2

S.P.F. NO. 6 STANDARD NON-OWNED AUTOMOBILE POLICY

ENDORSEMENT #

POLICY NO.

AGENT:

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:

ITEMS

APPLICATION

1. FULL NAME OF THE APPLICANT **SEE POLICY DECLARATIONS**

POSTAL ADDRESS **SEE POLICY DECLARATIONS**
 (Including County or District)

APPLICANT IS **SEE POLICY DECLARATIONS**
 (STATE WHETHER INDIVIDUAL, PARTNERSHIP, CORPORATION, MUNICIPALITY OR ESTATE)

2. POLICY PERIOD **SEE POLICY DECLARATIONS** 12:01 A.M. LOCAL TIME AT THE APPLICANT'S POSTAL ADDRESS STATED HEREIN AS TO EACH OF SAID DATES

FROM

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:

LOCATION	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		
	CLASS "A1" PRIVATE PASSENGER			CLASS "A2" COMMERCIAL			CLASS "B"			CLASS "C"		
	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM
			\$			\$			\$			\$ INCL.

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			\$ INCL.

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 AND DESCRIPTION OF USE	ESTIMATED CONTRACT COST	RATES PER \$100 OF CONTRACT COST	ADVANCE PREMIUM
COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT			\$ INCL.

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 THIRD PARTY LIABILITY	LEGAL LIABILITY FOR BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE APPLICANT.	(EXCLUSIVE OF INTEREST AND COSTS) FOR LOSS OR DAMAGE 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.	\$ INCL.
ENDORSEMENTS			\$ INCL.
MINIMUM RETAINED PREMIUM \$ INCL.		TOTAL PREMIUM	\$ INCL.

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 willfully 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.

COPY

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; or
- *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

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 judgment upon that part of the judgment which is within the limits of the Insurer's liability; and
- (4) in 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

(Common Law Jurisdictions **Except** Newfoundland and New Brunswick)

In these statutory conditions, unless the context otherwise requires, the word "insured" means a person insured by this contract whether named or not.

NOTE: All of the Statutory Conditions contain the above wording.

However,

in all of the Provinces and Territories using these standard, approved forms, only Statutory Conditions 1, 8 and 9 are made applicable to accident benefits insurance and uninsured motorist insurance where it is provided by the contract.

in the Northwest Territories the definition of "insured person" must be read as containing in addition the words "and includes any person to whom benefits may be payable under the accident benefits set out in the Schedule to the Insurance Ordinance."

Material Change in Risk

1. (1) The insured named in this contract shall promptly notify the insurer or its local agent in writing of any change in the risk material to the contract and within his knowledge.
- (2) Without restricting the generality of the foregoing, the words "change in the risk material to the contract" include:
 - (a) any change in the insurable interest of the insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the Bankruptcy Act (Canada):

and in respect of insurance against loss of or damage to the automobile,

- (b) any mortgage, lien or encumbrance affecting the automobile after the application for this contract;
- (c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

NOTE: In Prince Edward Island Statutory Condition 1, subconditions 2 and 3 are identical with the above quoted Statutory Condition relating to material change in risk.

Prohibited Use by Insured

2. (1) The insured shall not drive or operate the automobile,
 - (a) unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (b) while his license to drive or operate an automobile is suspended or while his right to obtain a license is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
 - (c) while he is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to him; or
 - (d) for any illicit or prohibited trade or transportation; or
 - (e) in any race or speed test.

Prohibited Use by Others

- (2) The insured shall not permit, suffer, allow or connive at the use of the automobile,
 - (a) by any person, (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or (ii) while that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to him; or
 - (b) by any person who is a member of the household of the insured while his license to drive or operate an automobile is suspended or while his right to obtain a license is suspended or while he is prohibited under order of any court from driving or operating an automobile; or

- (c) for any illicit or prohibited trade or transportation;
or
- (d) in any race or speed test.

In the case of British Columbia and Saskatchewan, Statutory Condition 2 reads as follows:

Prohibited Use by Insured

2. (1) The insured shall not drive or operate the automobile
- (a) while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile; or
 - (b) unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (c) while he is under the age of 16 years or under such other age as is prescribed by the law of the Province in which he resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to him; or
 - (d) for any illicit or prohibited trade or transportation; or
 - (e) in any race or speed test.

Prohibited Use by Other

- (2) The insured shall not permit, suffer, allow, or connive at the use of the automobile
- (a) by any person under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile; or
 - (b) by any person,
 - (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (ii) while that person is under the age of 16 years or under such other age as is prescribed by the law of the Province in which he resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to him; or
 - (c) for any illicit or prohibited trade or transportation; or
 - (d) in any race or speed test.

Requirements Where Loss or Damage to Persons or Property

3. (1) The Insured shall,
 - (a) promptly give to the insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;
 - (b) verify by statutory declaration, if required by the insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and
 - (c) forward immediately to the insurer every letter, document, advice or writ received by him from or on behalf of the claimant.
- (2) The insured shall not,
 - (a) voluntarily assume any liability or settle any claim except at his own cost; or
 - (b) interfere in any negotiations for settlement or in any legal proceeding.
 - (3) The insured shall, whenever requested by the insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

Requirements Where Loss or Damage to Automobile

4. (1) Where loss of or damage to the automobile occurs, the insured shall, if the loss or damage is covered by this contract,
 - (a) promptly give notice thereof in writing to the insurer with the fullest information obtainable at the time;
 - (b) at the expense of the insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
 - (c) deliver to the insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of his knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any willful act or neglect, procurement, means or connivance of the insured.
- (2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.
- (3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed,
 - (a) without the written consent of the insurer; or

- (b) until the insurer has had a reasonable time to make the examination for which provision is made in statutory condition 5.

Examination of Insured

- (4) The insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the insurer or its representative all documents in his possession or control that relate to the matters in question, and he shall permit extracts and copies thereof to be made.

Insurer Liable for Cash Value of Automobile

- (5) The insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out of stock, the liability of the insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

Repair or Replacement

- (6) Except where an appraisal has been made, the insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost, with other of like kind and quality if, within seven days after the receipt of the proof of loss, it gives written notice of its intention to do so.

No Abandonment; Salvage

- (7) There shall be no abandonment of the automobile to the insurer without the insurer's consent. If the insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the insurer.

In Case of Disagreement

- (8) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if affected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by the appraisal as provided under The Insurance Act before there can be 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 therefore is made in writing and until after proof of loss has been delivered.

Inspection of Automobile

- 5. The insured shall permit the insurer at all reasonable times to inspect the automobile and its equipment.

Time and Manner of Payment of Insurance Money

- 6. (1) The insurer shall pay the insurance money for which it is liable under this contract within sixty days after the proof of loss has been received by it or, where an appraisal is made under subcondition (8) of statutory condition 4, within fifteen days after the award is rendered by the appraisers.

When Action May be Brought

- (2) The insured shall not bring an action to recover the amount of a claim under this contract unless the requirements of statutory conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as therein provided or by a judgment against the insured after trial of the issue or by agreement between the parties with the written consent of the insurer.

Limitation of Actions

- (3) Every action or proceeding against the insurer under this contract in respect of loss or damage to the automobile shall be commenced within one year next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within one year next after the cause of action arose and not afterwards.

NOTE: In Yukon Territory, Northwest Territories, Manitoba and New Brunswick, the one year limitation period in subcondition (3) should read "2 years". In the case of Nova Scotia, and Prince Edward Island sub-condition (3) reads as follows:

"(3) Every action or proceeding under this contract against the insurer in respect of a claim for indemnification for liability of the insured for loss or damage to property of another person or for personal injury to or death of another person shall be commenced within two years after the liability of the insured is established by a court of competent jurisdiction and not afterwards. Every other action or proceeding against the insurer under this contract in respect of loss or damage to the automobile shall be commenced within two years from the time the loss or damage was sustained and not afterwards."

Who May Give Notice and Proofs of Claim

7. Notice of claim may be given and proofs of claim may be made by the agent of the insured named in this contract in case of absence or inability of the insured to give the notice or make the proof, such 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.

Termination

8. (1) 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.
- (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 the 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 cheque payable at par.
- (5) The fifteen 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.

NOTE: In the Northwest Territories, paragraph (a) of sub-condition 1 has the following words added: “and by notifying the registrar of motor vehicles as required by the Vehicles Ordinance”.

Notice

9. 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 this 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.

NOTE: In the Northwest Territories, the reference is to Territories and in the Yukon Territory the reference is to Territory rather than Province.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**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)**

In consideration of the premium herein stated, it is understood and agreed that the policy to which this endorsement is attached is amended to add the following provisions, 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 or 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 subsections 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.

ADDITIONAL AGREEMENT

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.

SUBSECTION	LIMITS AND AMOUNTS	TYPE OF AUTOMOBILE	ESTIMATED COST OF HIRE	RATE PER \$100	ADVANCED PREMIUM
1. ALL PERILS	\$75,000 (exclusive of interests and costs) any one accident \$1,000 Amount deductible	PP & LC	\$ Included		\$ Included
2. COLLISION OR UPSET	\$ N/A (exclusive of interests and costs) any one accident \$ N/A Amount deductible		\$ N/A		\$ N/A
3. COMPREHENSIVE	\$ N/A (exclusive of interests and costs) any one accident \$ N/A Amount deductible		\$ N/A		\$ N/A
4. SPECIFIED PERILS	\$ N/A (exclusive of interests and costs) any one accident \$ N/A Amount deductible		\$ N/A		\$ N/A

Minimum Retained \$ Included
Premium \$ Included
TOTAL \$ Included

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

All other terms and conditions of the contract remain the same.

Endorsement Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Policy Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Named Insured: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**S.E.F. NO. 96
CONTRACTUAL LIABILITY ENDORSEMENT
(for attachment only to a Non-owned Policy S.P.F. No. 6)**

In consideration of a premium of \$ Included, it is understood and agreed that exclusion (c) of the 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:

Date(s) of Contract(s)

Name(s) of Other Contracting Party or Parties

All contracts in force
during the policy period

All parties with whom the
Named Insured contracts

All other terms and conditions of the contract remain the same.

