

700 University Avenue, Suite 1500, Toronto, Ontario

novex

Composite Package Policy

RENEWAL

Policy Number: 551493027

Replacing Policy Number:

Novex Insurance Company hereinafter called the Insurer.

The Policy Declarations together with the Supplementary Declarations, Policy Conditions, forms, riders and endorsements, if any, issued to form a part thereof, completes the Policy.

POLICY DECLARATIONS

Name of Insured: Members of the Canadian Rotary District #7090 as indicated on the Individual Certificates of Insurance

Mailing Address: c/o Penelope Hutton
800 Lakeview Avenue,
Jamestown, N.Y. 14701

Policy Period: From: September 1, 2017 To: September 1, 2018
12:01 A.M. standard time at the postal address of the Named Insured stated herein.

Insured's Business Operations: Rotary Service Clubs including fund raising activities usual to a service club, foundations, trusts, Youth Exchange, Group Study exchange, Interact and Rotaract operations and Inner Wheel

Broker: 1129337 Ontario Inc. o/a Norwich Insurance Brokers
13 Stover Street North, Norwich, Ontario. N0J 1P0

Phone No.: 1-800-280-0937

Broker No.: 87996

Total Policy Premium: \$23,755 **Minimum Retained Policy Premium:** \$0

Billing Method: One Pay-Direct

Novex Insurance Company:



President

Authorized Representative



This Policy Contains a Clause(s) That May Limit the Amount Payable

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PROPERTY AND BUSINESS INTERRUPTION COVERAGES

Location Address: As stated above

Premises Occupied as: Rotary Club

Loss, if any, payable to:

FORM	DESCRIPTION COVERAGES	DEDUCTIBLE	PERILS	VALUATION	% INSURANCE	LIMIT OF INSURANCE
BF02N	Commercial Building and Contents Broad Form Contents (\$2,500 Included)	\$1,000	Broad Form	R/C	90%	\$As per Individual Certificate of Insurance
BF10	Miscellaneous Articles Floater	\$1,000	Broad Form	ACV	No/Co	\$10,000
E001N	The Business Edge Multi-Peril Extension Endorsement	\$ 500	Broad Form	R/C	90%	As Per Form Attached
G011N	Commercial Property Policy Conditions (Applicable to all provinces except Alberta, British Columbia, Manitoba and Quebec)					
2485N	Emergency Declaration Endorsement					

THE FOLLOWING COVERAGES APPLY TO ALL LOCATIONS UNLESS OTHERWISE SPECIFIED.

CRIME COVERAGES

FORM	DESCRIPTION COVERAGES	DEDUCTIBLE	LIMIT OF INSURANCE
EC01N	Edge Crime Coverage Endorsement	\$1,000	
Summary of Coverage as per form attached			
Item 1	Employee Fidelity – Insuring Agreement 1.A		\$30,000 Aggregate
Item 2	Broad Form Money & Securities		\$30,000
	Inside Premises Insuring Agreement II.A		\$30,000
	Outside Premises Insuring Agreement III.A		\$30,000
	Messenger or Custodian Home – Insuring Agreement III.A		\$30,000
Item 3	Money Orders & Counterfeit Paper – Insuring Agreement IV		\$30,000 Aggregate
Item 4	Depositors Forgery – Insuring Agreement V		\$30,000 Aggregate
GE0001	Definition of Employee amended To include Volunteers		

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GENERAL LIABILITY COVERAGES

CODE	DESCRIPTION AND COVERAGES	DEDUCTIBLE	AMOUNT OF INSURANCE
LR02N	Commercial General Liability		
	Coverage A – Bodily Injury and Property Damage Liability		Each Occurrence Limit \$ 5,000,000
	Coverage A – Bodily Injury and Property Damage Liability		General Aggregate Limit \$10,000,000
	Coverage A – Products-Completed Operations		Aggregate Limit \$ 5,000,000
	Coverage A – Property Damage Deductible: Per Occurrence	\$500	
	Coverage B – Personal Injury and Advertising Liability		Aggregate Limit \$ 5,000,000
	Coverage C – Medical Payments		Per Person \$25,000
	Coverage D – Tenants' Legal Liability	\$250	\$1,000,000
L175N	Employers' Liability Extension		\$1,000,000
L173N	Employee Benefits Liability Extension	\$1,000	\$1,000,000
L222N	S.P.F. 6 - Supplementary Non-Owned Automobile Liability Policy		\$5,000,000
L219N	Legal Liability for Damage To Hired Automobiles	\$1,000	\$50,000
L220N	Contractual Liability Endorsement		Incl.
L221N	S.E.F. No. 99 Excluding Long Term Leased Vehicle Endorsement		Incl.
L150N	Abuse Limitation Endorsement		\$1,000,000
L257N	Reduction of Coverage for Lessees or Drivers of Leased Vehicles Endorsement		
L300N	Liability Conditions		
GE0002	Anti-Stacking		
GE0003	Stage Rental Limitation		
GE0004	Watercraft Exclusion Amendment		
GE0005	Liquor Liability Exclusion Amendment		

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Replacing Policy Number:

PROFESSIONAL LIABILITY COVERAGES

FORM NO.	DESCRIPTION / COVERAGES	DEDUCTIBLE	AMOUNT OF INSURANCE
D002N	Non-Profit Organization Liability Insurance		Claims Made
	A. Insured Person Non-Indemnifiable Liability		
	Aggregate Limit of Liability		\$3,000,000
	B. Insured Person Indemnifiable Liability		
	Aggregate Limit of Liability	\$1,000	\$3,000,000
	C. Insured Organization Liability		
	Aggregate Limit of Liability	\$1,000	\$3,000,000
	Employment Practices Wrongful Act		
	Aggregate Limit of Liability	\$1,000	\$250,000
	Fiduciary Wrongful Act		
	Aggregate Limit of Liability	\$1,000	\$3,000,000
	Total Aggregate Limit of Liability per Policy Period		\$3,000,000
D150N	Abuse Exclusion		
GE0002	Anti-Stacking Endorsement		
GE0006	Definition of Insured		
PR11N	Legal Expense Insurance	\$1,000	\$100,000 Aggregate

Declaration of Emergency Endorsement - Extension of Termination or Expiry Date

Novex Insurance Company

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an “emergency” is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The “emergency” must have a direct effect or impact on:
 - i) the Insured, the insured site or insured property located in the declared emergency area; or
 - ii) the operations of the Insurer or its agent/broker located in the declared emergency area.

2. A. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the “emergency” is terminated plus the lesser of:
 - i) 30 days; or
 - ii) the number of days equal to the total time the “emergency” order was in effect.

2. B. If this policy is due to expire during an “emergency”, it will continue in force until the “emergency” is terminated plus the lesser of:
 - i) 30 days; or
 - ii) the number of days equal to the total time the “emergency” order was in effect.

3. In no event shall the total term of this extension exceed 120 consecutive days

The Insured agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

“Emergency” means the first statutory declaration of an emergency:

- a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- b) as provided for by the relevant governing legislation if different from a).

but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

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

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

1. INDEMNITY AGREEMENT

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

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

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

2. INSURED PROPERTY

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

"Building"

"Equipment"

"Stock"

"Contents of Every Description"

"Property of Every Description"

3. DEDUCTIBLE

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

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

4. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations Page" and only where the amount of loss or damage exceeds \$15,000.

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

5. INSURED PERILS

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

6. EXCLUSIONS

A. EXCLUDED PROPERTY

This form does not insure loss of or damage to:

- (a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the "building. This exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) exterior signs. This exclusion does not apply to loss or damage caused directly by "Named Perils";
- (c) property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;
- (d) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 (l);
- (e) growing plants, trees, shrubs or flowers, all while outside the "building", except as provided in Clause 7(e);
- (f) animals, fish or birds. This exclusion does not apply to loss or damage caused directly by "Named Perils" or by theft or attempted theft;
- (g) money, "cash cards", bullion, platinum or other precious metals or alloys, securities, stamps, tickets (except lottery tickets) or tokens, or evidence of debt or title;
- (h) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- (i) furs, fur garments, jewels, jewellery. This exclusion does not apply to:
 - (i) the first \$2,500 of any loss otherwise insured; or
 - (ii) loss or damage caused directly by "Named Perils";
- (j) property insured under the terms of any Marine Insurance, except while on a regular ferry or railway car transfer in connection with land transportation;
- (k) property from the time of leaving the Insured's custody if it is:
 - i) loaned or rented or leased to others; or
 - ii) sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

This exclusion (k) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (l) property in the custody of a sales representative outside the "premises";
- (m) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (n) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
- (ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 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.

This exclusion (n) does not apply to:

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

B. EXCLUDED PERILS

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

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

This exclusion (e) does not apply to:

- (1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph (n) of Clause 6.A.;
- (2) damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph (n) of Clause 6.A.;

- (3) loss of or damage to “building” or “equipment” caused directly by “Named Perils”, theft or attempted theft;
- (4) loss or damage caused directly by an accident to a transporting conveyance;
- (f) (i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
- (ii) by contamination;
- (iii) by marring, scratching or crushing.

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

- (1) “Named Perils”;
 - (2) rupture of pipes or breakage of apparatus not excluded in paragraph (n) of Clause 6.A.;
 - (3) theft or attempted theft;
 - (4) an accident to a transporting conveyance;
 - (g) by rodents, insects, or vermin. This exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this form;
 - (h) by delay, loss of market, or loss of use or occupancy;
 - (i) in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
 - (j) (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Clause 18 (l);
 - (ii) by contamination by radioactive material;
 - (k) (i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
 - (ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
 - (iii) by any dishonest or criminal act committed by anyone, except as stated in (k) (ii), when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.
- This exclusion (k) (iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.
- (l) by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke or leakage from “fire protective equipment”, all as described in Clause 18 (l);
 - (m) by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
 - (i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (ii) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;

- (iii) other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting directly from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
- (iv) moving or rotating machinery or its parts;
- (v) any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply to other insured property that has been damaged by such explosion;
- (vi) gas turbines.

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

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

C. POLLUTION EXCLUSION

This form does not insure against:

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

D. DATA EXCLUSION

- (a) This form does not insure "data".
- (b) This form does not insure loss or damage caused directly or indirectly by a "data problem".
- (c) Paragraphs (a) and (b) do not apply to specific coverage provided by this form for Accounts Receivable, Electronic Data Processing media or Valuable Papers and Records. Paragraph (b) does not apply to loss or damage caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks.

E. FUNGI AND SPORES EXCLUSION

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

F. TERRORISM EXCLUSION

This form does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

G. OTHER EXCLUDED LOSSES:

This form does not insure:

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

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

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

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

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

7. EXTENSIONS OF COVERAGE

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

- (a) **Removal:** If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 30 days only, or for the unexpired term of the policy if less than 30 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.
- (b) (i) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this form.

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

- 1) the total amount payable for the direct loss of or damage to insured property; and
- 2) the amount of the applicable deductible.

- (ii) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises".

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

- (a) to "clean up" "pollutants" from land or water; or

- (b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

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

- (c) **Personal Property of Officers and Employees:** At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
 - (i) shall not attach if it is insured by the owner, unless the Insured is obliged to insure it or is liable for its loss or damage;
 - (ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;
 - (iii) shall apply only to loss or damage occurring at the "premises".
- (d) **"Building" Damage by Theft:** This form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this form. This extension of cover shall be limited to a maximum recovery of \$2,500 for any one occurrence.
- (e) **Growing Plants, Trees, Shrubs or Flowers outside the "Building":** This form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the "building" caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 18 (I)) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of:
 - (i) \$500 for each growing plant, tree, shrub or flower; and
 - (ii) \$5,000 for any one occurrence.
- (f) **Construction of Additions and Alterations:** This form covers property for use in the construction of an addition, extension or alteration to the "building". Such property shall comprise:
 - i. (a) Fences, foundations, frescoes, glass, machinery and equipment for building services, materials and supplies, all to enter into and form part of the addition, extension or alteration.
 - (b) Landlord's permanent fittings and fixtures to be attached to the "building".
 - ii. Excavation, falsework, forms, hoardings, landscaping, scaffolding, site preparation, temporary structures and similar work.

This extension of coverage shall be limited to a maximum recovery of \$100,000.

8. PERMISSIONS

Permission is granted:

- (a) for other insurance concurrent with this form;
- (b) to make additions, alterations or repairs;
- (c) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

9. BREACH OF CONDITION

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

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

10. REINSTATEMENT

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

11. SUBROGATION

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

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

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

12. PROPERTY PROTECTION SYSTEMS

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

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

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

13. PREMIUM ADJUSTMENT

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

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

14. VERIFICATION OF VALUES

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

15. BASIS OF VALUATION

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

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

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

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

16. PROPERTY OF OTHERS

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

17. LIBERALISATION

If, during the policy period, the Insurer introduces any broadening of its standard coverage for this rider without an increase in rates, the broadened coverage shall also apply to the Insured's coverage from the introduction date of the broadened coverage.