Endorsement Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Policy Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Named Insured: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**S.E.F. NO. 99
EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT
(for attachment only to a Non-Owned Policy S.P.F. No. 6)**

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobile Defined) of General Provisions and Definitions of the policy to which this endorsement is attached is hereby amended to read as follows:

The term "Hired Automobiles" as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the Named Insured from others without driver for periods not exceeding 30 days, 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.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provision, definitions and exclusions of the policy shall have full force and effect.

All other terms and conditions of the contract remain the same.

Endorsement Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Policy Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Named Insured: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NETWORK SECURITY AND PRIVACY ENDORSEMENT

CANADA PROGRAMS MISCELLANEOUS PROFESSIONAL LIABILITY POLICY

This Endorsement provides claims-made and reported coverage for Insuring Agreements A through D in the Schedule below. Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine rights, duties and what is and is not covered.

All terms, exclusions, conditions and definitions contained in this Endorsement pertain only to the coverage provided by this Endorsement.

SCHEDULE

1.	Insuring Agreements	Each Claim Limit of Liability
	A. Network Security Liability Coverage	\$250,000
	B. Privacy Violation Liability Coverage	\$250,000
	C. Cyber Extortion Coverage	\$250,000
	D. Data Incident Response Expenses Coverage	\$250,000
	E. Business Interruption Coverage	\$250,000
2.	WAITING PERIOD	
3.	DEDUCTIBLE per CYBER CLAIM, PRIVACY CLAIM, or covered LOSS under Insuring Agreement C, D or E	
4.	Aggregate Limit of Liability each Policy Period	\$250,000
5.	RETROACTIVE DATE	As per inception date as shown on Declarations Page

I. The following additional insuring agreements are added to Section I. INSURING AGREEMENT – COVERAGE:

A. Network Security Liability Coverage

The Company will pay on behalf of the INSURED all sums, in excess of the DEDUCTIBLE, that the INSURED becomes legally obligated to pay as DAMAGES and CLAIM EXPENSES arising from each CYBER CLAIM first made against the INSURED during the POLICY PERIOD or the Extended Reporting Period if applicable, provided that:

1. the CYBER CLAIM is for a NETWORK SECURITY BREACH that first occurred on or after the RETROACTIVE DATE specified in the Schedule of this Endorsement; and
2. the INSURED gives prompt written notice of the CYBER CLAIM, but no later than sixty (60) days after expiration or termination of this Policy, in accordance with the Notice of Claims (V.B.1.) condition of this Endorsement.

B. Privacy Violation Liability Coverage

The Company will pay on behalf of the INSURED all sums, in excess of the DEDUCTIBLE, that the INSURED is legally obligated to pay as DAMAGES and CLAIM EXPENSES arising

from each PRIVACY CLAIM first made against the INSURED during the POLICY PERIOD or the Extended Reporting Period if applicable, provided that:

1. the PRIVACY CLAIM is for a PRIVACY VIOLATION that first occurred on or after the RETROACTIVE DATE; and
2. the INSURED gives prompt written notice of the PRIVACY CLAIM, but no later than sixty (60) days after expiration or termination of this Policy, in accordance with the Notice of Claims (V.B.1.) condition of this Endorsement.

C. Cyber Extortion Coverage

The Company will indemnify the INSURED ORGANIZATION for CYBER EXTORTION LOSS, in excess of the DEDUCTIBLE, that is the direct result of a CYBER EXTORTION THREAT that first occurred during the POLICY PERIOD and is reported in accordance with the applicable Notice of Loss (V.B.2.) condition of this Endorsement.

D. Data Incident Response Expenses Coverage

The Company will indemnify the INSURED for DATA INCIDENT RESPONSE EXPENSES, in excess of the DEDUCTIBLE, resulting from a NETWORK SECURITY BREACH or PRIVACY VIOLATION discovered during the POLICY PERIOD, occurring on or after the RETROACTIVE DATE and reported in accordance with the applicable Notice of Loss (V.B.3.) condition of this Endorsement.

E. Business Interruption Coverage

The Company will indemnify the INSURED, BUSINESS INTERRUPTION LOSS, in excess of the DEDUCTIBLE, that is incurred by the INSURED due to a BUSINESS INTERRUPTION that:

1. occurs during the POLICY PERIOD; and
2. is the direct result of a NETWORK SECURITY BREACH during the POLICY PERIOD; and
3. is reported to the Company in accordance with the applicable Notice of Loss (V.B.4.) condition of this Endorsement; and
4. exceeds the WAITING PERIOD.

II. DEFINITIONS

With respect to coverage under this Endorsement, the following additional definitions are added to Section II. DEFINITIONS.

A. BREACH NOTIFICATION COSTS means following necessary and reasonable expenses paid by the INSURED ORGANIZATION, with the Company's prior written consent, for purposes of complying with a BREACH NOTICE LAW:

1. attorney fees for an outside attorney (selected from the Company's panel of lawyers) to determine whether any BREACH NOTICE LAW(s) apply and the obligations of any such applicable laws, and assist the INSURED ORGANIZATION to comply with such laws, including but not limited to drafting notice letters; and

2. service provider fees for a third party information security professional to:
 - a. conduct an investigation to identify the PERSONAL INFORMATION that was impacted by the applicable NETWORK SECURITY BREACH, and determine the extent to which such information was exposed to or accessed or used by, a malicious third party;
 - b. send the notices required by any applicable BREACH NOTICE LAW;
 - c. set up and manage a call center to provide information about the NETWORK SECURITY BREACH to individuals that were affected.

BREACH NOTIFICATION COSTS do not include salaries of employees, directors or officers of the INSURED.

- B. BREACH NOTICE LAW means any local, provincial, federal or foreign law requiring notice to individuals whose PERSONAL INFORMATION was, or is reasonably believed to have been, accessed by, or exposed to, an malicious third party.
- C. BUSINESS INTERRUPTION means the actual and measurable interruption or suspension of the Insured's business directly caused by a NETWORK SECURITY BREACH.
- D. BUSINESS INTERRUPTION LOSS means the below listed costs incurred from the beginning of a BUSINESS INTERRUPTION through the 120th day after the end of a BUSINESS INTERRUPTION (or 120 days after the BUSINESS INTERRUPTION would have ended if the INSURED exercised due diligence and dispatch):
 1. costs that would not have been incurred but for a BUSINESS INTERRUPTION; and
 2. the sum of all of the following, which shall be calculated on an hourly basis:
 - a. Net Income (net profit or loss before income taxes) that could have reasonably been earned or net loss that could have reasonably been avoided; and
 - b. Continuing normal operating expenses incurred.
- E. COMPUTER SYSTEM means any computer hardware, software or firmware, and components thereof including data stored thereon, that is owned or leased by the INSURED ORGANIZATION, and is under the direct operational control of the INSURED ORGANIZATION or a SERVICE PROVIDER for or on behalf of the INSURED ORGANIZATION.
- F. CORRUPTION means alteration, corruption, destruction deletion or damage as the direct result of a NETWORK SECURITY BREACH.
- G. CRISIS MANAGEMENT EXPENSES means necessary and reasonable expenses incurred by the INSURED ORGANIZATION, with the Company's prior written consent, for a public relations firm to communicate with the general public in order to mitigate the reputational damage of the INSURED ORGANIZATION directly resulting from a NETWORK SECURITY BREACH or PRIVACY VIOLATION.
- H. CYBER CLAIM means any written demand received by the INSURED for DAMAGES, including the service of suit or other process, alleging a NETWORK SECURITY BREACH (for Coverage A); and any REGULATORY ACTION.

I. CYBER EXTORTION LOSS means:

1. monies or other valuable consideration demanded by an extortionist making a CYBER EXTORTION THREAT, and paid by the INSURED ORGANIZATION, with the Company's prior written consent, for the purpose of terminating such extortion threat; and
2. necessary and reasonable expenses incurred by the INSURED ORGANIZATION, with the Company's prior written consent:
 - a. to investigate and respond to a CYBER EXTORTION THREAT; and
 - b. for a third party security consultant to prevent or terminate a CYBER EXTORTION THREAT;

provided, however, that CYBER EXTORTION LOSS shall not exceed the LOSS covered under this policy that the INSURED ORGANIZATION reasonably would have incurred if it failed to terminate the EXTORTION THREAT, and the Company in its absolute and sole discretion shall determine the monetary value of any valuable consideration paid to an extortionist.

J. CYBER EXTORTION THREAT means a threat to breach SECURITY and:

1. access or use of the COMPUTER SYSTEM without authorization;
2. infect or implant MALICIOUS CODE on the INSURED's COMPUTER SYSTEM;
3. launch a DENIAL OF SERVICE ATTACK or otherwise prevent access to the COMPUTER SYSTEM or a DATA ASSET residing thereon;
4. maliciously alter, copy, steal, corrupt, destroy, delete or damage a DATA ASSET;
5. interrupt or suspend the INSURED's COMPUTER SYSTEM; or
6. render a DATA ASSET inaccessible or unreadable using strong encryption,

unless monies or other valuable consideration is paid by the INSURED ORGANIZATION.

K. DATA ASSET means any electronic data existing in the COMPUTER SYSTEM that is subject to regular back up procedures, including but not limited to any databases, software or trade secrets stored thereon.

L. DATA INCIDENT RESPONSE EXPENSES means reasonable and necessary fees and expenses incurred by an INSURED, with the INSURER's prior written consent, for:

1. legal services by an attorney selected from the INSURER's panel of lawyers regarding any NETWORK SECURITY BREACH or PRIVACY VIOLATION to:
 - a. provide counsel on the obligations of any applicable PRIVACY LAW; and
 - b. draft notices required by any applicable PRIVACY LAW;
2. computer forensic investigatory services by a third party information security professional selected from the INSURER's panel to determine the cause of the

NETWORK SECURITY BREACH and identities of those who may have been victims from any PRIVACY VIOLATION;

3. notifying individuals who may have been victims from any PRIVACY VIOLATION;
 4. public relations firm, crisis management firm or law firm services to mitigate reputational damage resulting from any NETWORK SECURITY BREACH or PRIVACY VIOLATION; and
 5. credit monitoring services, but only if such disclosure of PRIVATE INFORMATION could result in the opening of a personal financial account.
- M.** DEDUCTIBLE means the applicable deductible set forth in the Schedule of this Endorsement.
- N.** DENIAL OF SERVICE ATTACK means a malicious attack intended by the perpetrator to overwhelm the capacity of the COMPUTER SYSTEM by sending an excessive volume of electronic data to such COMPUTER SYSTEM in order to prevent authorized access to such computer system.
- O.** FORENSIC EXPENSES means the reasonable and necessary expenses incurred by the INSURED ORGANIZATION to investigate the cause of a NETWORK SECURITY BREACH.
- P.** INSURED ORGANIZATION means the NAMED INSURED(s) designated in Item 1 of the Declarations, and any SUBSIDIARY, but only if the Policy has been amended to provide coverage for SUBSIDIARIES.
- Q.** INTERNET SITE means:
1. any Internet website accessible by the general public that is hosted and controlled by the INSURED; and
 2. any Internet website accessible by the general public that is controlled by the INSURED and hosted by a service provider that has contractually agreed in writing to:
 - a. fully indemnify the INSURED for any claim or liability arising out of the service provider's acts, errors or omissions; or
 - b. to purchase an insurance policy naming the INSUREDS as additional insureds with respect to any claim arising out the service provider's acts, errors or omissions;
- provided, however, that INSURED's INTERNET SITE shall not include or mean any: (a) weblog, bulletin board, message board or online forum; (b) intranet or internal network of the INSURED or any other person or entity; or (c) any website hosted or controlled by the INSURED for or on behalf of its clients, customers or others.
- R.** PRIVACY POLICY means written documents provided or posted on a website to individuals that set forth the INSURED ORGANIZATION's policies, standards and procedures for the disclosure, sharing, sale, correction or access to PERSONAL INFORMATION.
- S.** LOSS means DAMAGES, CLAIM EXPENSES, CYBER EXTORTION LOSS, DATA INCIDENT RESPONSE EXPENSES and BUSINESS INTERRUPTION LOSS.

- T.** MALICIOUS CODE means any virus, Trojan, worm or other similar malicious software program, code or script intentionally designed to infect, and harm a computer system, harm data on a computer system, or steal data from a computer system.
- U.** MALICIOUS ENCRYPTION means the strong encryption of a DATA ASSET by a malicious person that renders such DATA ASSET inaccessible or unreadable to the INSURED ORGANIZATION.
- V.** NAMED INSURED means the Named INSURED(s) designated in Item 1 of the Declarations.
- W.** NETWORK INTERRUPTION means the actual and measurable interruption or suspension of INSURED's COMPUTER SYSTEM.
- X.** NETWORK SECURITY BREACH means:
1. the actual failure and inability of SECURITY to prevent:
 - a. unauthorized access to or unauthorized use of the INSURED's COMPUTER SYSTEM;
 - b. the transmission of MALICIOUS CODE from the INSURED's COMPUTER SYSTEM;
 - c. the theft or unauthorized copying of data on the INSURED's COMPUTER SYSTEM;
 - d. the infection or implantation of MALICIOUS CODE on the INSURED's COMPUTER SYSTEM;
 - e. DENIAL OF SERVICE ATTACK; or
 - f. the intentional and malicious alteration, corruption, destruction, deletion or damage to electronic data on the INSURED's COMPUTER SYSTEM; or
 2. the actual failure and inability of physical SECURITY to prevent the theft of data as a result of the physical theft by a person other than an INSURED of the INSURED's computer hardware or storage media from a premises occupied and controlled by the INSURED ORGANIZATION; or
 3. the theft of data as a result of the physical theft by a person of a laptop computer provided by the INSURED ORGANIZATION to an employee or independent contractor of the INSURED ORGANIZATION.
- Y.** ONLINE CONTENT means any information in electronic form that is created, owned or licensed by the INSURED ORGANIZATION for its own business use; provided, however, that ONLINE CONTENT does not include or mean any:
1. computer software or code; or
 2. information, advertisement or content created by the INSURED for or on behalf of a client, customer or other person or entity, or licensed or provided by the INSURED to a client, customer or other person or entity; or
 3. information, advertisement or content (including any copies thereof) that is displayed or published in any medium (including without limitation, newspaper, magazine,

television, radio or a third party Internet site) other than the INSURED's INTERNET SITE

- Z.** PAYMENT CARD COMPANY RULES means any payment card company programs, rules, by-laws, policies, procedures, regulations or requirements, including but not limited to VISA's CISP, Mastercard's SDP, Discover Card's DISC and AMEX's DSOP, as amended.
- AA.** PCI STANDARD means the Payment Card Industry Data Security Standard, as amended, and any frequently asked questions, assessments, guidance documents, glossaries and any other supporting or interpretative documents related to such standard, as amended.
- BB.** PERSONAL INFORMATION means any:
1. individual's name in combination with any one or more of the following:
 - a. social insurance number;
 - b. drivers license number or any other provincial identification number;
 - c. medical or healthcare data including protected health information; or
 - d. any account number, credit or debit card number in combination with any required password, access code or other security code that would permit access to the financial account;
- CC.** PRIVACY CLAIM means any written demand received by the INSURED for DAMAGES, including the service of suit or other process, alleging a PRIVACY VIOLATION (for Coverage B); and any REGULATORY ACTION.
- DD.** PRIVACY LAW means those parts of the following statutes or regulations regulating the use and protection of non-public personal information (as defined in such statutes or regulation):
1. Personal Information Protection and Electronic Documents Act (PIPEDA)
 2. Personal Health Information Protection Act ("PHIPA") or similar provincial legislation and the rules and regulations promulgated thereunder, as amended;
 3. The Competition Act (Canada) and any and all Consumer Protection legislation, including any unfair and deceptive trade practice laws.
 4. other provincial, federal or foreign privacy laws requiring reasonable SECURITY for non-public personal information, or a privacy policy limiting the sale, disclosure or sharing of non-public personal information or providing individuals with the right to access or correct non-public personal information.
- EE.** PRIVACY VIOLATION means any:
1. theft of PRIVATE INFORMATION while in the care, custody or control of an INSURED;
 2. unintentional violation of that part of the PRIVACY POLICY that:
 - a. prohibits or limits the INSURED ORGANIZATION's sale, disclosure or sharing of PERSONAL INFORMATION;

- b. provides a person with a choice as to the scope and limits of INSURED ORGANIZATION's disclosure or use of their PERSONAL INFORMATION, including, but not limited to, opt-in and opt-out choices; and
- c. provides a person with the ability to access their PERSONAL INFORMATION or correct their PERSONAL INFORMATION if it is incomplete or inaccurate;

provided, that the foregoing acts or omissions described in 2.a., 2.b. and 2.c. above shall not be considered a PRIVACY VIOLATION unless the INSURED ORGANIZATION had a PRIVACY POLICY in force at the time of such acts or omissions that specifically addressed the areas as described in 2.a., 2.b. and 2.c. above.; or

- FF.** PRIVATE INFORMATION means any of the following information in the care, custody and control of any INSURED:
- 1. PERSONAL INFORMATION; or
 - 2. confidential or proprietary business information owned by any person or entity other than an INSURED and identified as confidential or proprietary, which is protected under a written non-disclosure or similar written agreement between such person or entity and the INSURED ORGANIZATION.
- GG.** REGULATORY ACTION means a civil investigative demand or civil request for information, or a civil administrative or regulatory proceeding commenced by service of a complaint or pleading, brought or made by a governmental agency or authority that alleges violation of a PRIVACY LAW, and which may reasonably be expected to give rise to a lawsuit covered under Insuring Agreements A or B. REGULATORY ACTION shall not mean or include any criminal demands, requests or proceedings.
- HH.** RETROACTIVE DATE means the applicable retroactive date set forth in the Schedule of this Endorsement.
- II.** SECURITY means the technical and physical controls, and policies and procedures, intended to prevent unauthorized access or unauthorized use of the INSURED's COMPUTER SYSTEM, or data stored thereon, by malicious persons.
- JJ.** SERVICE PROVIDER means any company hosting computer hardware, software or firmware for or on behalf of the INSURED ORGANIZATION pursuant to a written contract with the INSURED ORGANIZATION that requires such service provider to either:
- 1. fully indemnify the INSUREDs for any NETWORK SECURITY BREACH of such computer hardware, software or firmware; or
 - 2. purchase an insurance policy covering liability and defense costs arising out a NETWORK SECURITY BREACH of such computer hardware, software or firmware, and have the INSUREDs named as a full additional insured on such policy.
- KK.** SUBSIDIARY means any entity in which, and for as long as, the NAMED INSURED(S), directly or indirectly owns interests representing more than 50% of the voting, appointment or designation power for the selection of: (i) a majority of the board of directors of a corporation; (ii) the members of the board of managers of a limited liability company; or (iii) the general partners of a limited partnership.

LL. WAITING PERIOD means the number of hours set forth in Section 2 of the Schedule of this Endorsement that must elapse once the BUSINESS INTERRUPTION has begun.

III. EXCLUSIONS

With respect to coverage under this Endorsement, the following exclusions are added to Section IV. EXCLUSIONS:

- A.** The Company is not obligated to pay any LOSS or defend any CYBER CLAIM or PRIVACY CLAIM based upon, arising out of, or resulting from, directly or indirectly:
- 1.** any dispute or obligation to pay licensing fees, royalties or contingent compensation;
 - 2.** discrimination on any basis, including without limitation race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, sexual orientation or pregnancy;
 - 3.** any PERSONAL INJURY; provided, however, this exclusion shall not apply with respect to any otherwise covered CYBER CLAIM under Insuring Agreement B, for a PRIVACY VIOLATION;
 - 4.** any NETWORK SECURITY BREACH, CYBER EXTORTION THREAT, PRIVACY VIOLATION or BUSINESS INTERRUPTION committed or experienced by:
 - a.** any organization or business enterprise not identified in the Declarations which either owns or has an ownership interest in any INSURED;
 - b.** any organization or business enterprise not identified in the Declarations in which any INSURED has a financial interest in, or in which any INSURED is an officer, director, partner, trustee or employee;
 - c.** any INSURED for any organization or business enterprise not identified in the Declarations which controls, operates or manages any INSURED; or
 - d.** any INSURED for any organization or business enterprise not identified in the Declarations which any INSURED controls, operates or manages;
 - 5.** any liability of others assumed by the INSURED under any contract or agreement, unless such liability:
 - a.** would have attached to the INSURED by law even in the absence of such agreement; or
 - b.** with respect to Insuring Agreement B only, arises out of any otherwise covered PRIVACY CLAIM for a PRIVACY VIOLATION arising out of the breach of a written non-disclosure agreement with respect to PRIVATE INFORMATION as defined in Section II.CC.2;
 - 6.** any uploading, downloading, piracy or file-sharing of digitized music, photos, movies, software or video games;
 - 7.** any act, error or omission, or breach of duty, by any of the INSURED ORGANIZATION's partners, officers or directors, but only where such CLAIM is

brought by the INSURED ORGANIZATION or any shareholder, partner, member, officer or director of the INSURED ORGANIZATION in his or her capacity as such, including but not limited to, derivative suits;