18. DEFINITIONS

Wherever used in this form:

- (a) **"Building"** means:
 - the building(s) described on the "Declarations Page" and includes:
 - (i) fixed structures pertaining to the building(s) and located on the "premises";
 - (ii) additions and extensions communicating and in contact with the building(s);
 - (iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - (v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
 - (vi) At the option of the Insured, and only for a "building" occupied as rented private residences:
 - (a) Landlord's permanent fittings and fixtures, excluding furniture and furnishings in furnished suites or apartments.
 - (b) Cooking, cooling, dishwashing, heating and refrigerating apparatus in suites and apartments.
 - (c) Electrical and lighting fixtures.
 - (d) Awnings, blinds, fencing, screen doors, screens and shutters.

- (b) **"Cash cards"** means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- (c) **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (d) **"Contents of Every Description"** means "equipment" and "stock".
- (e) **"Data"** means representations of information or concepts, in any form.
- (f) **"Data problem"** means:
 - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - (ii) error in creating, amending, entering, deleting or using "data"; or
 - (iii) inability to receive, transmit or use "data".
- (g) **"Declarations Page"** means the Declarations Page applicable to this form.
- (h) **"Equipment"** means:
 - (i) generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than "building" or "stock";
 - (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - (iii) tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this form applies as though such tenant's improvements had been made at the expense of the Insured.
- (i) **"Fire protective equipment"** includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (j) **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.
- (k) **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
- (l) **"Named Perils"** means:
 - (A) **FIRE OR LIGHTNING**
 - (B) **EXPLOSION:** Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;

- (b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
- (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
- (d) smelt dissolving tanks;
- (ii) other vessels and apparatus and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iv) any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
- (v) gas turbines;

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

- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
- (b) bursting or rupture caused by hydrostatic pressure or freezing;
- (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

- (C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms Aircraft and Spacecraft include articles dropped from them.

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

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;
- (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".

- (D) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.

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

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 18(l)(B);
- (iii) due to theft or attempted theft.

- (E) **SMOKE:** The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.

- (F) **LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT":** The term Leakage From "Fire Protective Equipment" means:

- (i) the leakage or discharge of water or other substances from;
- (ii) the collapse of;
- (iii) the rupture due to freezing of;

"fire protective equipment" for the "premises" or for adjoining structures.

- (G) **WINDSTORM OR HAIL:** There shall in no event be any liability for loss or damage:
- (i) to the interior of the "building" or to "contents of every description" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip.
- (m) **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (n) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways, and in the open within 305 metres at each location described on the "Declarations Page"; and in or on vehicles within 100 metres (328 feet) of such locations.
- (o) **"Property of Every Description"** means "building", "equipment" and "stock".
- (p) **"Stock"** means:
- (i) merchandise of every description usual to the Insured's business;
 - (ii) packing, wrapping and advertising materials;
 - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable; and
 - (iv) customers' property.
- (q) **"Surface water"** means water or natural precipitation temporarily diffused over the surface of the ground.
- (r) **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Miscellaneous Articles Floater
Broad Form

Novex Insurance Company

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING, AS DEFINED IN CLAUSE 11.**1. INDEMNITY AGREEMENT**

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

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

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

2. PROPERTY INSURED

This Form insures the property described in the "Declaration Page(s)" as per the schedule of insured property attached hereto or on file with the Insurer, the property of the Insured or the property of others for which the Insured may be liable.

3. AMOUNTS OF INSURANCE

The maximum liability of the Insurer in any one loss shall not exceed the amount(s) of insurance specified for each item listed on the schedule of insured property attached hereto or on file with the Insurer.

4. DEDUCTIBLE

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

5. DEBRIS REMOVAL EXTENSION

Debris Removal: The Insurer will indemnify the Insured for expenses incurred 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 Form.

The above extension of coverage does not apply to costs or expenses:

- (i) to "clean up" "pollutants" from land or water; or
- (ii) 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".

The above extension of coverage shall not increase the amounts of insurance applying under this Form and is subject to all conditions of this Form.

6. PERILS INSURED

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

7. EXCLUSIONS

A. PROPERTY EXCLUDED

This Form does not insure:

- (a) property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by any order of any public authority;
- (b) property at locations which to the knowledge of the Insured are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) waterborne property insured under the terms of any Marine insurance.

B. PERILS EXCLUDED

This Form does not insure:

- (a) loss or damage caused by wear and tear, latent defect or inherent vice, mechanical breakdown or derangement. This exclusion does not apply to loss or damage caused directly by a resultant peril not otherwise excluded under this Form;
- (b) loss or damage caused by deterioration, vermin, corrosion, rust, dampness of atmosphere, freezing or extremes of temperature. This exclusion does not apply to loss or damage caused directly by a resultant peril not otherwise excluded under this Form;
- (c) loss or damage (unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion) sustained while the property insured is actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing the property insured;
- (d) loss, damage or expense caused by or resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or any other party of interest, employees or agents of the Insured or any person or persons to whom the property may be entrusted (bailees for hire excepted) or any mysterious disappearance or loss or shortage disclosed upon taking inventory;
- (e) loss or damage caused by or resulting from delay, loss of market or loss of use;
- (f) loss or damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (g) loss or damage caused directly or indirectly;
 - (i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - (ii) by contamination by radioactive material.

C. POLLUTION EXCLUDED

This Form does not insure against:

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

D. DATA EXCLUSION

This form does not insure:

- (1) "data".
- (2) loss or damage caused directly or indirectly by a "data problem".
- (3) Paragraphs (1) and (2) do not apply to specific coverage provided by this form for Accounts Receivable, Electronic Data Processing media or Valuable Papers and Records.

Paragraph (2) does not apply to loss or damage caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks.

E. FUNGI AND SPORES EXCLUSION

This form does not insure:

- (1) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores".
- (2) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".
- (3) Paragraph (1) does not apply:
 - (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
 - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form.

F. TERRORISM EXCLUSION

This form does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism".

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

8. VALUATION

One of the following clauses as specified in the "Declaration Page(s)" applies to this Form:

(a) Actual Cash Value

The Insurer shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

(b) Valued

The Insurer shall not be liable for more than the amount set opposite the respective item insured hereunder which amounts are agreed to be the values of said items for the purpose of this insurance.

9. TERRITORIAL LIMITS

This Form covers only within the territorial limits of Canada and the Continental United States of America.

10. REINSTATEMENT

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

11. DEFINITIONS

Wherever used in this Form:

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

- (b) **“Data”** means representations of information or concepts, in any form.
- (c) **“Data problem”** means:
 - (i) erasure, destruction, corruption, misappropriation, misinterpretation of “data”;
 - (ii) error in creating, amending, entering, deleting or using “data”; or
 - (iii) inability to receive, transmit or use “data”.
- (d) **“Declarations page(s)”** means the Declaration Page(s) applicable to this Form.
- (e) **“Fire protective equipment”** includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the “premises” and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (f) **“Fungi”** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any “fungi” or “spores” or resultant mycotoxins, allergens, or pathogens.
- (g) **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (h) **“Premises”** means the entire area within the property lines and areas under adjoining sidewalks and driveways at each location described on the “Declarations Page(s)”; and in or on vehicles within 100 metres (328 feet) of such locations.
- (i) **“Spores”** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any “fungi”.
- (j) **“Terrorism”** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Abuse Exclusion

This Endorsement Changes the Policy. Please Read it Carefully.

Except with respect to **claims** for **wrongful acts** provided by Insuring Agreement C- EMPLOYMENT PRACTICES LIABILITY COVERAGE, this policy shall not apply to **claims** based upon, arising out of, or directly or indirectly resulting from:

1. **abuse** committed or alleged to have been committed by an **Insured**, including the transmission of disease arising out of any act of **abuse**;
2. the **Insured**'s practices of **employee** hiring, acceptance of volunteer workers or supervision or retention of any person alleged to have committed **abuse**;
3. actual or alleged knowledge by an **Insured** of, or failure to report, the alleged **abuse** to the appropriate authorities.

Whenever used in this endorsement, "**abuse**" means any act or threat involving molestation, harassment, corporal punishment, assault or battery or any other form of physical, sexual, emotional, psychological, or mental abuse.

All other terms and conditions of the policy remain unchanged.

The Business Edge Multi-Peril Extension Endorsement



Unless specifically endorsed on the "Declaration Page(s)", the limits stated below apply to the coverage, subject to the deductible shown for the Commercial Building and Contents Broad Form (BF02N) on the "Declaration Page(s)".

Summary of Coverages

Item	Coverage	Limit of Insurance
A. Building and/or Contents		
Item 1	Building By-Laws	Included
Item 2	Newly Acquired Buildings	\$500,000
Item 3	Blanket Glass	Included
Item 4	Roadways, Walkways, Parking Lots	\$50,000
Item 5	Inflation Protection	Included
Item 6	Fire Department Service Charges	\$50,000
Item 7	Personal Property of Officers and Employees	\$10,000
Item 8	Contents at Newly Acquired Locations	\$500,000
Item 9	25% Peak Season Increase	Included
Item 10	Money Coverage	\$1,000
Item 11	Stock Spoilage	Included
Item 12	Professional Fees	\$10,000
Item 13	Outdoor Signs	Included
Item 14	Accounts Receivable	\$25,000
Item 15	Valuable Papers and Records	\$25,000
Item 16	Non-Owned Locations	\$25,000
Item 17	Transportation Floater	\$10,000
Item 18	Replacement Cost	Included
Item 19	Damage to Buildings By Theft	Included
Item 20	Sales Samples	\$10,000
Item 21	Exhibition Floater	\$25,000
Item 22	Courier and Parcel Post	\$10,000
Item 23	Growing Plants, Trees, Shrubs or Flowers	\$25,000
Item 24	Arson Reward	\$5,000
Item 25	Automatic Fire Suppression System Recharge Expense	\$10,000
Item 26	Brands and Labels	\$25,000
Item 27	Catch All Clause	\$25,000
Item 28	Deferred Payment Plan Stock	\$25,000
Item 29	Electronic Data Processing Equipment Breakdown	\$25,000
Item 30	Expediting Expenses	\$25,000
Item 31	Home Office Property	\$10,000
Item 32	Installation Floater	\$10,000
Item 33	Land and Water Pollution Clean Up	\$10,000
Item 34	Lock Replacement Costs	\$5,000
Item 35	Proof of Loss Preparation Costs	\$10,000
B. Business Interruption Extensions		
Item 36	Extra Expense	\$25,000
	Interruption by Civil Authority	2 weeks
Item 37	Tenant's Leasehold Interest	\$12,000

A. BUILDINGS AND/OR CONTENTS

The following extensions are subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Commercial Building and Contents Broad Form (BF02) and the Limit of Insurance specified in the Summary of Coverages in this Form.

ITEM 1 – BUILDING BY-LAWS

1. Indemnity Agreement

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

- (a) loss occasioned by the demolition of any undamaged portion of the "building";
- (b) the cost of demolishing and clearing the site of any undamaged portion of the "building";
- (c) any increase in the cost of repairing, replacing, constructing or reconstructing the "building" on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy;

arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which

- (i) regulates zoning or the demolition, repair or construction of damaged "buildings" and
- (ii) is in force at the time of loss or damage.

2. Exclusions

This extension does not insure against:

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

ITEM 2 – NEWLY ACQUIRED BUILDINGS

Newly acquired buildings are covered for an amount not to exceed the Limit of Insurance shown in the Summary of Coverages in this Form. Coverage is automatic on condition that notification of such acquisition shall be filed with the Insurer within 60 days of such acquisition and any additional premium required by the Insurer shall be effected from the date of acquisition. This limit is in addition to the Limit of Insurance applicable to Buildings.

ITEM 3 - BLANKET GLASS

This policy insures all exterior plate or thermopane glass, lettering and ornamentation for all damage caused by the accidental breakage of such glass. Such insurance shall also include the expense of boarding up damaged openings or installing temporary plates.

The insurer shall not be liable under this extension for:

- (a) loss or damage by fire in the Insured's premises or elsewhere;
- (b) cost of removing and replacing any fixtures or other obstructions to the replacement of the glass;
- (c) loss or damage to stained glass or leaded glass.

The Insurer's liability is limited to the true value of such exterior plate or thermopane glass, lettering or ornamentation at the time of breakage.

This coverage shall not increase the Limit of Insurance specified on the "Declaration Page(s)".

ITEM 4 – ROADWAYS, WALKWAYS, PARKING LOTS

Loss or damage to roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures outside the "building" located on the "premises" specified on the "Declaration Page(s)" are covered for an amount not to exceed the Limit of Insurance shown in the Summary of Coverages in this Form.

This coverage shall not increase the Limit of Insurance specified on the "Declaration Page(s)".

This extension replaces coverage for the same property that is insured elsewhere under this policy.

ITEM 5 – INFLATION PROTECTION

1. It is agreed that the amount of insurance applicable to:

- (a) "Building(s)" shall be increased during the policy period with reference to an amount attributable to non residential building construction price inflation since the last "premium due date";
- (b) "Stock", "Equipment" and "Contents of Every Description", shall be increased during the policy period with reference to an amount attributable to inflation since the last "premium due date";
- (c) "Property of Every Description", if this insures solely "Building(s)", shall be increased during the policy period with reference to an amount attributable to non-residential building construction price inflation since the last "premium due date";
- (d) "Property of Every Description", if this insures solely "Stock" or "Equipment", shall be increased during the policy period with reference to an amount attributable to inflation since the last "premium due date";
- (e) "Property of Every Description", if this insures "Building(s), and/or "Stock", and/or "Equipment", shall be increased during the policy period with reference to an amount attributable to inflation and non-residential building construction price inflation since the last "premium due date".

2. At the "premium due date" the amount of insurance to:

- (a) "Building(s)", "Stock", "Equipment", "Contents of Every Description" and "Property of Every Description" shall be increased automatically with reference to an amount attributable to inflation and the appropriate premium charged.

3. If the amount of insurance applicable to "Building(s)", "Stock", "Equipment", "Contents of Every Description", and "Property of Every Description" is changed at the request of the Insured during the policy period, the effective date of this extension is deemed to coincide with the effective date of such change.

4. Definition

"Premium due date" means the inception, renewal or anniversary date of the Policy.

ITEM 6 – FIRE DEPARTMENT SERVICE CHARGES

Fire Department service charges are covered for an amount not to exceed the Limit of Insurance shown in the Summary of Coverages in this Form in any one occurrence when:

- (a) The Insured had assumed such charges by contract or agreement prior to the loss;
- (b) The Fire Department is called to save or protect the insured property from a peril insured against; and
- (c) The insured property is on the premises described in the "Declaration Page(s)".

The limit provided under this extension is in addition to the limits specified in the "Declaration Page(s)".

ITEM 7 – PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES

Personal property of officers and employees of the Insured is covered for an aggregate amount not to exceed the Limit of Insurance shown in the Summary of Coverages in this Form in any one occurrence while at the locations specified in the "Declaration Page(s)".

This extension does not apply if such property is insured by the owner unless the insured is obliged to insure it or is liable for its loss or damage.

This extension replaces Extensions of Coverage 7(c) of the Commercial Building and Contents Broad Form (BF02)

ITEM 8 – CONTENTS AT NEWLY ACQUIRED LOCATIONS

Business Contents are covered for an amount not to exceed \$500,000 or the amount shown in the "Declaration Page(s)", whichever is greater, while at premises owned, leased or operated by the Insured other than those described in the "Declaration Page(s)". Coverage is automatic on condition that notification of such Business Contents shall be filed with the insurer within 60 days of such acquisition and any additional premium required by the insurer shall be effected from the date of acquisition.

ITEM 9 – PEAK SEASON INCREASE

The limit of liability shown in the "Declaration Page(s)" for Contents insured under this Policy shall be automatically increased by 25% to provide for seasonal variations. However, this increase shall not apply unless the limit of liability shown in the "Declaration Page(s)" for this coverage is 100% or more of the Insured's average monthly values for the 12 months immediately preceding the latest effective date (inception or renewal), or in the event the Insured has been in business for less than 12 months, such shorter period of time.

ITEM 10 – MONEY COVERAGE

Money and securities used in and incidental to the Insured's business (as evidenced by the Insured's account records) while on the premises of the Insured as specified in the "Declaration Page(s)" or away from such premises while being carried or held strictly incidentally to the Insured's business are covered up to the Limit of Insurance shown in the Summary of Coverages in this Form for any one occurrence.

For the purpose of this coverage, "money" means currency, coins, bank notes and bullion. "Securities" means all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens, and tickets, but does not include money.

If there is specific coverage for money and securities in another part of this policy, the specific insurance replaces this extension. The specific insurance is not additional to this extension.

ITEM 11 – STOCK SPOILAGE

Insurance is extended to cover physical loss of or damage to "stock" on the "premises" caused by dampness or dryness of atmosphere or change of temperature.

The dampness or dryness of atmosphere or change of temperature must be the direct result of (a) or (b) below.

- (a) Physical loss of or damage to "building" or "equipment", including supply or transmission lines and pipes and their connections furnishing "services", on the "premises". The physical loss or damage must directly result from an insured peril. The part of the "building" or of the "equipment" that sustains loss or damage must be used for refrigerating, cooling, humidifying, dehumidifying, heating or for generating or converting power.
- (b) Interruption to the supply of "services" to the "premises". The interruption must be caused by physical loss of or damage to apparatus that generates or supplies such "services" to the "premises". The physical loss or damage must directly result from an insured peril. The apparatus that sustains loss or damage must be located on or within 25 kilometres of the "premises".

This extension does not apply unless the interruption to "services" continues for a period greater than 24 hours.

This coverage does not cover loss or damage resulting from partial or total interruption to the supply of "services" arising from:

- (i) loss of or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the "premises";
- (ii) lack of sufficient capacity; or
- (iii) intentional reduction in supply.

As used in this coverage "services" means electricity, water, gas or steam.

This coverage shall not increase the Limit of Insurance specified on the "Declaration Page(s)".

ITEM 12 – PROFESSIONAL FEES

Fees payable to auditors/accountants/engineers/surveyors/architects are covered for an amount not to exceed the Limit of Insurance shown in the Summary of Coverages in this Form, for producing and certifying details of the Insured's business, as may be required by the Insurer, in respect to a loss covered under this Policy.

ITEM 13 – OUTDOOR SIGNS

This Form insures outdoor signs, located on the premises specified on the "Declaration Page(s)", for a peril insured against, which are the property of the Insured or the property of others for which the Insured may be held liable.

Inclusion of this coverage shall not increase the limit of liability specified on the Declaration Page(s).

ITEM 14 – ACCOUNTS RECEIVABLE

The actual loss sustained by the Insured through inability to effect collection of unpaid balances or accounts is covered, when resulting directly from loss of or damage to the Insured's accounts receivable records, for an amount not to exceed the Limit of Insurance shown in the Summary of Coverages in this Form. This amount shall also include:

- (i) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage;
- (ii) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- (iii) Other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

This insurance applies:

- (a) While the insured records are contained in the Insured's premises specified in the "Declaration Page(s)";
- (b) While the insured records are being removed to and while at a place of safety because of an imminent danger of loss or damage and while being returned from such place, provided the insured notifies the insurer in writing within thirty (30) days of such removal;
- (c) While the insured records are being conveyed outside the Insured's premises or while temporarily within other premises except for storage.

Additional Exclusions

This extension does not apply to loss or damage:

- (i) due to bookkeeping, accounting or billing errors or omissions;
- (ii) the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (iii) 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.

Basis of Settlement

(a) Determination of Receivables: Deductions

In order to accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

- (i) the monthly average of accounts receivable shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross sales of goods and services which may have occurred in the interim;
- (ii) the monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from that average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivables within the fiscal month involved; but in no event shall the Insurer be liable for more than the limit of liability specified in the "Declaration Page(s)".

(b) Inspection and Audit

The Insurer shall be permitted to inspect the premises and the receptacles in which the records of accounts receivable are kept by the Insured, and to examine and audit the Insured's books and records at any time during the policy period and any extension thereof and within three years after the final termination of this policy, as far as they relate to the premium basis or the subject matter of this insurance, and to verify the statements of any outstanding record of accounts receivable submitted by the Insured and the amount of recoveries of accounts receivable on which the Insurer has made any settlement.

(c) Recoveries

After payment of loss all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Insurer by the Insured up to the total amount of loss paid by the Insurer, but all recoveries in excess of such amounts shall belong to the Insured.

ITEM 15 – VALUABLE PAPERS AND RECORDS

The actual loss sustained by the Insured through direct physical loss of or damage to valuable papers and records is covered for an amount not to exceed the Limit of Insurance shown in the Summary of Coverages in this Form .

The term "Valuable Papers and Records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not include money or securities.

This Insurance applies:

- (i) While the insured valuable papers and records are contained in the Insured's premises specified in the "Declaration Page(s)". It is a condition precedent to any right of recovery hereunder, that the valuable papers and records shall be kept in protective container(s), at all times when the premises are not open for business, except while such valuable papers and records are in actual use or as stated in (ii) and (iii) below.
- (ii) While the insured valuable papers and records are being removed to, and while at a place of safety because of an imminent danger of loss or damage and while being returned from such place, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal.
- (iii) While the valuable papers and records are being conveyed outside the Insured's premises or while temporarily within other premises except for storage for an amount not to exceed \$5,000 or the amount specified in the "Declaration Page(s)", whichever is greater.

Additional Exclusions

This extension does not apply to loss or damage:

- (i) directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
- (ii) to property held as samples or for sale or for delivery after sale;
- (iii) to property not specifically declared and described, if such property cannot be replaced with other of like kind and quality.

Basis of Settlement

The limit of the Insurer's liability 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 Limit of Loss amount stated in the "Declaration Page(s)".

The Insurer 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 the Insured or the owner thereof. Any property so paid for or replaced shall become the property of the Insurer. The Insured or the Insurer, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the Insured shall be entitled to the property upon reimbursing the Insurer for the amount so paid or the cost of replacement.

Application of the Insurance to property of more than one person shall not operate to increase the applicable Limit of Insurance.

ITEM 16 – NON-OWNED LOCATIONS

Business contents are covered for an amount not to exceed the Limit of Insurance shown in the Summary of Coverages in this Form while at a location not owned, rented or controlled in whole or in part by the Insured, but this extension of coverage does not apply to the following property:

- (i) Tools and contractor's equipment;
- (ii) Computer equipment, media, and accessories;
- (iii) Property temporarily on exhibition at locations not owned by the Insured.

ITEM 17 – TRANSPORTATION FLOATER

This Form covers direct physical loss of or damage to contents while in transit anywhere in Canada or the Continental United States of America other than by parcel post or courier, for an amount not to exceed the Limit of Insurance specified in the Summary of Coverages in this Form for any one loss covered hereunder.

Additional Exclusion

This extension does not insure:

- (i) valuable papers and records, as defined elsewhere in this Form;
- (ii) fine arts;
- (iii) money and securities;
- (iv) samples or containers while in the care, custody or control of the Insured's sales representative;
- (vi) property insured under Item (21) – Exhibition;

ITEM 18 – REPLACEMENT COST

This Clause applies to Building(s) and Contents, as defined, but only if "Replacement Cost" is specified in the "Declaration Page(s)" and subject to the limitations contained herein.

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

This extension does not apply to:

 - (a) "stock";
 - (b) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);
 - (c) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.
4. **Definitions**
 - (a) "replacement" includes repair, construction or re-construction with new property of like kind and quality; and
 - (b) "replacement cost" means whichever is the least of the cost of replacing, repairing, constructing or re-constructing the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.

ITEM 19 – DAMAGE TO BUILDINGS BY THEFT

Damage to buildings caused by theft is covered, in respect to damage to that part of a building occupied by the Insured, directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of the building and is legally liable for such damage and the building is not otherwise insured under this form.

This extension replaces Extensions of Coverage 7(d) of the Commercial Building and Contents Broad form (BF02)

ITEM 20 – SALES SAMPLES

This extension covers property insured, whether in transit or otherwise, in the custody of sales representatives, for up to the Limit of Insurance specified in the Summary of Coverages in this Form for this item. .

ITEM 21 – EXHIBITION FLOATER

This extension covers stock and equipment temporarily on exhibition at locations not owned by the Insured and including while in transit to and from any such exhibition site(s) in Canada or the Continental United States of America, for up to the Limit of Insurance specified in the Summary of Coverages in this Form.

ITEM 22 – COURIER AND PARCEL POST

This extension covers property in any one package in course of transit by parcel post or courier for up to the Limit of Insurance specified in the Summary of Coverages in this Form

ITEM 23 – GROWING PLANTS, TREES, SHRUBS OR FLOWERS

Loss or damage to growing plants, trees, shrubs or flowers outside the "building" are covered from "Named Perils" (with the exception of windstorm or hail as described in clause 18 of the Commercial Building and Contents Broad Form (BF02) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of the Limit of Insurance specified in the Summary of Coverages in this Form for any one occurrence

This extension replaces Extensions of Coverage 7(e) of the Commercial Building and Contents Broad Form (BF02)

ITEM 24 – ARSON REWARD

In the event of loss or damage by fire to the insured property that results from an act of arson for which coverage is afforded under this policy, the Insurer will reimburse the Insured for rewards paid for information directly leading to convictions for the act of arson for up to the Limit of Insurance specified in the Summary of Coverages in this Form.

ITEM 25 – AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPENSE

This extension insures, subject to the Limit of Insurance shown in the Summary of Coverages in this Form, in any one occurrence, the automatic fire suppression recharge expense incurred by the Insured due to leakage or discharge of the fire suppressant within any automatic fire suppression system at the premises of the insured where such discharge, or leakage is caused by or results from an insured peril under this policy.

ITEM 26 – BRANDS AND LABELS

In case of loss or damage to property bearing a brand or trademark, or the sale of which in any way carries or implies the guarantee of the responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal and re-identifying such brands or trademarks or other identifying characteristics. The cost of such removal shall be borne by the Insurer up to the Limit of Insurance specified in the Summary of Coverages in this Form.

ITEM 27 – CATCH ALL CLAUSE

This extension applies if the limit for any other extension described in this Form is insufficient to fully indemnify the Insured following loss or damage insured against by the Commercial Building and Contents Broad Form (BF02). The insufficiency must be determined after all policy definitions, conditions and limitations have been taken into account in the adjustment of the claim for such loss or damage. In that event, the Insurer will pay to the Insured, in addition to the adjusted amount of the claim, the lesser of:

- i. The difference between the amount payable under the adjusted claim and the amount required to fully indemnify the Insured.
- ii. The Limit of Insurance shown for this extension in the Summary of Coverages.