- 8.** any actual or alleged:
 - a.** price fixing, restraint of trade, monopolization, including violations of the Canadian Anti-Competition Acts, or any similar provision of any federal, provincial, state, or local statutory law or common law anywhere in the world;
 - b.** unfair trade practices or violation of consumer protection laws; provided, however that this exclusion does not apply to any otherwise covered CLAIM under Insuring Agreements A or B; or
 - c.** violation of the Canadian Securities Act and any similar provincial legislation; Canada Pension Act and the Old Age Security Act and any similar provincial legislation
- 9.** any actual or alleged infringement, misappropriation or violation of any patent, copyright, trademark, service mark, trade dress or trade name;
- 10.** any actual or alleged copying, infringement, misappropriation, display or publication of any trade secret; provided, however, this exclusion shall not apply to any otherwise covered CYBER CLAIM or PRIVACY CLAIM under Insuring Agreements A or B arising out of the misappropriation of a trade secret by any individual who is not an INSURED or a former employee, shareholder, member, independent contractor, director, officer, partner or trustee of an INSURED;
- 11.** any warranty, guarantee, service level agreement or promise unless liability would have attached to the INSURED even in the absence of such contract, warranty, guarantee, service level agreement or promise;
- 12.** any act, error, omission, NETWORK SECURITY BREACH, PRIVACY VIOLATION, CYBER EXTORTION THREAT or BUSINESS INTERRUPTION actually or allegedly committed or occurring prior to the beginning of the POLICY PERIOD, if, on or before the earlier of the Effective Date of this Policy or the Effective Date of any Policy issued by the Company to which this Policy is a continuous renewal or replacement, the INSURED knew or reasonably could have foreseen that such act, error, omission, NETWORK SECURITY BREACH, PRIVACY VIOLATION, CYBER EXTORTION THREAT or BUSINESS INTERRUPTION did or could have lead to a CYBER CLAIM, PRIVACY CLAIM or LOSS;
- 13.** any seizure, confiscation, destruction or nationalization of a COMPUTER SYSTEM or any DATA ASSET by or on behalf of any governmental or public authority;
- 14.** any inaccurate, inadequate or incomplete description of the price of goods, products or services, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;
- 15.** any wear and tear or gradual deterioration of any DATA ASSET or COMPUTER SYSTEM;
- 16.** any interruption, suspension, failure or outage of any component of the Internet, including without limitation any hardware or software infrastructure supporting the Internet;

- 17.** any injury or damage which would have not occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants, including but not limited to asbestos, at any time:

 - a.** any request, demand, or order that any INSURED or others, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - b.** any action brought 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 pollutants.
- 18.** any:

 - a.** fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or other physical event, however caused;
 - b.** strikes or similar action, 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 rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; or
 - c.** electrical, mechanical or telecommunications failures including any electrical power interruption, surge, brownout or blackout; provided that this exclusion shall not apply to any otherwise covered CYBER CLAIM under Insuring Agreement A arising out of a NETWORK SECURITY BREACH that was solely the result of telecommunications infrastructure under the INSURED ORGANIZATION's control;
- 19.** or attributable to any costs or expenses incurred by any INSURED or others:

 - a.** to recall, repair, withdraw, replace, upgrade, supplement or remove the products or services from the marketplace;
 - b.** for any loss of use by any INSURED or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplementing or removal; or
 - c.** incurred to update or otherwise improve privacy or network security controls, policies or procedures to a level beyond that which existed prior to LOSS or to be compliant with PRIVACY LAW;
- 20.** any failure to use best efforts to install commercially available software product updates and releases, or to apply security related software patches, to computers and other components of the a COMPUTER SYSTEM;
- 21.** any fine or penalty arising out of any agreement by any INSURED to comply with or follow the PCI STANDARD or any PAYMENT CARD COMPANY RULES, or implement, maintain or comply with any security measure(s) or standards related to any payment card data; or
- 22.** any CYBER CLAIM or PRIVACY CLAIM against, or LOSS suffered by, any SUBSIDIARY, assets or other entity acquired by INSURED, whether by merger,

consolidation, or otherwise, or against any employee, director, officer or other person of such SUBSIDIARY, assets or other entity in his or her capacity as such, for any NETWORK SECURITY BREACH, CYBER EXTORTION THREAT, PRIVACY VIOLATION or BUSINESS INTERRUPTION committed or occurring during any time in which such entity is not a SUBSIDIARY, or at any time before the INSURED's acquisition of such asset or entity.

- B.** With respect to Insuring Agreements A and B only, The Company is not obligated to defend or pay any CYBER CLAIM, PRIVACY CLAIM, or LOSS:
1. alleged, based upon, arising out of, or resulting from, directly or indirectly, any prior or pending litigation, demand, arbitration, administrative, or regulatory action, proceeding or investigation against any INSURED, of which any INSURED had notice on or before the earlier of the inception date of this Policy or any other policy of which this Policy is a renewal, replacement or succeeds in time, or alleging from the same or substantially the same fact, circumstance or situation underlying or alleged in such prior or pending litigation, CLAIM, demand, arbitration, administrative, or regulatory action, proceeding or investigation;
 2. alleged, based upon, arising out of, or resulting from, directly or indirectly, any unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including but not limited to CLAIMS arising out of unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, "pop-up" or "pop-under" Internet advertising or fax-blasting, direct mailing or telemarketing, or CLAIMS alleging violations of the Telemarketing and Telephone Consumer Protection Act, as amended, the Canadian Anti-Spam Legislation as amended, and any other federal, foreign or state anti-spam statutes, or federal, provincial, foreign or state statute, law or regulation relating to a person's right to seclusion and privacy;
 3. alleged, based upon, arising out of, or resulting from, directly or indirectly, any unauthorized or illegal collection of PERSONAL INFORMATION, including but not limited to the collection of PERSONAL INFORMATION using cookies, spyware, or other malicious code, or the failure to provide adequate notice that PERSONAL INFORMATION is being collected;
 4. alleged, based upon, arising out of, or resulting from, directly or indirectly, any actual or alleged wrongful employment practice, including, but not limited to, any harassment, hostile work environment, wrongful dismissal, discharge or termination, retaliation, wrongful disciplinary action, deprivation of career opportunity, failure to employ or promote, inadequate work place, policies or procedures, or negligent evaluation of employees;
 5. alleged, based upon, arising out of, or resulting from, directly or indirectly the Canadian Credit Reporting Act, or any other similar federal, provincial or local laws or regulations, including but not limited to any laws or regulations requiring truncation of payment card numbers on, or the removal of the expiration date from, payment card receipts; or
 6. brought by any INSURED against any other INSURED; provided, however, with respect to Insuring Agreement B only, this exclusion shall not apply to any otherwise covered CLAIM brought by or on behalf of an independent contractor or an employee of the INSURED ORGANIZATION alleging a PRIVACY VIOLATION involving their PERSONAL INFORMATION, provided that such employee or independent contractor is not involved in any manner with the unauthorized access to, theft of or copying of such PERSONAL INFORMATION.

7. made against the INSURED ORGANIZATION alleging, based upon, arising out of or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, any intentional or knowing violation of the law by an INSURED, any gaining of any profit or advantage to which the INSURED ORGANIZATION is not legally entitled, or any breach of SECURITY, theft or intentional PRIVACY VIOLATION by the INSURED ORGANIZATION. However this exclusion shall not apply to CLAIM EXPENSES or the Company's duty to defend any such CLAIM; until there is a judgment against, binding arbitration against, adverse admission by, finding of fact against either by a court of law, binding arbitration or regulatory authority, at which time the INSURED shall reimburse the Company for any CLAIM EXPENSES paid by the Company. Only facts pertaining to any knowledge possessed by any principal, partner, officer or director of an INSURED shall be imputed to other INSUREDS; or
 8. made against any individual INSURED alleging, based upon, arising out of or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, any intentional or knowing violation of the law, any gaining of any profit or advantage to which an INSURED is not legally entitled, or any breach of SECURITY, theft or intentional PRIVACY VIOLATION by such individual INSURED.
- C. With respect to Insuring Agreement C only, the Company shall not be liable to pay LOSS resulting from any fraudulent, dishonest or criminal act of an identifiable employee of an INSURED, acting alone or in collusion with others, provided that this exclusion shall not apply if such CYBER EXTORTION THREAT LOSS exceeds the amount available to the INSUREDS, whether collectible or not, under any other bond, insurance or indemnity covering such CYBER EXTORTION THREAT LOSS, in which case this Policy shall cover only such excess amount.

IV. LIMITS OF LIABILITY AND DEDUCTIBLES

A. Aggregate Limit of Liability Each Policy Period

The Aggregate Limit of Liability of the Company for all covered LOSS combined under this Endorsement shall not exceed the amount stated in the Aggregate Limit of Liability section (3) of the Schedule of this Endorsement. All LOSS paid under this Endorsement will erode and is part of and subject to the amount stated therein.

B. Limit of Liability

The Limits of Liability provided under this Endorsement are specified in Section 1 of the Schedule of this Endorsement. Such Limits of Liability are in addition to, and will not erode, the limits provided in Item 6 of the Declarations.

C. Deductibles

1. With respect to all Insuring Agreements of this Endorsement, as a condition precedent to the Company's liability under this Policy, the applicable DEDUCTIBLE amount as stated in the Schedule of this Endorsement shall be paid by the INSURED and shall be applicable per CYBER CLAIM or PRIVACY CLAIM, or per covered LOSS under Insuring Agreements C, D or E.
2. In the event more than one Insuring Agreement applies, only a single DEDUCTIBLE shall apply between such Insuring Agreements.
3. The Company may from time to time advance payment for LOSS within the DEDUCTIBLE. Any amounts first paid by the Company within the DEDUCTIBLE

shall, upon written demand by the Company, be paid by the INSURED to the Company within thirty (30) days.