If the limit for more than one extension is insufficient, this Catch All Clause may be applied to one or more extensions in any one loss occurrence. In the event that claim is made under this Catch All Clause, the Insured shall elect which extensions shall receive the benefit of this Catch All Clause.

The Insurer shall not be liable for more than the limit for this extension shown in the Summary of Coverages in any one occurrence, no matter how many extension limits are insufficient.

ITEM 28 – DEFERRED PAYMENT PLAN STOCK

This extension insures, subject to the Limit of Insurance shown in the Summary of Coverages in this Form, "stock" the Insured has sold conditionally or whose price is payable at a future date or by installments. If direct physical loss of or damage to such "stock" by an insured peril occurs anywhere within Canada or the United States of America after it has left the Insured's custody but before the Insured has received full payment, the Insurer will indemnify the Insured for the unpaid balance.

This extension does not insure against default by the purchaser.

ITEM 29 – ELECTRONIC DATA PROCESSING EQUIPMENT BREAKDOWN

Coverage under this extension applies only to "computer equipment" including component parts thereof owned by the Insured or leased or under the control of the Insured and "computer media" for up to the Limit of Insurance specified in the Summary of Coverages in this Form

Coverage is extended to include loss caused directly or indirectly by:

- (i) mechanical failure, faulty construction or error in design;
- (ii) short circuit, blow-out or other electrical disturbance, other than lightning within electrical apparatus; or
- (iii) "computer media" failure or breakdown or malfunction of "computer equipment" including component parts when said "computer media" is being run through the equipment.

Each claim for loss or damage under this extension shall be adjusted separately and the deductible amount specified on the "Declarations Page(s)" shall be deducted from the amount of each such adjusted claim.

Additional Exclusion:

This extension does not insure against loss or damage caused directly or indirectly by any change or interruption to electric power supply, if the change originates more than 30.5 metres (100 feet) away from the premises insured containing the property insured, except by lightning.

Temporary Locations & Transit

Coverage is extended to include "computer equipment" and "computer media" while in transit or in temporary locations anywhere in Canada or the Continental United States of America.

Additional Definitions

Wherever used in this form:

"computer media" means materials on which "data" is recorded.

"computer equipment" means electronic equipment used for data storage and word processing

ITEM 30 – EXPEDITING EXPENSES

Following physical loss or damage insured against by this policy, the Insurer will indemnify the Insured, for an amount not exceeding the Limit of Insurance specified in the Summary of Coverages in this Form, for such costs incurred to:

- (i) Make reasonable temporary repairs.
- (ii) Expedite reasonable permanent repairs.
- (iii) Expedite permanent "replacement" of the insured property that has been lost or damaged by an insured peril.

ITEM 31 – HOME OFFICE PROPERTY

This extension covers "contents of every description", for an amount not exceeding the Limit of Insurance specified in the Summary of Coverages in this Form, at the permanent residence of the Insured or any "employee" anywhere in Canada or the United States of America, except:

- (i) personal property of officers and "employees".
- (ii) "contents of every description" in the custody of a sales representative of the Insured.

ITEM 32 – INSTALLATION FLOATER

This extension covers any and all materials, machinery and equipment incidental hereto, in which the Insured has an interest or for which the Insured may be liable or has contracted to install, all incidental to the installation, erection, fabrication or completion of any jobs usual to the business of the Insured, at any job site or in transit anywhere in Canada, for up to the Limit of Insurance specified in the Summary of Coverages in this Form.

Installation Coverage

Coverage is provided from the time of leaving the premises of the Insured, for shipment to the site of installation, while in transit by Railroad, Railway Express, Public Truckman or the Insured's Vehicles, while awaiting installation on site and during installation until:

- (i) acceptance by the owner or purchaser; or
- (ii) thirty (30) days after completion of the project; or
- (iii) the expiry of this insurance, whichever first occurs.

Notwithstanding anything herein to the contrary, this insurance ceases to cover the project or any part thereof from the commencement of use for purposes for which it was intended.

Additional Exclusions

This Form does not cover:

- (i) buildings; but building materials and supplies are covered until such time as they become part of any realty;
- (ii) plans, blueprints, designs, specifications or any similar property;
- (iii) conveyances designed for highway use; watercraft or aircraft;
- (iv) tools, contractors equipment and any property not part of or destined to become a part of the installation;
- (v) property while located on any premises owned, leased or occupied by the insured.
- (vi) any loss, damage or expense caused by or resulting from testing.

ITEM 33 – LAND AND WATER POLLUTION CLEAN UP

1. Indemnity Agreement

The Insurer will indemnify the Insured for expenses incurred to "clean up" "pollutants" from land or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants";

- (a) is occasioned by loss or damage to property insured at the "premises" for which insurance is afforded under the form to which this extension is attached;
- (b) is sudden, unexpected and unintended from the standpoint of the Insured and;
- (c) first occurs during the policy period.

2. Limit of Insurance

The maximum amount of insurance under this extension during any one policy period shall not exceed in the aggregate, the amount of insurance specified in the Summary of Coverages in this form.

3. No Automatic Reinstatement

Notwithstanding the Reinstatement Clause in the form to which this extension is attached, following a loss under this extension the amount of insurance specified in the Summary of Coverages for this extension will be reduced by the amount payable.

4. Additional Exclusions

The Insurer shall not be liable for:

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

- (b) expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" that began before the effective date of this form;
- (c) fines, penalties, punitive or exemplary damages;
- (d) expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste.

5. Additional Policy Conditions

A) Reporting Period

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

B) Other Insurance

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

6. Definitions

Wherever used in this extension;

- (a) "Declarations Page" means the Declarations Page applicable to the form to which this extension is attached.
- (b) "Clean Up" means the removal, containment, treatment, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (c) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations Page".
- (d) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

ITEM 34 – LOCK REPLACEMENT COSTS

This extension applies if physical loss of one or more keys requires, for proper security, the "replacement" of any locks. In that event, the Insurer will indemnify the Insured for the cost of replacing such locks, up to the Limit of Insurance specified in the Summary of Coverages in this Form, even though the locks have sustained no physical loss or damage.

ITEM 35 – PROOF OF LOSS PREPARATION COSTS

The Insurer will reimburse the Insured's reasonable costs, up to the Limit of Insurance specified in the Summary of Coverages in this Form, incurred in the preparation of a proof of loss form required by the Insurer in connection with any claim made against any part of this policy. This extension does not apply to professional fees.

B. BUSINESS INTERRUPTION

ITEM 36 – EXTRA EXPENSE

This Item insures the necessary extra expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the Insured's business following direct physical loss or direct physical damage by the perils insured against to the "building(s)" or "contents of every description" thereof, 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 described "building(s)" or "contents of every description" thereof as may be destroyed or damaged.

The Insurer shall not be liable for more than the Limit of Insurance specified in the Summary of Coverages for Extra Expense.

INTERRUPTION BY CIVIL AUTHORITY

This extension covers the necessary extra expense incurred by the Insured during the period of time, not exceeding two (2) weeks, while access to the "premises" described in the Declaration Page(s) is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighbouring premises by a peril insured against under this policy.

ITEM 37 – TENANTS LEASEHOLD INTEREST

This extension applies if, as the result of loss or damage insured against by this rider, the Insured's lease is terminated and the Insured is forced to move to another location. In that event, the Insurer will indemnify the Insured for any difference between the monthly rent payable for the location at which the loss or damage occurred and the new location, up to the Limit of Insurance specified in the Summary of Coverages in this Form.

Except as otherwise provided under this endorsement all terms and conditions of this policy shall remain unchanged.

Edge Crime Coverage Endorsement

Novex Insurance Company

Unless specifically endorsed on the "Declaration Page(s)", the limits stated below apply to the coverage, subject to the conditions, exclusions, limitations and definitions of this Form.

Words and phrases in quotation marks have special meaning as defined in Section 3. C. Definitions.

Summary of Coverages

Coverage	Limit of Insurance
Employee Fidelity – Insuring Agreement I.A	\$10,000 (aggregate)
Broad Form Money and Securities	
Inside Premises – Insuring Agreement II.A	\$5,000
Outside Premises – Insuring Agreement III.A	\$5,000
Messenger or Custodian Home – Insuring Agreement III.A	\$5,000
Money Order & Counterfeit Paper – Insuring Agreement IV	\$5,000 (aggregate)
Depositors Forgery – Insuring Agreement V	\$5,000 (aggregate)
Credit Card Forgery Coverage – Insuring Agreement VI	\$5,000 (aggregate)
Service Extension	\$5,000 (aggregate)

1. Insuring Agreements

The Insurer, in consideration of the payment of the premium, and subject to the "Declaration Page(s)" made a part hereof, the General Agreements, Conditions and Limitations and other terms of this Form, agrees with the Insured, in accordance with such Insuring Agreements hereof as are specifically designated by the insertion of a limit of insurance in the Summary of Coverages section of this Form, to pay the Insured for:

Insuring Agreement I.A

Employee Dishonesty Coverage – Form A

Loss of "money", "securities" and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the limit stated in the Summary of Coverages applicable to this Insuring Agreement I.A, resulting directly from one or more "fraudulent or dishonest act" committed by an "employee", acting alone or in collusion with others.

Insuring Agreement II.A

Loss Inside The Premises Coverage – Broad Form

- (a) Loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction thereof within the "premises" or within any "banking premises" or similar recognized places of safe deposit;
- (b) Loss of (a) other property by "safe burglary" or "robbery" within the "premises" or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the "premises" or attempt thereat or by felonious abstraction of such container from within the "premises" or attempt thereat;
- (c) Loss includes damage to insured property.

Insuring Agreement III.A

Loss Outside The Premises Coverage – Broad Form

- (a) Loss of “money” and “securities” by the actual destruction, disappearance or wrongful abstraction thereof outside the “premises” while being conveyed by a “messenger” or any armoured motor vehicle company or while within the living quarters in the home of any “messenger” or “custodian”; or
- (b) Loss of other property by “robbery” or attempt thereat outside the “premises” while being conveyed by a “messenger” or any armoured motor vehicle company, or by theft within the living quarters in the home of any “messenger” or “custodian”.
- (c) Loss includes damage to insured property.

Insuring Agreement IV

Money Orders and Counterfeit Paper Currency Coverage

Loss due to the acceptance in good faith, in exchange for merchandise, “money” or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit Canadian or United States paper currency.

Insuring Agreement V

Depositors Forgery Coverage

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

- (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
- (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as an agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
- (c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

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

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

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

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

Insuring Agreement VI

Credit Card Forgery Coverage

- (a) Loss which the Insured shall sustain through forgery or alteration of, on or in any written instrument required in conjunction with any credit card issued to the Insured or to any partner, officer or employee of the Insured or to the Insured’s spouse or any child residing permanently in the residence of the Insured; provided, however, that the Insured shall fully comply with the provisions, conditions and other terms under which such credit card shall have been issued;
- (b) Reasonable attorney’s fees, court costs or similar legal expenses incurred and paid by the Insured in the defence of any suit brought against the Insured to enforce payment on any written instrument specified in the preceding paragraph, alleging that such instrument is forged or altered; provided, however, that such suit shall have resulted from the refusal of the Insured to pay such instrument, that the Insurer shall have given its written consent to the defence of such suit and that the Insured shall have fully complied with the provisions, conditions and other terms under which any credit card, as aforesaid, shall have been issued. The liability of the Insurer under this Insuring Agreement for such attorney’s fees, court costs or similar legal expenses shall be in addition to any other liability under this Insuring Agreement.

Service Extension

This extension modifies the insurance provided under Insuring Agreement I.A.

Loss or losses which any person or organization, having engaged the services of the Insured, shall sustain with respect to money or other property:

- 1) belonging to such person or organization; or
- 2) in which such person or organization has a pecuniary interest; or
- 3) held in any capacity by such person or organization, whether legally liable or not;

through any fraudulent or dishonest act(s) by the Insured, acting alone or in collusion with others, during the period of performance of such services.

2. General Agreements

A. Consolidation – Merger

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

B. Joint Insured

If more than one Insured is covered under this Form, the Insured first named shall act for itself and for every other Insured for all purposes of this Form. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Items G., H. and O. of Clause 3, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any “employee” as provided in Item O. of Clause 3 shall apply to every Insured. If, prior to the cancellation or termination of this Form, this Form or any Insuring Agreement hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination. Payment by the Insurer to the Insured first named of any loss under this Form shall fully release the Insurer on account of such loss. If the Insured first named ceases for any reason to be covered under this Form, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Form.

C. Loss Under Prior Bond or Policy

If the coverage of an Insuring Agreement of this Form, other than Insuring Agreement V or VI, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the Insurer agrees that such Insuring Agreement applies to loss which is discovered as provided in Item A. of Clause 3 and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

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

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

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

3. Conditions, Exclusions, Definitions and Limitations

A. Policy Period, Territory, Discovery

Loss is covered under this Form only if discovered not later than one year from the end of the policy period.

Subject to General Agreement C:

- (a) this Form, except under Insuring Agreements I.A, V and VI applies only to loss which occurs during the policy period within Canada and the United States of America;
- (b) Insuring Agreement I.A applies only to loss sustained by the Insured through “fraudulent or dishonest act” committed during the policy period by any of the “employees” engaged in the regular service of the Insured within the territory designated in (a) above or while such “employees” are elsewhere for a limited period;

- (c) Insuring Agreements V and VI applies only to loss sustained during the policy period.