D. Multiple Insureds, Claims, Occurrences and Claimants

The Annual Aggregate Limit of Liability shown in the Schedule of this Endorsement are the most the Company will pay, regardless of the number of INSUREDS, CYBER CLAIMS, PRIVACY CLAIMS, CYBER EXTORTION THREATS, BUSINESS INTERRUPTIONS, NETWORK SECURITY BREACHES, or PRIVACY VIOLATIONS, or individuals or entities making CYBER CLAIMS, or PRIVACY CLAIMS.

V. GENERAL TERMS AND CONDITIONS

A. Notice of Circumstance

As a condition precedent to coverage, with respect to Insuring Agreements A and B of this Endorsement, if during the POLICY PERIOD the INSURED first becomes aware of a circumstance, NETWORK SECURITY BREACH or PRIVACY VIOLATION from which a CYBER CLAIM or PRIVACY CLAIM is reasonably anticipated, the INSURED shall during the POLICY PERIOD give written notice to the Company of the following:

1. the identity of each INSURED that was impacted by the NETWORK SECURITY BREACH or PRIVACY VIOLATION;
2. a detailed description of the NETWORK SECURITY BREACH or PRIVACY VIOLATION;
3. the DAMAGES which resulted or may result from the NETWORK SECURITY BREACH or PRIVACY VIOLATION;
4. the circumstances by which the INSURED first became aware of the NETWORK SECURITY BREACH or PRIVACY VIOLATION; and
5. the names of all potential claimants,

then any CYBER CLAIM or PRIVACY CLAIM made thereafter against the INSURED arising out of such NETWORK SECURITY BREACH or PRIVACY VIOLATION shall be deemed for the purposes of this insurance to have been made on the date which the written notice was given to the Company.

B. Notice of Loss

1. With respect to Insuring Agreements A and B of this Endorsement, in the event of a CYBER CLAIM or PRIVACY CLAIM, the INSURED must notify the Company as soon as practicable. To the extent possible, notice should include:
 - a. How, when and where the NETWORK SECURITY BREACH or PRIVACY VIOLATION took place;
 - b. The names and addresses of any injured persons and witnesses; and
 - c. The nature and location of any injury or damage arising out of NETWORK SECURITY BREACH or PRIVACY VIOLATION.

2. With respect to Insuring Agreement C of this Endorsement, in the event of a CYBER EXTORTION THREAT, as a condition precedent to coverage, immediately after the INSURED's receipt of such CYBER EXTORTION THREAT, the INSURED shall provide written notice to the Company of such CYBER EXTORTION THREAT no later than thirty (30) days after receipt of such CYBER EXTORTION THREAT.
3. With respect to Insuring Agreement D of this Endorsement, as a condition precedent to coverage, the INSURED shall provide written notice to the Company of the NETWORK SECURITY BREACH or PRIVACY VIOLATION for which it seeks DATA INCIDENT RESPONSE EXPENSES as soon as practicable and in all events within sixty (60) days after the expiration of the POLICY PERIOD.
4. With respect to Insuring Agreement E of this Endorsement, as a condition precedent to coverage, the INSURED shall provide written notice to the Company of the BUSINESS INTERRUPTION for which it seeks BUSINESS INTERRUPTION LOSS as soon as practicable and in all events within sixty (60) days after the expiration of the POLICY PERIOD.
5. All notice required in this Section shall be sent by the INSURED to the address set forth in Section VII. A. of the Policy.

C. Assistance and Cooperation of the INSURED

1. The INSURED shall, as a condition precedent to any coverage under this Policy:
 - a. fully assist and cooperate with the Company in the investigation, settlement, adjustment and defense of all CYBER CLAIMS, PRIVACY CLAIMS, circumstances, NETWORK SECURITY BREACHES, PRIVACY VIOLATIONS, BUSINESS INTERRUPTIONS or LOSS;
 - b. at the Company's request, the INSURED shall submit to examination by a representative of the Company under oath, meet with and give written statements to the Company, authorize and provide the Company all necessary records and other information, secure and give evidence, attend hearings and trials and obtain the location of and cooperation of witnesses;
 - c. fully assist and cooperate with the Company in enforcing any right of contribution or indemnity against any party that may be liable to the INSURED with respect to any actual or alleged CYBER CLAIM, PRIVACY CLAIM or LOSS related to this Policy.
2. If the INSURED makes or reports a CYBER CLAIM, PRIVACY CLAIM, act, event or occurrence or any LOSS to the Company with knowledge that such CYBER CLAIM, PRIVACY CLAIM, act, event or occurrence or LOSS is fraudulent or false, or based on fraudulent or false information of any type, this Policy shall become null and void and there shall be no coverage hereunder for such CYBER CLAIM, PRIVACY CLAIM, act, event or occurrence or LOSS.
3. The INSURED shall not take any action, or fail to take any action that prejudices the Company's rights or increases the Company's exposure.

E. Related Acts, Occurrences and Claims

1. A series of continuing PRIVACY VIOLATIONS, related or repeated PRIVACY VIOLATIONS, or multiple PRIVACY VIOLATIONS resulting from the same, similar,

related, repeated, or continuous act(s), omission(s), event(s) or occurrence(s), shall be considered to be a single PRIVACY VIOLATION, and shall be deemed to have occurred at the time of the first such PRIVACY VIOLATION.

2. A series of continuing NETWORK SECURITY BREACHES, related or repeated NETWORK SECURITY BREACHES, or multiple NETWORK SECURITY BREACHES resulting from the same, similar, related, repeated or continuous act(s), omission(s), event(s), occurrence(s), vulnerability(ies), exploit(s), weakness(es) or attack(s), shall be considered to be a single NETWORK SECURITY BREACH and shall be deemed to have occurred at the time of the first such NETWORK SECURITY BREACH.
3. A series of continuing CYBER EXTORTION THREATS, related or repeated CYBER EXTORTION THREATS, or multiple CYBER EXTORTION THREATS resulting from the same, similar, related, repeated or continuous act(s), omission(s), event(s), occurrence(s), vulnerability(ies), exploit(s), weakness(es) or attack(s) or extortionist(s) shall be considered to be a single CYBER EXTORTION THREAT and shall be deemed to have occurred at the time of the first such CYBER EXTORTION THREAT.
4. A series of continuing BUSINESS INTERRUPTIONS, related or repeated BUSINESS INTERRUPTIONS, or multiple BUSINESS INTERRUPTIONS resulting from the same, similar, related, repeated or continuous act(s), omission(s), event(s), occurrence(s), vulnerability(ies), exploit(s), weakness(es) or attack(s) or extortionist(s) shall be considered to be a single BUSINESS INTERRUPTION and shall be deemed to have occurred at the time of the first such BUSINESS INTERRUPTION.
5. All CYBER CLAIMS or PRIVACY CLAIMS arising out of a single NETWORK SECURITY BREACH, PRIVACY VIOLATION, or CYBER CLAIM or PRIVACY CLAIM, or arising out of or related to a series of continuous, related or repeated NETWORK SECURITY BREACHES, PRIVACY VIOLATIONS or CYBER CLAIMS or PRIVACY CLAIMS, shall be considered to be a single CYBER CLAIM or PRIVACY CLAIM, and shall be deemed to have been first made against the INSURED at the time the first such CYBER CLAIM or PRIVACY CLAIM is made against the INSURED.

F. Acquisitions, Mergers and Material Changes

In the event, that after the inception of this Policy, the INSURED:

1. acquires all or substantially all the assets of another ENTITY;
2. merges with another ENTITY such that the INSURED is the surviving ENTITY;
3. creates or acquires a SUBSIDIARY; or
4. otherwise changes its business as described in the Application in a manner material to the risk underwritten by the Company,

then no coverage shall be afforded under this Policy for the assets acquired by the INSURED; or the NETWORK SECURITY BREACHES, CYBER EXTORTION THREATS or PRIVACY VIOLATIONS of the entity merged with, acquired by, or created by the INSURED; and/or the changed business activities of the INSURED, unless and until:

- a. the INSURED provides written notice of the aforementioned event to the Company not more than thirty (30) days after the effective date thereof;

- b. the INSURED provides the Company with such information in connection therewith as the Company may deem necessary;
- c. the INSURED accepts any special terms, condition, exclusion, or additional premium charge required by the Company; and
- d. the Company at its sole discretion specifically agrees in writing to provide such coverage.

If the Company does agree to provide coverage for the newly purchased or created entity or SUBSIDIARY, and/or for the INSURED's changed business activities, such coverage will only be for NETWORK SECURITY BREACHES, CYBER EXTORTION THREATS, BUSINESS INTERRUPTIONS and PRIVACY VIOLATIONS first committed or first occurring following the effective date of the aforementioned event.

For purposes of this Section, ENTITY shall mean any corporation, sole proprietorship, trust, partnership, or other form of organization, other than associations, not identified in Item I of the Declarations as a Named INSURED.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:AS PER INDIVIDUAL CERTIFI

Policy Number: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

Named Insured: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: AS PER INDIVIDUAL CERTIFICATE OF INSURANCE



POLICY COVERAGE SUMMARY PAGE
DASgroup - Commercial PROGRAM LEGAL EXPENSE INSURANCE
POLICY NO. BSP0041225

This document certifies that insurance has been effected under **Policy No. BSP0041225** of the DAS Legal Protection Insurance Company Limited for the account of the Policyholder named below and following the terms and conditions of the within Policy.

POLICY COVERAGE SUMMARY PAGE NO: CCC001

POLICYHOLDER:

ADDRESS:

PREMIUM: \$

POLICY TERM: to
12:01 A.M. Standard Time at the address of the Policyholder as stated herein

INSURED EVENTS	LIMIT OF INDEMNITY PER CLAIM	DEDUCTIBLE
• Employment Disputes	\$50,000	\$2,500 *
• Legal Defence	\$50,000	Nil
• Statutory Licence Protection	\$50,000	Nil
• Contract Disputes & Debt Recovery	\$50,000	Nil
• Property Protection	\$50,000	Nil
• Bodily Injury	\$50,000	Nil
• Tax Protection	\$25,000	\$500
• Telephone Legal Advice Service	Unlimited	Nil

* The \$2,500 deductible only applies to disputes with a union/trade union acting on behalf of a unionized employee or ex-employee which arises out of, or relates to, an individual grievance from a collective bargaining agreement with the Policyholder.