B. Exclusions

This policy does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I.A, to loss, or that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- (c) under Insuring Agreements II.A, III.A, V and VI, to loss due to any fraudulent, dishonest or criminal act by an "employee", director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others, provided this Exclusion (c) does not apply to "safe burglary" or "robbery" or attempt thereof;
- (d) under Insuring Agreements II.A and III.A, to loss due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (e) under Insuring Agreements II.A and III.A, to loss due to the giving or surrendering of "money" or "securities" in any exchange or purchase;
- (f) under Insuring Agreements II.A and III.A, to loss due to accounting or arithmetical errors or omissions;
- (g) under Insuring Agreements II.A and III.A, to loss of manuscripts, books of account or records, except for blank value;
- (h) under Insuring Agreement II.A, to loss of "money" contained in coin operated amusement devices or vending machines, unless the amount of "money" deposited within the device or machine is recorded by a continuous recording instrument therein;
- (i) under Insuring Agreement III.A, to loss of insured property while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armoured motor vehicle company, (2) the insurance carried by said armoured motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company's service, and then this Form shall cover only such excess;
- (j) under Insuring Agreements II.A and III.A, to loss due to any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- (k) under Insuring Agreement II.A, to loss, other than to "money", "securities" and safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
- (l) to potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Form;
- (m) to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Form;
- (n) to all costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this Form;
- (o) except as may be specifically stated to the contrary in this Form or any applicable endorsement, to the defence of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Form;
- (p) under Insuring Agreement III.A, to loss due to the surrender of "money", "securities" or other property away from the "premises" as a result of a threat to do (1) bodily harm to the Insured or any other person, or (2) damage to the "premises" or property owned by the Insured or held by the Insured in any capacity; provided that this exclusions shall not apply to loss of "money", "securities" or other property while being conveyed by a "messenger" when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- (q) under Insuring Agreement II.A, to loss of insured property which has been transferred to a person or to a place outside the "premises" on the basis of unauthorized instructions;
- (r) to loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect;
- (s)
 - (i) to loss or damage of "data";
 - (ii) to loss or damage caused directly or indirectly by a "data problem";

Paragraphs (i) and (ii) do not apply to specific coverage provided by this form for Accounts Receivable; Electronic Data Processing media or Valuable Papers and Records. Paragraph (ii) does not apply to loss or damage caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke or leakage from "fire protective equipment".

C. Definitions

As used in this Form:

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

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

"Data" means representations of information or concepts, in any form.

"Data problem" means:

- (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
- (ii) error in creating, amending, entering, deleting or using "data"; or
- (iii) inability to receive, transmit or use "data".

"Employee" means any natural person (other than a director or trustee of the Insured, if a corporation, who is not also an officer or "employee" thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business including persons hired through an intervening employment agency or employer during the policy period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character.

As applied to loss under Insuring Agreement I.A, the above words "while in the regular service of the Insured" shall include the first thirty days thereafter; subject however to Items O. and P. of Clause 3.

"Fire protective equipment" includes tanks, water mains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- (ii) any water mains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
- (iii) any pond or reservoir in which the water is impounded by a dam.

"Fraudulent or Dishonest Act" means "Fraudulent or Dishonest Act" committed by such "employee" with manifest intent:

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

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

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

"Premises" means the interior portion of that portion of any building which is occupied by the Insured in conducting its business.

"Robbery" means, the taking of insured property:

- (1) by violence inflicted upon a "messenger" or "custodian";
- (2) by putting that person in fear of violence;
- (3) by any other overt felonious act committed in that person's presence and of which that person was actually cognizant, provided such other act is not committed by a partner or "employee" of the Insured,
- (4) from the person or direct care and custody of a "messenger" or "custodian", who has been killed or rendered unconscious, or
- (5) under Insuring Agreement II.A:
 - (i) from within the "premises" by means of compelling a "messenger" or "custodian" by violence or threat of violence while outside the "premises" to admit a person into the "premises" or to furnish that person with means of ingress into the "premises"; or
 - (ii) from a showcase or show window within the "premises" while regularly open for business, by a person who has broken the glass thereof from outside the "premises".

"Safe Burglary" means:

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

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

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

D. Loss Cause By Unidentifiable Employees

If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the "employees" and the Insured shall be unable to designate the specific "employee" or "employees" causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreement I.A, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said "employees", and provided, further, that the aggregate liability of the Insurer for any such loss shall not exceed the limit of liability applicable to Insuring Agreement I.A.

E. Ownership of Property: Interests Covered

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

F. Books and Records

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

G. Prior Fraud, Dishonesty or Cancellation

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

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

H. Loss – Notice – Proof – Action Against Insurer

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (1) give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under Insuring Agreements I.A, V and VI, also to the police, if the loss is due to a violation of the law; (2) file detailed proof of loss, duly sworn to, with the Insurer within four months after the discovery of loss.

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

Upon the Insurer's request, the Insured shall submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination all pertinent records, all at such reasonable times and places as the Insurer shall designate, and shall co-operate with the Insurer in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Form, nor until ninety days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Form, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

I. Valuation – Payment – Replacement

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

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

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

J. Recoveries

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

K. Limits of Liability

Payment of loss under Insuring Agreements I.A, V and VI shall not reduce the Insurer's liability for other losses under the applicable Insuring Agreement whenever sustained.

The Insurer's total liability (1) under Insuring Agreement I.A, for all loss caused by any "employee" or in which such "employee" is concerned or implicated, or (2) under Insuring Agreements V and VI, for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified on the "Declaration Page(s)" or endorsements amendatory thereto.

The liability of the Insurer for loss sustained by any or all of the Insureds shall not exceed the amount for which the Insurer would be liable had all such loss been sustained by any one of the Insureds.

Except under Insuring Agreements I.A and V, the applicable limit of liability stated on the "Declaration Page(s)" is the total limit of the Insurer's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the "premises", whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this Form shall continue in force and the number of premiums which shall be payable or paid, the limit of the Insurer's liability as specified on the "Declaration Page(s)" shall not be cumulative from year to year or policy period to policy period.

L. Limit of Liability Under This Form and Prior Insurance

This item shall apply only to Insuring Agreements I.A, V and VI.

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

M. Other Insurance

If there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreement I.A, V or VI, the Insurer shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V or VI shall first be paid under Insuring Agreement V or VI. Any loss covered under Insuring Agreements I.A, V or VI shall first be paid under Insuring Agreement V or VI and the excess, if any, shall be paid under Insuring Agreement I.A. The Insurer waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V or VI.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Form shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply (1) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (2) to property otherwise insured unless such property is owned by the Insured.

N. Subrogation

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

O. Cancellation As To Any Employee

Insuring Agreement I.A shall be deemed cancelled as to any "employee": (1) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such "employee", of any fraudulent or dishonest act on the part of such "employee"; or (2) at 12:01 A.M. Standard Time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Insurer of notice as aforesaid to the Insured at the postal address shown on the "Declaration Page(s)" shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing.

P. No Benefit To Bailee

This Item shall apply only to Insuring Agreements II.A and III.A.

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

Q. Assignment

Assignment of interest under this Form shall not bind the Insurer until its consent is endorsed hereon; if, however, the Insured shall die, this Form shall cover the Insured's legal representatives as Insured; provided that notice of cancellation addressed to the Insured named on the "Declaration Page(s)" and mailed to the postal address shown on the "Declaration Page(s)" shall be sufficient notice to effect cancellation of this Form.

R. Changes

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

S. Increase or Decrease in Amount of Insurance

Liability under Insuring Agreement I.A on account of any loss through acts or defaults as aforesaid committed during the periods during which Insuring Agreement I.A shall have been in the two amounts last mentioned shall not be cumulative; in case there shall have been made more than one change in the amount of Insuring Agreement I.A, the liability of the Insurer on account of any loss through acts or defaults as aforesaid committed during periods during which Insuring Agreement I.A shall have been in different amounts, or committed during periods during which Insuring Agreement I.A shall have been in the same amount, or committed partly during periods during which Insuring Agreement I.A shall have been in different amounts and partly during periods during which Insuring Agreement I.A shall have been in the same amount, shall not be cumulative.

T. Deductible

If a deductible is specified on the "Declaration Page(s)":

Insuring Agreement I.A

The Insurer shall not be liable under Insuring Agreement I.A on account of loss through acts or defaults committed at any time, by any "employee" or in which such "employee" is concerned or implicated, unless the amount of such loss, after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety or insurance company and covering such loss, or by the Insurer on account thereof prior to payment by the Insurer of such loss, shall be in excess of the dollar amount of deductible as stated on the "Declaration Page(s)" and then for such excess only, but in no event for more than the amount of insurance carried under Insuring Agreement I.A on such loss.

Insuring Agreement II.A

The Insurer shall not be liable under Insuring Agreement II.A on account of any loss, except to the extent such loss is in excess of the dollar amount of deductible as stated on the "Declaration Page(s)", with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

Insuring Agreement III.A

The Insurer shall not be liable under Insuring Agreement III.A on account of any loss, except to the extent such loss is in excess of the dollar amount of deductible as stated on the "Declaration Page(s)", with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

Insuring Agreements V or VI

The Insurer shall not be liable under Insuring Agreement V or VI on account of loss through forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, except to the extent such loss is in excess of the dollar amount of deductible as stated on the "Declaration Page(s)", with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

Commercial Property Policy Conditions (Applicable to all provinces except Quebec, Alberta and British Columbia)

novex

Novex Insurance Company

The following Commercial Property Policy Conditions and Additional Conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy (including fire). If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

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 in such property is stated in the contract.

3. Change of Interest

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (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 voids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium. 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

- (1) This contract may be terminated,
 - (a) by the Insurer giving to the Insured written notice of termination at least:
 - (i) five days before the effective date of termination if personally delivered;
 - (ii) fifteen days before the effective date of termination if the contract is terminated by registered mail for non payment of premium;
or
 - (iii) thirty days before the effective date of termination if the contract is terminated by registered mail for any other reason.
 - (b) by the Insured at any time on request.
- (2) When this contract is terminated by the Insurer,
 - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and
 - (b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) When 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 and thirty days mentioned in clauses (1)(a)(ii) and (iii) of this condition commence 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

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
 - (a) immediately give notice of the loss or damage in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,

- (iv) showing the amount of other insurances and the names of other Insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the insured property was located at the time of loss or damage;
 - (c) if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
 - (d) if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- (2) The evidence furnished under clauses (1) (c) and (d) 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

In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given and the proof of loss may be made by a person to whom any part of the insurance money is payable.

9. Salvage

- (1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.
- (2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection (1) of this condition.

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. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property to the Insurer without the Insurer's consent.

11. Appraisal

In the event of disagreement as to the value of the insured property or the value of 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 for one is made in writing and until 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

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention to do so within thirty days after receipt of the proof of loss.
- (2) In that event, the Insurer shall commence to repair, rebuild, or replace the property within forty-five days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

14. Action

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one year after the loss or damage occurs, unless legislation provides otherwise.

15. Notice

Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency or any office of the Insurer in Canada. Written notice may be given to the Insured by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

16. Canadian Currency Clause

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

17. Contribution

If, on the happening of any loss or damage to property in consequences of which a claim is or may be made under this Policy, there is in force more than one contract covering the same interest, the liability of the Insurer under this Policy shall be limited to its proportionate share of such claim.

Additional Conditions

I. Notice to Authorities

Where the loss is due to malicious mischief, burglary, robbery, theft, or attempt thereat, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

II. Sue and Labour

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

III. Basis of Settlement

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

IV. Subrogation

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

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

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

General Insuring Agreement

Applicable To This Policy

1. In consideration of the premium specified and the statements contained in the "Declaration Page(s)" and the conditions, stipulations and declarations contained in the Forms and Endorsements, the Insurer agrees to insure the Insured named in the "Declaration Page(s)" to the extent provided by the Forms and Endorsements for the policy period.

By acceptance of this policy, the Insured acknowledges the cancellation from the effective date of this policy, of any previous policy (or the renewal thereof) which is stated in the "Declaration Page(s)" as replaced.

2. TERMINATION

Notwithstanding anything contained to the contrary in the Conditions specifically applying to each section of this policy, the "Termination" condition of the Commercial Property Policy Conditions of this policy may at the Insurer's option be applied to the contract entirely.

3. DEFINITION

Wherever the word policy, contract (meaning the insurance contract) or insurance (meaning the insurance contract) is used in the Conditions applicable to this policy or in the Forms and Endorsements forming part thereof, such word shall be held to apply only to the specific cover provided by that Section and by the Forms and Endorsements forming part thereof.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

Standard Mortgage Clause (Approved by The Insurance Bureau of Canada)

It is hereby provided and agreed that:

1. **BREACH OF CONDITIONS BY MORTGAGOR OWNER OR OCCUPANT** – The 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 THE MORTGAGEE'S KNOWLEDGE; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

2. **RIGHT OF SUBROGATION** – Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that – as to the Mortgagor or Owner – no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. **OTHER INSURANCE** – If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee – at law or in equity – then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. **WHO MAY GIVE PROOF OF LOSS** – In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
5. **TERMINATION** – The term of this Mortgage Clause coincides with the term of the policy; Provided always that the Insurer reserves the right to cancel the policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
6. **FORECLOSURE** – Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THE 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.