AGGREGATE LIMIT PER ANNUAL PERIOD \$250,000

COVERAGE FORM: OCCURRENCE BASIS

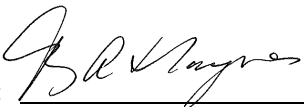
INSURER: DAS LEGAL PROTECTION INSURANCE COMPANY LIMITED **INTEREST** 100%

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Dated this [day] of [month], 2018.

DAS Legal Protection Company Limited
390 Bay Street, Suite 1610,
Toronto, ON M5H 2Y2

PFP Inc.
161 Bay St.
Toronto Ontario, ON M5J 2S1

Per: 

Per: 

MAKING A CLAIM

Please contact DAS as soon as practicable following an insured event, and in no event later than 120 days after the date of occurrence of the insured event.

Please note that DAS will not pay for any costs you may incur before they have accepted your claim, even if they later accept the claim.

You may report a claim to DAS by mail at their Head Office address: 390 Bay Street, Suite 1610, Toronto, Ontario M5H 2Y2 or by telephone at **1-877-255-4269**. DAS will then advise you on next steps.

You also have access to a legal advice helpline at **1-877-255-4269**.




Remember you have access to unlimited legal advice at any time

Unlike other insurance companies, we encourage our clients to call and use our Legal Advice Helpline at 1-877-255-4269. Calling us will not directly impact your premiums and you can call about any related legal issue, regardless if it is covered by your policy

Wallet Card:



 <p>Name: Canadian Chamber of Commerce Prg Pol #: BSP0041225</p> <p>Claims & Legal Advice Helpline 1 877 255 4269 1 877 255 4269 / 8AM to Midnight / 7 Days a Week</p>	<p>Keep this card in your wallet and remember:</p> <ul style="list-style-type: none"> You can call 24/7 in an emergency. You can call about any related legal issue, regardless of whether it is covered by your policy. All claims must be reported to DAS no later than 120 days after the date of occurrence of the insured event For a complete summary of your coverage, consult your policy wording or contact your broker: <p>Broker: PFP Tel #:</p> <p>Claims & Legal Advice Helpline 1 877 255 4269 1 877 255 4269 / 8AM to Midnight / 7 Days a Week</p>
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QR Code:



Scan this QR code with your smartphone and you can add our Legal Advice Helpline to your contact list.

You now have confidence and peace of mind

You can rest assured you are financially protected against unforeseen legal expenses and you are just a phone call away from accessing legal advice to defend or pursue your legal rights.

Regards,

Barbara Haynes
Chief Executive Officer
DAS Legal Protection Insurance Company Limited



DASgroup - Commercial
Legal Protection Insurance Policy



YOUR ACCESS TO JUSTICE

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DASgroup - Commercial Legal Protection Insurance Policy

DAS Legal Protection Insurance Company Limited
390 Bay Street, Suite 1610, Toronto, Ontario M5H 2Y2

Welcome to **your** DASgroup - Commercial Legal Protection Insurance Policy. **You**, and any other person insured under this policy, are now protected by a Canadian member company of the leading global legal expense insurance group.

Making a claim

Please contact **us** as soon as practicable following an insured event, and in no event later than 120 days after the **date of occurrence** of the insured event.

Please note that we will not pay for any costs you may incur before we have accepted your claim, even if we later accept the claim.

You may report a claim to **us** by mail at **our** Head Office address: 390 Bay Street, Suite 1610, Toronto, Ontario M5H 2Y2 or by telephone at **1-877-255-4269**.

We will then advise **you** on next steps.

Agreement

In return for payment of the premium, **we** will provide the insurance described in this policy subject to the policy terms, definitions, conditions, exclusions and limitations set out in this policy and the policy coverage summary page, provided that:

1. the claim has **reasonable prospects** of success; and
2. the **date of occurrence** of the insured event happens within the period **we** have agreed to cover an **insured person**; and
3. the insured event occurs within the **territorial limit** and any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **territorial limit**.

Except where stated otherwise, **we** will pay **legal costs** incurred in making or defending an appeal, as long as:

- the matter being appealed was previously accepted as a claim under this policy,
- the **insured person** tells **us** within the time limits allowed to file an appeal that they want to appeal (and within reasonable time to allow for the filing of all necessary documents for an appeal), and
- **we** agree there are **reasonable prospects** of success.

The policy, together with the policy coverage summary page and any endorsement, and incorporating the application and any information **you** have provided, forms the contract of insurance between **you** and **us**.

Insured events

1. Employment disputes	
What is covered	What is not covered
<p>We will pay your legal costs to defend your legal rights</p> <ol style="list-style-type: none"> 1. following the dismissal of an employee 2. in legal proceedings in respect of any dispute with <ol style="list-style-type: none"> (i) a non-unionized employee or ex-employee which arises out of, or relates to, a contract of employment with you (ii) a union/trade union acting on behalf of a unionized employee or ex-employee which arises out of, or relates to, an individual grievance from a collective bargaining agreement with you (iii) an employee, prospective employee or ex-employee arising from an alleged breach of their statutory rights under employment legislation. 	<ol style="list-style-type: none"> (a) Any claim arising out of or in connection with any business transfer or purported business transfer. (b) Any claim relating solely to death, illness or bodily injury, and/or loss of or damage to property. (c) Any legal proceeding arising from or related to the negotiation of a collective bargaining agreement, or a general work disruption (including but not limited to a strike, work slowdown or a work to rule campaign). (d) For a legal proceeding in respect of any dispute with a union/trade union acting on behalf of a unionized employee or ex-employee, the first \$2,500, in legal costs in respect of each claim.

2. Legal defence	
What is covered	What is not covered
<p>At your request, we will pay legal costs</p> <ol style="list-style-type: none"> 1. to defend an insured person's legal rights in relation to <ol style="list-style-type: none"> (i) their being investigated by the police or any occupational health and safety authority in respect of an alleged criminal offence (ii) their being prosecuted for an alleged criminal offence (iii) a civil action being taken against them for compensation in connection with a failure or alleged failure to comply with requirements under protection of privacy legislation 2. to defend an insured person's (other than your) legal rights if civil action is taken against them in their capacity as a trustee of a pension fund set up for the benefit of your employees. 3. to represent an insured person in appealing against the imposition or terms of any statutory notice issued under legislation affecting your business. 4. to respond to a Notice for Production issued against an insured person, under the Federal Anti-Spam Legislation 5. to make representations on behalf of an insured person who has been issued a Notice of Violation, under the Federal Anti-Spam Legislation 6. to defend insured person against a private action brought by an individual made by under Federal Anti-Spam Legislation. 	<ol style="list-style-type: none"> (a) Any claim relating to an insured person being prosecuted for a breach of highway traffic laws or regulations in connection with the ownership, use or operation of a motor vehicle. (b) Any offence against any insured person for refusing to comply with a request by a designated person who is carrying out their duties and functions under the Federal Anti-Spam Legislation. (c) Any offence against any insured person who obstructs or hinders, or knowingly makes a false or misleading statement or provides false or misleading information to, a designated person who is carrying out their duties and functions under the Federal Anti-Spam Legislation.

3. Contract disputes and debt recovery	
What is covered	What is not covered
<p>We will pay your legal costs to pursue or defend your legal rights in a dispute relating to an agreement or an alleged agreement which has been entered into by you or on your behalf for</p> <ol style="list-style-type: none"> selling or buying goods providing or obtaining services. <p>Provided that</p> <p>(a) <i>the amount in dispute exceeds \$500; and</i></p> <p>(b) <i>if the dispute relates to money owed to you a claim is made under this policy within 90 days of the money becoming due and payable.</i></p>	<p>(a) Any claim relating to the settlement payable under an insurance policy (we will cover a dispute arising from your insurer refusing your claim, but not a dispute over the amount of the claim).</p> <p>(b) Any claim relating to a dispute arising from any loan, mortgage, pension, investment, borrowing or any other financial product (other than described under (a) above).</p> <p>(c) Any claim relating to a dispute over the terms of a lease of land or buildings or a licence or tenancy of land or buildings if you are the lessor, licensor or landlord of the land or buildings. However, we will cover a dispute with a professional advisor in connection with the drafting of a lease, licence or tenancy agreement.</p> <p>(d) Any claim relating to a contract involving a motor vehicle other than agreements relating to the sale of motor vehicles where you are engaged in the business of purchasing, selling or leasing motor vehicles.</p> <p>(e) Any claim relating to a dispute with an employee or ex-employee which arises out of, or relates to, a contract of employment with you.</p> <p>(f) Any claim relating to a dispute arising from an insured person's breach or alleged breach of professional duty.</p>

4. Statutory licence protection	
What is covered	What is not covered
<p>We will pay your legal costs to represent you in appealing to the relevant statutory or regulatory authority, court, or tribunal following an event which results in a licensing or regulatory authority suspending, or altering the terms of, or refusing to renew, or cancelling your licence to conduct your business.</p>	<p>(a) An original application or application for renewal of a statutory licence.</p> <p>(b) A licence appeal relating to the ownership, use or operation of a motor vehicle.</p> <p>(c) A licence appeal relating to a professional licence issued to an individual.</p>

5. Property protection	
What is covered	What is not covered
<p>We will pay your legal costs to pursue your legal rights in a civil action relating to physical property which you own or are legally responsible for following</p> <ol style="list-style-type: none"> 1. an event which causes physical damage to such property 2. a legal nuisance (meaning any unlawful interference with your use or enjoyment of your land, or some right over, or in connection with it) 3. a trespass. 	<p>Any claim relating to any of the following:</p> <ol style="list-style-type: none"> (a) a contract entered into by you (b) goods that are away from any premises occupied by you unless the goods are at such premises for the purpose of installations or use in work to be carried out by you (c) someone legally taking your physical property from you, whether you are offered money or not, or restrictions or controls placed on your physical property by any governmental, quasi-governmental or public or local authority (d) work done by, or on behalf of, any governmental, quasi-governmental or public or local authority unless the claim is for accidental physical damage (e) a motor vehicle, other than physical damage to motor vehicles where you are engaged in the business of purchasing, selling or leasing motor vehicles (f) mining, subsidence, heave or landslide (g) defending your legal rights, other than in defending a counter-claim.