Clause type relative aux garanties hypothécaires (Formule approuvée par la Bureau d'Assurance du Canada)

1. **VIOLATIONS DU CONTRAT** – Ne sont pas opposables aux créanciers hypothécaires les actes, négligences ou déclarations des propriétaires, locataires ou occupants des biens assurés, notamment en ce qui concerne les transferts d'intérêts, la vacance ou l'inoccupation, ou l'affectation des lieux à des fins plus dangereuses que celles déclarées.

Les créanciers hypothécaires sont tenus d'aviser l'Assureur (si ce dernier leur est connu) dès qu'ils sont au courant de toute inoccupation ou vacance de plus de trente jours consécutifs, de tout changement dans les droits de propriété ou de toute aggravation du risque, à charge pour eux d'acquitter, sur demande raisonnable, les surprime afférentes aux aggravations dépassant les normes d'acceptation fixées pour le présent contrat et cela au tarif établi à cet égard et pour la durée du contrat restant à courir à compter du début des aggravations en question.
2. **SUBROGATION** – À concurrence des indemnités versées par lui aux créanciers hypothécaires, l'Assureur est subrogé dans les droits de ces derniers contre les débiteurs ou propriétaires auxquels il se croit justifié d'opposer un motif de non-garantie, les créanciers hypothécaires n'en demeurant pas moins en droit de recouvrer le solde de leurs créances avant que la subrogation ci-dessus puisse être exercée. L'Assureur se réserve cependant le droit d'acquitter les créances intégralement, auquel cas il a droit au transfert de celles-ci et de toutes les sûretés les garantissant.
3. **PLURALITÉ D'ASSURANCES** – Si d'autres assurances sont, à quelque titre que ce soit, acquises aux créanciers hypothécaires, les indemnités qu'ils peuvent en recevoir doivent être prises en ligne de compte pour la détermination des sommes qui leur sont payables.
4. **PRÉSENTATION DES DEMANDES D'INDEMNITÉ** – En cas d'absence ou incapacité de l'Assuré, ou s'il refuse ou néglige de présenter les déclarations de sinistre ou formulaires de demandes d'indemnité exigées par le contrat, ces déclarations peuvent en être faites par les créanciers hypothécaires dès qu'ils sont au courant des sinistres, les formulaires de demande devant dès lors être produits par eux dans les meilleurs délais.
5. **CESSATION** – Les effets de la présente clause prennent fin en même temps que le contrat, sous réserve des droits de résiliation dont l'Assureur peut se prévaloir aux termes de ce dernier, et à charge pour l'Assureur de se conformer aux dispositions de l'article 5 des Conditions légales, et de donner aux créanciers hypothécaires le préavis exigé de toute résiliation ou modification pouvant leur causer préjudice.
6. **SAISIE** – Si les créanciers hypothécaires ou leurs ayants droit acquièrent, par saisie ou autrement, les titres ou les droits de propriété des biens assurés, ils ont droit dès lors au bénéfice de la présente assurance tant qu'elle demeure en vigueur.

Aux conditions ci-dessus (lesquelles doivent par ailleurs prévaloir en ce qui concerne les intérêts des créanciers hypothécaires contre toutes celles du contrat en conflit avec elles), les sinistres sont payables directement aux créanciers hypothécaires ou à leurs ayants droit.

Cancellation Agreement

This is to certify that the undersigned insured and other interested parties, where applicable, named in this policy acknowledge the termination of the insurance coverage provided under this policy effective _____ 20____ at 12:01 a.m. Standard Time at the postal address of the named insured.

Signature of Insured: _____

Résiliation

Ceci est pour attester que l'assuré, et la personne ayant droit à toute partie du montant de garantie où applicable, nommé, dans le contrat accuse réception que le présent contrat est résilié à partir de _____ 20____ à 0h 01 heure normale à l'adresse du proposant.

L'assuré: _____

This endorsement modifies insurance provided under the following:

Please read it carefully.

Definition of Employee Extended to Include Volunteer Workers

The term “employee” shall include:

any individual assigned to render service to the Insured in their capacity as volunteer worker whether compensated or not, and any other person authorized by the Insured to have care and custody of the Insured’s money, securities and other property, members of any committee duly elected or appointed to examine or audit the property of the Insured, while acting within the scope of his or her duties as such, and any person who was formerly in one of these capacities with respect to acts performed on behalf of the Insured in that capacity, including while serving in campaigns of the Insured to raise funds.

Except as otherwise provided by this endorsement, all terms, conditions and attachments of this policy shall remain unchanged.



Novex Insurance Company

**Attached to and forming part Commercial General Liability Insurance form LR02N (03/09).
This endorsement changes the policy. Please read it carefully.**

**Amendment to the Policy Conditions Endorsement
(Anti-Stacking)**

It is understood and agreed that the "other insurance" clause of the Conditions of this policy is amended by adding the following:

If this policy and any other policy or coverage form issued to an insured by Novex Insurance Company or any of its affiliates apply to the same occurrence, the combined maximum limits of liability under all of the policies or coverage forms shall not exceed the highest applicable limit of liability available under any one policy or coverage form.

Except as otherwise provided by this endorsement, all terms, conditions and attachments of this policy shall remain unchanged.

Stage Rental

This endorsement modifies insurance provided under the Commercial General Liability form LR02N (11/14)

Please read it carefully.

STAGE RENTAL, SET UP AND TAKE DOWN OPERATIONS – LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under this Policy

LIMITS OF LIABILITY : \$1,000,000. Aggregate Limit

1. Section III - Limits of Insurance is amended by adding the following:

9. Subject to 2.a above, the most the Insurer will pay under Section 1 Insuring Agreement (1)(a) for compensatory damages because of "bodily injury" or "property damage" as a result of stage rentals, stage set-up or stage takedown operations is \$1,000,000.

This extension of coverage only applies in the event that the named insured rents a stage for their sole use from a reputable third party stage rental company. Any rental of stages by the named insured to others is excluded under this policy.

2. The Aggregate Limit of \$1,000,000. is the most the Insurer will pay regardless of the number of claims made or "actions" commenced.

3. It is warranted that the named insured will request a certificate of insurance from the stage rental company as proof of insurance and the limit of insurance shall not be less than \$2,000,000. The Named Insured shall also be added as an additional insured at all times to the rental company insurance policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements, or limitations of the above mentioned policy, other than above stated.

GE0003 (07-15)

Attached to and forming part Commercial General Liability Insurance form LR02N (03/09).
This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

Please read it carefully.

Watercraft Exclusion

This endorsement changes the policy. Please read it carefully.

Exclusion f . is deleted and replaced by the following:

f. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any Insured of any watercraft.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises the Named Insured owns or rents;
- (2) A watercraft the Named Insured does not own that is:
 - (a) Less than 16 meters long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) A watercraft the Named Insured owns that is:
 - (a) A "non-motorized watercraft"; and
 - (b) A "motorized" watercraft that is no more than 16 feet (16') in length and used only for safety purposes during dragon boat training and races.
 - (c) Not being used to carry persons or property for a charge;
- (4) "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.

The following is added under SECTION IV – DEFINITIONS :

33. "Non-motorized watercraft " means rowboats, canoes, and watercraft including Dragon Boats used for the Insured's Dragon Boat fundraising races (including the training and preparation for such events) which are designed and/or modified to be used for that purpose.

Except as otherwise provided by this endorsement, all terms, conditions and attachments of this policy shall remain unchanged.



Novex Insurance Company

This endorsement modifies insurance provided under the Commercial General Liability Policy LR02N (12/11).

Please read it carefully.

Liquor Liability Exclusion

This policy does not apply to “bodily injury”, or “property damage” for which any Insured may be held liable as a result of providing and/or serving, or selling of alcoholic beverages, except this exclusion shall not apply to Rotary sponsored fund raising and/or social events.

Except as otherwise provided by this endorsement, all terms, conditions and attachments of this policy shall remain unchanged.



Novex Insurance Company

Applicable to D002N(03/14) Non-Profit Organization Liability Insurance Policy.

Section 8 Definitions Item 14. is amended to include the following:

Rotary Club(s) and any "Subsidiary", trust(s), foundation(s) which are part of the Rotary District named in the Policy Declarations, provided an Individual Certificate of Insurance has been issued in their name and coverage is included on the Declaration Page(s) of the Individual Certificate of Insurance."

Except as otherwise provided by this endorsement, all terms, conditions and attachments of this policy shall remain unchanged.



Novex Insurance Company

ATTACHED TO AND FORMING PART OF ABUSE LIMITATION ENDORSEMENT - FORM L150N (03-09)

The following amendments are made to this form.

ITEM 5 ADDITIONAL CONDITIONS
This clause is deleted in its entirety.

Except as otherwise provided by this endorsement, all terms, conditions and attachments of this policy shall remain unchanged.

Athletic Participants Exclusion

This Endorsement Changes the Policy. Please Read it Carefully.

Attached to and forming part of The Commercial General Liability Form to which this Endorsement is attached.

Except with respect to loss or damages resulting solely from the physical condition of the premises or the equipment for which the Insured is legally liable, this insurance does not apply to "bodily injury" to any person practising, instructing, or participating in any physical training, sport, athletic activity, contest or exhibition.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

Employee Benefits Liability Extension

Novex Insurance Company

This Endorsement Changes the Policy. Please Read it Carefully.

Attached to and forming part of The Commercial General Liability Form to which this Endorsement is attached.

1. INSURING AGREEMENT

EMPLOYEE BENEFITS LIABILITY

The Insurer agrees to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as “compensatory damages” on account of any claim for injury caused by any negligent act, error or omission in the “administration” of the “Named Insured’s employee benefits programme”, and the Insurer shall have the right and duty to defend any “action” against the Insured seeking damages on account of such injury, even if any of the allegations of the “action” are groundless, false or fraudulent, and may make such investigation and settlement of any claim or “action” as it deems expedient. However, the Insurer will have no duty to defend the Insured against any “action” seeking “compensatory damages” for “bodily injury” or “property damage” to which this insurance does not apply. The Insurer may, at their discretion, investigate any “occurrence” and settle any claim or “action” that may result, but the Insurer shall not be obligated to pay any claim or judgment or to defend any suit after the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

2. POLICY PERIOD – TERRITORY

This insurance applies only to claims first brought against the Insured during the policy period within Canada, provided, that as respects any such claim based on or arising out of a negligent act, error or omission occurring prior to the effective date of this insurance, the Insured shall have had no knowledge, as of said effective date, of any negligent act, error or omission which might be expected to result in such claim.

3. PERSONS INSURED

Each of the following is an Insured to the extent set forth below:

- a. the Named Insured
- b. each executive officer and “employee” of the Named Insured authorized to administer the “Named Insured’s employee benefits programme”.

4. EXCLUSIONS

This insurance does not apply to:

- a. Dishonest, fraudulent, criminal or malicious acts;
- b. “Bodily injury” or “personal injury”;
- c. Failure by any insurer to perform a contract or agreement;
- d. Non-compliance with any law or regulation concerning workers' compensation, unemployment insurance, social insurance, federal or provincial pension plans, disability benefits and similar government-administered or government-mandated benefits; or
- e. any claim based on:
 - (1) failure of stocks, bonds or other securities to perform as represented by the Insured, including, but not limited to, their failure to produce financial gain, profit or growth;
 - (2) advice given by an Insured to participate in stock subscription plans.

5. LIMITS OF INSURANCE

The Limits of Insurance shown in the Declarations and the rules below fix the most the Insurer will pay regardless of:

- a. Insureds under this policy; or
- b. acts or omissions causing injury for which coverage is afforded under this Form; or

- c. persons sustaining any such injury; or
- d. claims made or "actions" brought on account of any such injury; or
- e. plans included in the Named Insured's "Named Insured's employee benefits programme".

The Limit of Insurance stated in the Declarations as applicable to "Each Employee" is the total limit of the Insurer's liability for all "compensatory damages" because of injury to which this insurance applies sustained by any one "employee", including such "employee's" dependants and beneficiaries.

Subject to the foregoing provision as respects "Each Employee", the total liability of the Insurer for all "compensatory damages" to which this insurance applies shall not exceed the Limit of Insurance stated in the Declarations as the Aggregate Limit applicable to this endorsement. If the policy is for a term in excess of one year, the Aggregate Limit of Insurance shall apply separately to each consecutive annual period thereof. If the Named Insured elects to exercise the option described in the Optional Condition herein, the Aggregate Limit of Insurance shall apply separately, but not cumulatively, to such extended reporting period.

6. DEDUCTIBLE

Subject to the foregoing clause as respects Limits of Insurance, the liability of the Insurer with respect to "Each Employee" shall be only for the amount of each claim that is in excess of the deductible amount stated in the Declarations as applicable to "Each Employee".

The terms of this insurance, including those with respect to notice of claim or suit, the Insurer's right to investigate, negotiate and settle any claim or suit, and the Insurer's right and duty to defend apply irrespective of the application of the deductible amount.

The Insurer may pay any part of or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, The Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

7. ADDITIONAL DEFINITIONS

Wherever used in this Form:

a. **"Named Insured's employee benefit programme"** means:

- (1) group life insurance and group health insurance;
 - (2) pension plans;
 - (3) profit sharing plans and employee stock subscription plans;
 - (4) workers' compensation; or
 - (5) unemployment insurance, social security insurance and disability benefits insurance;
- arranged for the benefit of its "employees" by or on behalf of the "Named Insured".

b. **"Administration"** means, with respect to an employee benefit programme:

- (1) giving advice to "employees";
- (2) interpreting the eligibility requirements, conditions, limitations and exclusions;
- (3) record keeping; or
- (4) enrolling, suspending or cancelling participation.

c. **"Employee"**, for the purposes of this endorsement, includes an officer or employee of the Named Insured, whether actively employed, disabled or retired.

8. OPTIONAL CONDITION

EXTENDED REPORTING PERIOD (optional)

If the Insurer or the Named Insured shall terminate or not renew the insurance afforded by this Form for any reason other than non-payment of premium by the Named Insured, the Named Insured may elect to purchase a one year extension of time to report claims, hereafter called "extended reporting period", but only as respects claims which are brought against the Insured during the "extended reporting period" on account of negligent acts, errors or omissions which occurred prior to the termination date of this insurance. To exercise this option, the Named Insured shall give written notice of such election to the Insurer within 30 days following such termination date and by paying, when due, the premium required by the Insurer's rules, rates and rating plans then in effect.

Except as otherwise provided in the endorsement all terms and conditions of this policy shall remain unchanged.

Employers' Liability Extension

This Endorsement Changes the Policy. Please Read it Carefully.

Attached to and forming part of the Commercial General Liability Form to which this Endorsement is attached.

1. Insuring Agreement

Employers' Bodily Injury Liability

The Insurer agrees to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as "compensatory damages" because of "bodily injury" caused by accident sustained by any person and arising out of and in the course of his or her employment by the Insured, in the operations described in the Declarations.

2. Limits of Insurance

Regardless of (1) Insureds under this policy (2) persons or organizations who sustain "bodily injury" or (3) claims made or "actions" brought on account of "bodily injury", the Insurer's liability is limited as follows:

The Limit of Insurance stated in the Declarations is the limit of the Insurer's liability for all "compensatory damages", including "compensatory damages" for care and loss of services, arising out of "bodily injury" sustained by one person, or more than one person, in any one accident or event.

3. Exclusions

This insurance does not apply to:

- a. liability assumed by the Insured under any contract or agreement; but this exclusion does not apply to liability assumed under an "insured contract".
- b. "bodily injury" or "property damage" arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any aircraft;
- c. "bodily injury" resulting from the acts or omissions of, or "bodily injury" sustained by, any person employed by the Insured in violation of the law as to age; or
- d. "bodily injury" arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

Legal Liability For Damage To Hired Automobiles

Applicable to Non-Owned Automobile Liability

In consideration of the premium herein stated, the Policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections as specified in the Declarations.

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 other 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 subsection 3.

Subsection 4 – **Specified Perils** – caused by fire, lightning, theft or attempt thereof, 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 to 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 liability, including the deductible provision, if any, under this Insurance Agreement.

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 mechanism 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 each 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.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

**Contractual Liability Endorsement
(for attachment only to a Non-Owned Policy)**

This Endorsement Changes the Policy. Please Read it Carefully.

In consideration of the premium herein stated, 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)

As reported to the Insurer

Name(s) of other contracting party or parties

As reported to the Insurer

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

**S.E.F. No. 99
Excluding Long Term Leased Vehicle
Endorsement (for attachment only to a Non-
Owned Policy S.P.F. No. 6)**



Novex Insurance Company

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of the 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 terms and conditions of this policy shall remain unchanged.

S.P.F. 6 (Uniform Provinces) Supplementary Non-Owned Automobile Liability Policy



Novex Insurance Company

This insurance applies only when a Limit of Insurance is indicated on the Declarations.

The limits, terms, provisions and conditions of the above policy are superseded by those of the sub-joined policy so far as they are appropriate to the indemnity herein provided.

Whereas an application has been made by the Applicant (hereinafter called the Insured) to the Insurer for a contract of automobile Insurance and the said application forms part of this contract of insurance and is as follows:

APPLICATION

1. Full Name and Postal Address of the Applicant (including County or District) As per Declarations							Insured is As per Declarations (state whether individual, partnership, corporation, municipality or estate)						
2. Policy Period		As per Declarations					12:01 A.M. Local Time at the Applicant's Postal Address.						
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 per Declarations													
4. The applicant's partners, officers, employees and agents as of the date of the 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	
As known to the Insured	COVERED		INCLUDED	To be reported if any		To be determined	To be reported if any		To be determined	To be reported if any		To be determined	
5. "Hired Automobiles" – The Automobiles hired by the applicant are as follows:													
Type of Automobile				Estimated Cost of Hire			Rates per \$100 of Cost to Hire			Advance Premium			
COVERED – TO BE REPORTED IF ANY										INCLUDED			
<i>The advance premium is subject to adjustment at the end of the policy period as provided in the policy.</i>													
6. "Automobiles operated under contract" on behalf of the applicant are as follows:													
Type of Automobile				Estimated Contract Cost			Rates per \$100 of Contract Cost			Advance Premium			
COVERED – TO BE REPORTED IF ANY										INCLUDED			
<i>The advance premium is subject to adjustment at the end of the policy period as provided in the policy.</i>													
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.											Combined Premiums		
Insuring Agreement						Section A Third Party Liability							
Perils	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.												
Limit	\$ As per Declarations			(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.									
Endorsements	As per Declarations												
Minimum Retained Premium						\$ As per Declarations			Total Premium			\$ Included	
8. Has any Insurer cancelled, declined or refused to renew or issue, automobile insurance to the applicant within three years preceding this application? If so, state name of Insurer.													
NO													
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							
NONE						NONE							
10. All the statements in this application are true and the applicant hereby applies for a contract of automobile insurance to be based on the truth of the said statements.													
11. Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the insured contravenes a term of the contract or commits a fraud; or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.													

INSURING AGREEMENT

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

SECTION A - THIRD PARTY LIABILITY

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

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

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

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

ADDITIONAL AGREEMENTS OF INSURER

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

- (1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement or 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 liability; 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 defence 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 or the subject matter of this policy.

STATUTORY CONDITIONS FOR NON-OWNED AUTOMOBILE

(YUKON TERRITORY, NORTHWEST TERRITORIES, ALBERTA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND)

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."

1. MATERIAL CHANGE IN RISK:

- (1) The Insured named in this contract shall promptly notify the Insurer or its local agent or broker in writing of any change in the risk material to the contract and within his or her 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, sub-conditions 2 and 3 are identical with the above quoted Statutory Condition relating to material change in risk.

2. PROHIBITED USE BY INSURED:

- (1) the Insured shall not drive or operate the automobile,
 - (a) unless he or she is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (b) while his or her licence to drive or operate an automobile is suspended or while his or her right to obtain a licence is suspended or while he or she is prohibited under order of any court from driving or operating an automobile; or
 - (c) while he or she is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he or she resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him or her; 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 or she resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him or her; or
 - (b) by any person who is a member of the household of the Insured while his licence to drive or operate an automobile is suspended or while his or her right to obtain a licence is suspended or while he or she 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.

3. REQUIREMENTS WHERE LOSS OR DAMAGE TO PERSONS OR PROPERTY:

- (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 or her from or on behalf of the claimant.
- (2) The Insured shall not,
 - (a) voluntarily assume any liability or settle any claim except at his or her 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.

4. REQUIREMENTS WHERE LOSS OR DAMAGE TO AUTOMOBILE:

- (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 or her 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 wilful 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.

(4) EXAMINATION OF INSURED

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 or her possession or control that relate to the matters in question, and he or she shall permit extracts and copies thereof to be made.

(5) INSURER LIABLE FOR CASH VALUE OF AUTOMOBILE

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.

(6) **REPAIR OR REPLACEMENT**

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.

(7) **NO ABANDONMENT; SALVAGE**

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.

(8) **IN CASE OF DISAGREEMENT**

In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, 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* (in Newfoundland, *The Insurance Contracts 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 therefor is made in writing and until after proof of loss has been delivered.

5. INSPECTION OF AUTOMOBILE:

The Insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

6. TIME AND MANNER OF PAYMENT OF INSURANCE MONEY:

(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.

(2) **WHEN ACTION MAY BE BROUGHT**

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.

(3) **LIMITATIONS OF ACTIONS**

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 and New Brunswick, the one year limitation period in subcondition (3) should read "2 years".

In the case of Nova Scotia, Newfoundland and Prince Edward Island, subcondition (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."

7. WHO MAY GIVE NOTICE AND PROOFS OF CLAIM:

Notice of claim may be given and proofs of claim may be made by the agent or broker 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.

8. TERMINATION:

(1) This contract may be terminated,

(a) by the Insurer giving to the Insured

(i) 30 days' written notice of termination by registered mail;

(ii) 5 days' written notice of termination personally delivered;

(iii) 15 days' written notice of termination by registered mail when cancelling for non-payment of premium;

(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 term 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 thirty 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 subcondition 1. has the following words added:
"and by notifying the registrar of motor vehicles as required by the Vehicles Ordinance".*

9. NOTICE:

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or her or by registered mail addressed to him or her at his or her 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.

O.E.F. 98B
Reduction of Coverage for Lessees or Drivers of
Leased Vehicles Endorsement
(for attachment only to the Standard Non-Owned Automobile Policy S.P.F. No. 6)

novex

Novex Insurance Company

1. Purpose of this endorsement:

This endorsement alters the coverage provided by this policy with respect to claims in Ontario for loss or damage arising directly or indirectly from the use or operation of a motor vehicle that is leased.

2. How the policy coverage is changed:

- The Insurer also agrees to pay on behalf of every partner, officer or employee of the Insured who, in the business of the Insured stated in Item 3 of the application, leases an automobile **for a period of not more than 30 days** in their own name, all sums which such partner, officer or employee is legally obligated to pay as a result of liability imposed by law arising from the negligence of the driver of such leased automobile(s).
- The insurance provided under this policy with respect to leased automobiles is in excess of the underlying coverage available to the Insured or to the partner, officer or employee of the Insured.
- Underlying coverage available to the Insured or to the partner, officer or employee of the Insured includes any motor vehicle liability insurance that is required to respond to the liability of the driver or lessee of the leased automobile.

The terms leased, lease and lessee are used as equivalent to rented, rent and renter.

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

Liability Conditions

Throughout this Form the word "Insured" refers to the Named Insured shown in the Declarations. The word "Insurer" refers to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS of Liability Insurance form attached to this policy.

If this policy is subject to the Civil Code of Quebec, reference to Quebec Civil Code (CcQ) articles is for easier reading only and should not be construed as exact quotations.

If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

SECTION I: LIABILITY CONDITIONS – ALL PROVINCES

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of the Insurer's obligation under this policy.

2. Canadian Currency Clause

All limits of insurance, premiums and other amounts are in Canadian currency.

3. Changes (CcQ 2405)

This policy contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with the Insurer's consent. This policy's terms can be amended or waived only by endorsement issued by the Insurer and made a part of this policy.

4. Duties In the Event of Occurrence, Offence, Claim or Action (CcQ 2504, 2470 and CcQ 2471)

a. The Named Insured must see to it that the Insurer is 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.

b. If a claim is made or "action" is brought against any Insured, the Named Insured must:

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

The Named Insured must see to it that the Insurer receives written notice of the claim or "action" as soon as practicable.

c. The Named Insured and any other involved Insured must:

- (1) Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
- (2) Authorize the Insurer to obtain records and other information;
- (3) Cooperate with the Insurer in the investigation or settlement of the claim or defence against the "action"; and
- (4) Assist the Insurer, upon the Insurer's 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 the Insurer's consent.

5. Examination of the Named Insured's Books and Records

The Insurer may examine and audit the Named Insured's books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. Inspections and Surveys

a. The Insurer has the right to:

- (1) Make inspections and surveys at any time;
- (2) Give the Named Insured reports on the conditions the Insurer finds; and

(3) Recommend changes.

b. The Insurer is not obligated to make any inspections, surveys, reports or recommendations and any such actions the Insurer does undertake relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Insurer does not warrant that conditions:

(1) Are safe or healthful; or

(2) Comply with laws, regulations, codes or standards.

c. Paragraphs a. and b. of this condition apply not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

d. Paragraph b. of this condition does not apply to any inspections, surveys, reports or recommendations the Insurer may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. Legal Action Against the Insurer

No person or organization has a right under this policy:

a. To join the Insurer as a party or otherwise bring the Insurer into an "action" asking for "compensatory damages" from an Insured; or

b. To sue the Insurer on this policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured; but the Insurer will not be liable for "compensatory damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Insurer, the Insured and the claimant or the claimant's legal representative.

Every action or proceeding against an Insurer for the recovery of insurance money payable under contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

8. Other Insurance (CcQ 2496)

If other valid and collectible insurance is available to the Insured for a loss the Insurer covers by this policy, the Insurer's obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, the Insurer's obligations are not affected unless any of the other insurance is also primary. Then, the Insurer 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 "the Named Insured's work";

(b) That is Fire insurance for premises rented to the Named Insured or temporarily occupied by the Named Insured with permission of the owner;

(c) If the loss arises out of the maintenance or use of watercraft or "automobile" not otherwise excluded under this policy.