6. Bodily injury	
What is covered	What is not covered
<p>At your request, we will pay an insured person's legal costs to pursue their legal rights following a specific or sudden accident which causes their death, illness or bodily injury.</p>	<p>Any claim relating to any of the following:</p> <ol style="list-style-type: none"> (a) a dispute with any provincial workers' compensation board psychological injury or mental illness unless the condition arises from a specific or sudden accident that has caused physical bodily injury to an insured person (b) death, illness or bodily injury arising from an insured person's ownership, use or operation of a motor vehicle (c) defending an insured person's legal rights, other than in defending a counter-claim.

7. Tax protection	
What is covered	What is not covered
<p>We will pay your legal costs in respect of a tax appeal or a tax audit relating to</p> <ol style="list-style-type: none"> liability for income tax, GST, PST or HST arising from your business payroll deductions compliance by your business. <p><i>Provided that you have taken reasonable care to ensure that all returns are complete and correct and submitted within the statutory time limits allowed.</i></p>	<ol style="list-style-type: none"> For a tax audit, the first \$500 in legal costs. This is payable to us as soon as we accept the claim. For a tax audit or a tax appeal, any amount in excess of \$25,000 in legal costs in respect of each claim. Any claim arising from a tax avoidance scheme, arrangement, or plan of any kind. Any claim caused by your failure to register for GST and/or PST and/or HST. Any claim arising from an investigation or enquiry by the CRA into alleged gross negligence, dishonesty or criminal offences.

Telephone legal advice

We will provide **you** access to a legal advice helpline through which **you** can receive confidential general legal advice and information over the phone relating to any commercial legal or tax problem affecting **your** business to help determine legal rights and options under the laws of the applicable province and the federal laws of Canada. The advice lawyer cannot provide case specific research or review documents.

We will provide this service between the hours of 8am and midnight, local time, 7 days a week. In addition, **we** will facilitate access to a lawyer twenty-four hours a day, 7 days a week, in emergency situations. Calls to this service may be recorded.

To contact this service call 1-877-255-4269.

We will not accept responsibility if the advice service is unavailable for reasons **we** cannot control.

Definitions

The following definitions apply wherever these words or phrases appear in bold in the policy.

Appointed representative

The lawyer, accountant or other suitably qualified person appointed by **us** on behalf of the **insured person** to act for an **insured person**.

Date of occurrence

1. For civil cases: the date of the event which leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date of the first of these events.
2. For criminal cases: the date of the incident, or the earliest date in a series of related incidents, for which an **insured person** is charged with a criminal offence.
3. For licence or registration appeals: when **you** were first informed by the relevant licensing or regulatory authority of their proposal to review, suspend, alter the terms of, refuse to renew or cancel **your** licence.
4. For a **tax appeal**: when the Canada Revenue Agency ("CRA") or a provincial tax authority first issues **you** a notice of assessment, reassessment or determination with which **you** disagree.
5. For a **tax audit**: when the CRA or a provincial tax authority first contacts **you** in relation to commencing an audit.

The insured event must occur within the period **we** have agreed to cover the **insured person**.

Federal Anti-Spam Legislation

An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, S.C. 2010, c. 23

Insured person

You and **your** directors, officers, partners, managers and employees. Anyone claiming under this policy must have **your** agreement to claim.

Legal costs

In respect of the insured events described in this policy:

1. all reasonable and necessary costs incurred by the **appointed representative**, including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports
2. the costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with **our** agreement
3. the **insured person's** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing.

Reasonable prospects

For civil cases **reasonable prospects** means that **we** agree that it is always more likely than not that an **insured person** will recover losses or damages (or obtain other legal remedy which **we** have agreed to) or make a successful defence.

For appeals relating to any insured event, **reasonable prospects** means that **we** agree that it is always more likely than not that the appeal will be successful.

Tax appeal

An appeal regarding an assessment, reassessment or determination made by the CRA or a provincial tax authority, including an administrative appeal to the CRA or a provincial tax authority and an appeal to the Tax Court of Canada or a superior court of a province.

Tax audit

An inspection and verification by the CRA or a provincial tax authority of **your** financial accounting records to determine whether or not **you** have paid the correct amount of tax.

Territorial limit

Canada.

We, us, our

DAS Legal Protection Insurance Company Limited.

You, your

The policyholder shown in the policy coverage summary page.

Limit of indemnity under this policy

We will pay up to the limit of indemnity shown in the policy coverage summary page in respect of **legal costs** related to all claims resulting from one or more events arising at the same time or from the same originating cause.

Subject to the above, **we** will pay, in aggregate, **legal costs** of no more than the aggregate limit shown in the policy coverage summary page in respect of all claims that arise in that period of insurance that result from different originating causes.

General exclusions

This insurance does not apply to:

1. Events not connected with your business

Any event not arising in connection with the business shown in **your** policy coverage summary page.

2. Wilful acts

Any claim resulting from an act which is wilfully committed, and the results of which are consciously intended, by an **insured person**.

3. Late reported claims

A claim reported to **us** more than 120 days after the **date of occurrence**.

4. Costs not agreed with us

Legal costs incurred before **our** written agreement to pay them.

5. Contingency fee agreements

Any **legal costs** arising as a consequence of a contingency fee agreement.

6. Disputes with any governmental or public body

Any **legal costs** relating to a review or dispute regarding the lawfulness of any decision or action of any federal or provincial governmental or quasi-governmental body, or any other local or public authority other than in relation to an accepted claim in respect of any event insured under this policy.

7. Class action proceedings

Any claim where an **insured person** is a party to a legal action brought under applicable class proceedings legislation.

8. Costs awarded outside of Canada

Any **legal costs** awarded in any jurisdiction outside of Canada.

9. Damages, fines and penalties

Damages, fines, penalties, compensation or restitution orders which the **insured person** is ordered to pay by a court or other authority and any costs awarded in criminal or statutory proceedings.

10. Legal action not agreed with us

Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to or where an **insured person** does anything that hinders **us** or the **appointed representative**.

11. Disputes with DAS

Any dispute with **us** not otherwise dealt with under **General condition 9 Disputes over reasonable prospects for a claim**.

12. Fraudulent claims

Any claim which is fraudulent, exaggerated or dishonest.

13. Claims under this policy by a third party

Apart from **us**, only an **insured person** may enforce all or any part of this policy and the rights and interests arising from or connected with it.

14. Nuclear, war, terrorism and pollution or contamination risks

Any claim caused by, contributed to, or arising from any of the following:

- (a) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (b) an event which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
- (c) terrorism or a decision of a government agency or other entity to prevent, respond to or terminate terrorism;
- (d) pollution or contamination.

15. Bankruptcy of policyholder

Any matter or claim if, at any time:

- (a) **you** are declared bankrupt, placed into receivership, are in the process of being wound-up or if any part of **your** affairs or property is in liquidation;
- (b) **you** have made a proposal, petition, filing or arrangement for the benefit of any creditor or creditors;
- (c) a creditor seeks to have **you** placed into bankruptcy, declared insolvent, liquidated or be wound-up;
- (d) any of **your** property is placed under the care or control of a trustee, receiver or administrator.

16. Intellectual property disputes

Disputes about patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.

17. Agency agreement disputes

Any claim relating to rights under a franchise or agency agreement entered into by **you**.

18. Shareholding or partnership disputes

Disputes about a shareholding or partnership interest in **you** unless such shareholding or partnership interest was acquired under a plan open to all of **your** employees or a substantial number of them.

19. Defamation

A claim relating to written or oral remarks which damage an **insured person's** reputation.

General conditions

1. Observance of policy terms

The **insured person** must:

- (a) comply with the terms and conditions of this policy;
- (b) notify **us** immediately of any change in circumstance which may materially affect **our** assessment of the risk;
- (c) take reasonable steps to avoid and prevent claims;
- (d) take reasonable steps to avoid incurring unnecessary costs;
- (e) send everything **we** reasonably ask for in writing;
- (f) report to **us** full and factual details of any claim as soon as practicable and give **us** any information **we** reasonably need.

2. Notice of Insured Event

The **insured person** shall notify **us** of any insured event which may give rise to coverage, as soon as they become 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 coverage shall be forfeited by the person insured where such non-compliance has caused prejudice to **us**.

3. Conduct and control of claim

- (a) If it is necessary to take legal proceedings, including a **tax appeal**, an **appointed representative** will be appointed by **us** on behalf of the **insured person** in accordance with **our** standard terms of appointment and will be retained by the **insured person**.
- (b) Where **we** have agreements with more than one law firm with respect to a specialty, the **insured person** may select their **appointed representative** from that panel of law firms.
- (c) The **insured person** must cooperate reasonably with **us** and with the **appointed representative** and must keep **us** up-to-date regarding the progress of the claim.
- (d) The **insured person** must give the **appointed representative** any instructions that **we** reasonably require.

4. Consent to access information

The **insured person** will provide written consent, at the commencement of the retainer of the **appointed representative**, permitting the **appointed representative**, at **our** reasonable request, to give **us**, or **our** reinsurers, actuaries or auditors, or any regulatory authority or its agents, to the extent required by law, access to all correspondence, documents and records in the **appointed representative's** possession or control which are relevant to the matter. This consent will include permission to deliver up all such documents or copies of all such documents at **our** reasonable request.

5. Offers to settle a claim

- (a) The **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to a settlement without **our** written consent, not to be unreasonably withheld.
- (b) If the **insured person** does not accept an offer **we**, based on the advice of the **appointed representative**, consider reasonable to settle a claim, **we** may refuse to pay further **legal costs**.
- (c) **We** reserve the right to pay the **insured person** the reasonable amount of damages that the **insured person** is claiming, or that is being claimed against them, or negotiate a reasonable settlement of any claim, instead of starting or continuing legal proceedings. In these circumstances the **insured person** must allow **us** to take over and conduct in their name the pursuit or settlement of any claim. The **insured person** will also allow **us** to pursue at **our** own expense and for **our** own benefit, any claim for compensation against any other party and must give **us** all information and assistance required.

6. Withdrawal of coverage

If an **insured person** settles or negotiates a claim without **our** consent, not to be unreasonably withheld, or withdraws a claim without **our** consent, not to be unreasonably withheld, or does not give to the **appointed representative** any instructions that **we** reasonably require, **we** can withdraw coverage and will be entitled to reclaim from the **insured person** any **legal costs we** have paid.

7. Assessment and recovery of costs

- (a) The **insured person** must instruct the **appointed representative** to have **legal costs** taxed, assessed or audited if **we** ask for this.
- (b) The **insured person** must take every reasonable step to recover **legal costs** that **we** have to pay and must pay **us** any amounts that are recovered.
- (c) Where a settlement is made on a without costs basis the **appointed representative** will determine what proportion of that settlement will be deemed **legal costs** and payable to or by **us**.

8. Cancellation of a representative's appointment

If the **appointed representative** refuses to continue acting for the **insured person** with good reason, or if the **insured person** dismisses the **appointed representative** without good reason, the coverage **we** provide will end immediately, unless **we** agree to appoint another **appointed representative**.

9. Disputes over reasonable prospects for a claim

If there is a dispute between an **insured person** and **us** over **reasonable prospects**, the **insured person** may obtain, at their expense, an opinion, from a lawyer mutually agreed to by the **insured person** and **us**, on the merits of a claim or proceedings. If the lawyer's opinion indicates that **reasonable prospects** exist, **we** will pay the reasonable cost of obtaining the opinion.

10. Complaint handling

If **you** are not satisfied with any aspect of **our** service, please write to **us** at DAS Legal Protection Insurance Company Limited, 390 Bay Street, Suite 1610, Toronto, Ontario M5H 2Y2. Alternatively **you** can telephone **us** at 1-888-5-TALKTODAS (1-888-582-5586) or email **us** at customerrelations@das.ca.

If **you** are still not happy, **you** can contact the General Insurance OmbudService (GIO). The GIO is an independent organization which exists to help resolve problems between individuals and their insurance providers. The GIO's services are available free of charge to the customer and the GIO can be contacted by telephone (toll-free Number 1-877-225-0446), or through their website at www.giocanada.org. The GIO should be contacted only after **you** have first tried to resolve the issue directly with **us**.

If **you** are a resident of Quebec and **you** are not satisfied with the resolution offered by **us**, **you** may request that **we** send a copy of **your** file to *the Autorité des marchés financiers (AMF)*, which will assess the complaint and, if necessary, offer mediation services between **you** and **us**. The *AMF* does not pay any monetary compensation with regard to consumer claims, other than cases covered under its protection and compensation programs. Additional information regarding the *AMF* complaint process can be obtained at <http://www.lautorite.qc.ca/en/file-complaint-conso.html> or toll free at 1-877-525-0337.

11. Termination of policy

- (a) **You** can cancel this policy at any time by giving **us** written notice of cancellation and **we** will refund any premium paid which exceeds **our** pro-rata premium for the time **you** were insured.
- (b) **We** can cancel this policy at any time by giving **you** 15 days' notice of cancellation by registered mail or 5 days' written notice personally delivered. **We** will refund any premium paid which exceeds **our** pro-rata premium for the time **you** were insured.

12. Other insurance

We will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this policy did not exist.

13. Applicable law

This policy will be governed, interpreted and enforced in accordance with the laws of the province where this policy was issued and the federal laws of Canada.

14. Currency

All of the dollar limits described in this policy are in Canadian funds.

15. Action against us

Any action or proceeding against **us** for the recovery of any claim under this policy is absolutely barred unless commenced within two years after the **date of occurrence**, or prior to the expiry of the applicable limitation period in the province where this policy was issued, whichever is earlier. Any such action or proceeding shall be held in the province where this policy was issued and in accordance with its laws and the federal laws of Canada.

16. Communication with us

The **insured person** can communicate with **us** by telephone, mail or email. New claims may also be reported to **us** by mail or telephone, or via **our** website.

DAS Legal Protection Insurance Company Limited

390 Bay Street, Suite 1610, Toronto ON M5H 2Y2

www.das.ca

Telephone: 416-342-5400 or 1-888-5-talktodas (1-888-582-5586)

Customer Legal Advice and Claims: 1-877-255-4269

If you have any other questions about your policy, please contact your broker.

DASC10880(0515)

Our Privacy Policy

Our Commitment to Protecting Your Privacy

DAS Canada (“we”, “our”, or “us”) understands the importance of maintaining personal information on a confidential basis. By providing us with your personal information or allowing us to obtain your personal information, you are trusting us with that information. We respect that trust and want you to be aware of our commitment to protect the information you share with us in the course of doing business with us. This policy describes:

- Personal Information
- Your Consent
- How We Use and Disclose Your Personal Information
- Protecting your Personal Information
- Accessing and Updating Your Personal Information
- Recourse & How to Contact Us

Personal Information

Personal information is any information that allows a person to be identified or which relates to an identifiable individual other than the individual’s name, title, business address or business telephone number.

Personal information may be gathered from different sources, for example, it may come from you, through an on-line application, a telephone conversation, email exchange or otherwise; from other interactions with us, whether written or oral in the course of doing business; from a licensed broker with whom you have a relationship; or an adjuster in the course of a claim.

Personal information that we collect about you include:

- name
- address
- telephone number
- email address
- IP address
- vehicle VIN#, make and model
- details of any legal incidents

Your Consent

Personal information about you is only collected and used with your consent. Your consent may be express or implied. For example, by applying for or obtaining coverage from us, you implicitly consent to our collection of your personal information for the purposes described in this policy. In addition, when providing any personal information, either directly or through a secondary source (such as a licensed broker or adjuster), you consent to the collection, use and disclosure of such personal information for any additional purposes which are identified at the time of collection.

You may withdraw your consent permitting us to use your personal information except as may be necessary to provide you with the coverage or other services you have obtained from us or as may be required for us to meet legal or other regulatory requirements.

How We Use and Disclose Your Personal Information

When you apply for or purchase insurance from us, you share personal information so that we may provide you with the products and services that best meet your needs and provide the insurance protection you have requested. In order to do this, we may use your personal information to:

- Identify and communicate with you
- Assess your application for insurance including underwriting and pricing your policies
- Evaluate and settle claims
- Detect and prevent fraud
- Analyze business results
- Act as required or authorized by law
- Comply with regulatory and tax requirements
- Perform any other activity communicated to you at, or prior to, the time you provide us with your personal information

We may use external service providers (including its affiliates), within and outside Canada to perform services on our behalf. Your personal information may be shared with these parties for the purposes described in this privacy policy. These parties may store your personal information outside of Canada, including in the United Kingdom and the United States. If your personal information is stored outside of Canada, it may be subject to laws of local application which may be different from the privacy legislation in Canada. Nonetheless, when we give affiliates and external service providers access to personal information we require them to comply with this privacy policy and all data protection and privacy laws applicable to DAS Canada and to such affiliate or service provider, as applicable.

In addition, we may use personal information to create aggregate tracking information reports regarding web site user demographics and web site traffic patterns. None of the tracking information in the reports can be connected to the identities or other personal information of individual users. We also may link tracking information with web site users' personal information. Once such a link is made, all of the linked information is treated as personal information and will be used and disclosed only in accordance with this policy, and in accordance with the law.

We do not sell customer information to anyone except in connection with a sale of all or substantially all of DAS Canada's assets. Beyond providing personal information to our affiliates and service providers as described in this privacy policy, we do not share customer information with third parties except as described below.

We may disclose your personal information to a government institution that has asserted its lawful authority to obtain the information or where we have reasonable grounds to believe the information could be useful in the investigation of unlawful activity, or to comply with a subpoena or warrant or an order made by a court, person or body with jurisdiction to compel the production of information, or to comply with court rules regarding the production of records and information, or to protect the rights and property of DAS Canada. If DAS Canada is involved in a merger or other reorganization, we may disclose your personal information to the resulting organization. If all or substantially all of DAS Canada's assets are acquired, your personal information will be disclosed to the entity that will continue to operate DAS Canada's business. We will require any such purchaser to agree to abide by this privacy policy in respect of all personal information disclosed.

Personal information is kept as long as it is required for the purpose for which it was collected and to meet legal and government requirements. Policies and procedures are established to manage the destruction of personal information when it is no longer required for the purpose for which it was collected.

Protecting Your Personal Information

The security of personal information is very important to us, and we take steps to safeguard it. We maintain physical, electronic and procedural safeguards in compliance with applicable law and industry business standards to guard all personal information. We limit access to personal information about you to those employees and agents who assist us in providing products and services to you. Employees who fail to follow our established standards are subject to disciplinary action. We also require our external service providers to whom we disclose personal information to adhere to this privacy policy and to establish and maintain information security procedures commensurate with the sensitivity of the personal information disclosed and which meet all legal requirements.

To help protect the confidentiality of your personal information, we employ security safeguards appropriate to the sensitivity of the information. Nevertheless, due to the nature of the internet and internet technologies, security and privacy risks for personal information transmitted over the internet cannot be eliminated and we cannot guarantee that such personal information will not be disclosed in ways not otherwise described in this policy.

More information regarding the data protection rights of using the internet can be found in our Terms and Conditions. www.das.ca

Access to and Updating Your Personal Information

You may update your personal information at any time by contacting us. You may request access to your personal information and information about our collection, use and disclosure of that information by contacting us. Subject to certain exceptions prescribed by law, you will be given reasonable access to your personal information, and will be entitled to challenge the accuracy and completeness of the information and to have it amended as appropriate. You can help us maintain the accuracy of your information by notifying us of any changes to your personal information.

Recourse & How to Contact Us

If you have questions or concerns about the privacy of personal information about you, please call us at **416-342-5400 (or toll free at 1-877-582-5586)**. We will be pleased to help you.

In most cases, a concern is resolved simply by telling us about it and discussing it with us. You should be able to get swift results by talking to us. But if you still have unresolved concerns, you may contact our Privacy Officer as follows:

DAS Legal Protection Insurance Company Limited
390 Bay Street, Suite 1610
Toronto, Ontario M5H 2Y2
Canada
Attention: Privacy Officer

Telephone: (416) 342-5400
Fax: (416) 342-4530
E-mail: privacy@das.ca

If the issue is still not resolved to your satisfaction, you may file a complaint with the Privacy Commissioner of Canada at notification@priv.gc.ca or by calling 1-800-282-1376 or any provincial privacy commission which has authority over our privacy practices.