(2) Any other primary insurance available to the Named Insured covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which the Named Insured has been added as an additional insured by attachment of an endorsement.

(3) Excess Insurance (Claims Made Form)

If this Policy provides claims-made coverage, this insurance is excess over any of the other insurance (whether primary, excess, contingent or on any other basis) that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury", "property damage", "personal injury" or "advertising injury" on other than a claims-made basis.

When this insurance is excess, the Insurer will have no duty to defend the Insured against any "action" if any other insurer has a duty to defend the Insured against that "action". If no other insurer defends, the Insurer will undertake to do so, but the Insurer will be entitled to the Insured's rights against all those other insurers.

When this insurance is excess over other insurance, the Insurer will pay only the Insured's share of the amount of the loss, if any, that exceeds the sum of:

i. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

ii. The total of all deductible and self-insured amounts under all that other insurance.

The Insurer 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, the Insurer 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, the Insurer 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.

9. Premium Audit

- a. The Insurer will compute all premiums for this policy in accordance with the Insurer's rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period the Insurer will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, the Insurer 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 the Insurer needs for premium computation, and send the Insurer copies at such times as the Insurer may request.

10. Premiums

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums the Insurer pays.

11. Representations (CcQ 2496)

By accepting this policy, the Named Insured agrees:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations the Named Insured made to the Insurer; and
- c. The Insurer has issued this policy in reliance upon the Named Insured's representations.

12. Separation of Insureds, Cross Liability

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 "action" is brought.

13. Transfer of Rights of Recovery Against Others to the Insurer (CcQ 2474)

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

14. Transfer of the Named Insured's Rights and Duties Under This Policy (CcQ 2475 and 2476)

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

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

15. Provisional Premium

If the premium shown in this policy is a provisional premium, the Insurer will, at the end of each audit period, compute the earned premium for that period. Audit premiums are due and payable on notice to the Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, the Insurer will return the excess to the Named Insured subject to the retention of the minimum premium shown in the Declarations of this policy.

SECTION II: LIABILITY CONDITIONS – ALL PROVINCES EXCLUDING QUEBEC, ALBERTA AND BRITISH COLUMBIA

Termination

- a. The first Named Insured shown in the Declarations may terminate this policy by mailing or delivering to the Insurer advance written notice of termination.
- b. The Insurer may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - (1) 5 days before the effective date of termination if personally delivered;
 - (2) 15 days before the effective date of termination if the Insurer terminates for non-payment of premium; or
 - (3) 30 days before the effective date of termination if the Insurer terminates for any other reason.
- c. The Insurer will mail or deliver the notice to the first Named Insured's last mailing address known to the Insurer.
- d. The policy period will end on the date termination takes effect.
- e. If this policy is terminated, the Insurer will send the first Named Insured any premium refund due. If the Insurer terminates, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective

even if the Insurer has not made or offered a refund. If the premium is provisional, a premium audit will take place as per **SECTION I, Paragraph 15 – Provisional Premium.**

SECTION III: LIABILITY CONDITIONS – PROVINCE of QUEBEC

1. Material Change in Risk (Articles 2466 and 2467)

The Named 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 (30) days of the proposal, the policy ceases to be in force.

2. Misrepresentation or Concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in **SECTION I Paragraph 11. Representations** and **SECTION III - Paragraph 1. Material Change in Risk** by the Applicant or the Insured nullifies the contract at the instance of the Insurer, even in respect to losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the Applicant or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had know 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.

3. 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 Named Insured.

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 to 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.

5. Right of Action (Article 2502)

The Insurer may set up against the injured third person any grounds he could have invoked against the Named Insured at the time of loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right against the Named Insured in respect of facts that occurred after the loss.

6. CANCELLATION (Articles 2477 and 2479)

This policy may be cancelled at any time:

- a. By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall be entitled to a refund of the excess of the premium actually paid over the short-term for the expired time. If the premium is provisional, a premium audit will take place as per **SECTION I, Paragraph 15 – Provisional Premium.**
- b. By the Insurer giving written notice to each Named Insureds at their last know address, at least:
 - (1) fifteen (15) days before the effective date of cancellation by reason of non payment of premium, or
 - (2) thirty (30) days before the effective date of cancellation by any other reason.

Cancellation takes effect fifteen (15) or thirty (30) days after receipt of such notice, depending upon the reason for cancellation. The Named Insured is entitled to refund of the excess premium actually paid over the prorated premium for the expired time. If the premium is provisional, a premium audit will take place as per **SECTION I, Paragraph 15 – Provisional Premium.**

- c. Where one or more of the Named Insureds have been mandated to receive or sent 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.
- d. In this Condition, the words "premium actually paid" means the premium actually paid by the Named 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 communications 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 know address.

It is incumbent upon the sender to prove that such notice was received.

Commercial General Liability

The words "Insured" and "Named Insured" mean any person or organization qualifying as such under SECTION II – WHO IS AN INSURED. The word "Insurer" refers to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION IV – DEFINITIONS.

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

This insurance applies only when an Each Occurrence Limit is indicated in the Declarations.

1. Insuring Agreement

- a. The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "bodily injury" or "property damage" to which this insurance does not apply. The Insurer may, at the Insurer's discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- (1) The amount the Insurer will pay for "compensatory damages" is limited as described in SECTION III – LIMITS OF INSURANCE and is subject to the Deductible Clause shown in SECTION III – LIMITS OF INSURANCE; and
- (2) The Insurer's right and duty to defend end when the Insurer has 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.

- 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 the Named Insured to give or receive notice of an "occurrence" or claim, 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 the Named Insured to give or receive notice of an "occurrence" or claim, 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 the Named Insured to give or receive notice of an "occurrence" or claim:

- (1) Reports all or any part, of the "bodily injury" or "property damage" to the Insurer or any other Insurer;
- (2) Receives a written or verbal demand or claim for "compensatory 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.

- e. "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

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 any Insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

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

- (1) 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. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defence has also been assumed in the same "insured contract"; and
 - (b) Such legal fees and litigation expenses are for defence of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

c. Workers' Compensation and Similar Laws

Any obligation of the Named Insured under a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.

d. Employer's Liability

"Bodily injury" to an "employee" of the Insured arising out of and in the course of:

- (1) Employment by the Insured; or
- (2) Performing duties related to the conduct of the Insured's business.

This exclusion applies:

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

This exclusion does not apply to:

- i. Liability assumed by the Insured under an "insured contract"; or
- ii. A claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or are required to be made by the Insured 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. Automobile

"Bodily injury" or "property damage" arising out of the use, ownership or operation of any "automobile" that is owned or operated by, on behalf of, rented or loaned to any Insured.

This exclusion also applies to any motorized snow vehicle or its trailers, except when being used by an Insured for the Named Insured's business, 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 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 does not apply to:

- (1) "Bodily injury" to an "employee" of the Insured.
- (2) "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" that is 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 ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment.

f. Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of any watercraft that is owned, operated by, rented or loaned to any Insured.

Use includes operation and "loading or unloading".

This exclusion applies even if the claims 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 watercraft that is owned, operated by, rented or loaned to any Insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises the Named Insured owns or rents;
- (2) A watercraft the Named Insured does not own that is:
 - (a) Less than 8 metres long; and
 - (b) Not being used to carry persons or property for a charge.
- (3) "Bodily injury" to an "employee" of the Named Insured on whose behalf contributions are made by or are required to be made by the Named Insured under the provisions of any Canadian provincial or territorial workers' compensation law, if the "bodily injury" results from an "occurrence" involving watercraft.

g. Aircraft

- (1) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of:
 - (a) Any aircraft that is owned, operated by rented or loaned to any Insured; or
 - (b) Any air cushion vehicle that is owned, operated by rented or loaned to any Insured.
- (2) "Bodily injury" or "property damage" arising out of the ownership, existence, use or operation by or on behalf of any Insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading and unloading" of any aircraft or air cushion vehicle.

h. Damage to Property

"Property damage" to:

- (1) Property that is owned or occupied by or rented to the Named Insured;
- (2) Premises the Named Insured sells, gives away or abandons, if the "property damage" arises out of any part of those premises;
- (3) Property held by the Named Insured for sale or entrusted to the Named Insured for storage or safekeeping;
- (4) Property being on premises that is owned or rented by the Named Insured for the purpose of having operations performed on such property by the Insured;
- (5) That particular part of property on which the Named Insured or any contractor or subcontractor working directly or indirectly on the Named Insured's 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 "the Named Insured's work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "the Named Insured's work" and were never occupied, rented or held for rental by the Named Insured.

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

Paragraphs (5) and (6) of this exclusion do not apply to "property damage" included in the "products-completed operations hazard".

i. Damage to the Named Insured's Product

"Property damage" to "the Named Insured's product" arising out of such product or any part of such product.

If the Named Insured is in the business of selling, repairing or servicing "automobiles", this exclusion applies only if the "property damage" is caused by a defect existing at the time "the Named Insured's product" was sold or transferred to another.

j. Damage to the Named Insured's Work

"Property damage" to that particular part of "the Named Insured's work" arising out of it or any part of it and included in the "products-completed operations hazard" provided the cause of the "property damage" is a defect in "the Named Insured's work". This exclusion applies only to that part of "the Named Insured's work" that is defective.

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

k. 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 "the Named Insured's product" or "the Named Insured's work"; or
- (2) A delay or failure by the Named Insured or anyone acting on the Named Insured's 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 "the Named Insured's product" or "the Named Insured's work" after it has been put to its intended use.

I. Recall of Products, Work or Impaired Property

"Compensatory damages" claimed for any loss, cost or expense incurred by the Named Insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "The Named Insured's product";
- (2) "The Named Insured's work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

m. Explosion, Vibration, Removal or Weakening of Support

"Property damage" arising out of:

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

This exclusion does not apply:

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

n. Electronic Data

"Compensatory damages" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

o. Personal Injury and Advertising Injury

"Bodily injury" arising out of "personal injury" or "advertising injury".

p. Professional Services

"Bodily injury" (other than "incidental medical malpractice injury") or "property damage" due to the rendering of or failure to render by the Named Insured or on the Named Insured's behalf any professional service.

This exclusion does not apply when the professional service is:

- (1) Performed by an architect or engineer in his or her capacity as an "employee" of the Named Insured and is an integral part of "the Named Insured's product" or "the Named Insured's work". This exemption does not provide coverage for "property damage" to "the Named Insured's product" or "the Named Insured's work".
- (2) Designing or testing by an "employee" of "the Named Insured's product".

q. Abuse – See COMMON EXCLUSIONS

r. Asbestos – See COMMON EXCLUSIONS.

s. Fungi or Spores – See COMMON EXCLUSIONS.

t. Nuclear Liability – See COMMON EXCLUSIONS.

u. Pollution Liability – See COMMON EXCLUSIONS.

v. Terrorism – See COMMON EXCLUSIONS.

w. War Risks – See COMMON EXCLUSIONS.

COVERAGE B – PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

This insurance applies only when a Personal Injury and Advertising Injury Liability Limit is indicated in the Declarations.

1. Insuring Agreement

- a. The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "personal injury" or "advertising injury" to which this insurance applies. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "personal injury" or "advertising injury" to which this insurance does not apply. The Insurer may, at the Insurer's discretion, investigate any offence and settle any claim or "action" that may result. But:

- (1) The amount the Insurer will pay for "compensatory damages" is limited as described in SECTION III – LIMITS OF INSURANCE and is subject to the Deductible Clause shown in SECTION III – LIMITS OF INSURANCE; and
- (2) The Insurer's right and duty to defend end when the Insurer has 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.

- b. This insurance applies to "personal injury" and "advertising injury" caused by an offence arising out of the conduct of the Named Insured's business, but only if the offence was committed in the "coverage territory" and during the policy period.

2. Exclusions

This insurance does not apply to:

a. Material Published With Knowledge of Falsity

"Personal injury" or "advertising injury" arising out of oral or written publication of material, if done by or at the direction of an Insured with knowledge of its falsity.

b. Material Published Prior To Policy Period

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

c. Criminal Acts

"Personal injury" or "advertising injury" arising out of a criminal act committed by or at the direction of an Insured.

d. Contractual Liability

"Personal injury" or "advertising injury" for which an Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the Insured would have in the absence of the contract or agreement.

e. Breach of Contract

"Advertising injury" arising out of a breach of contract, except an implied contract allowing the use of another's advertising idea by the Named Insured.

f. Quality or Performance of Goods – Failure to Conform to Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any advertising statement of quality or performance made by the Named Insured.

g. Wrong Description of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services, including any claim or suit based upon comparative advertising or alleged, false, misleading, deceptive, fraudulent or misrepresentative advertising committed by the Named Insured.

h. Infringement of Patent

"Advertising injury" arising out of infringement of patent.

i. Insureds in Media and Internet Type Businesses

"Personal injury" or "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:

- (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;

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

j. Interactive Websites, Electronic Chat Rooms, Interactive Forums or Bulletin Boards

"Personal injury" or "advertising injury" arising out of an electronic interactive website, chat room, interactive forum or bulletin board an Insured hosts, owns, or over which the Insured exercises control.

k. Abuse – see COMMON EXCLUSIONS

l. Asbestos – see COMMON EXCLUSIONS

m. Fungi or Spores – see COMMON EXCLUSIONS

n. Nuclear Liability – see COMMON EXCLUSIONS

o. Pollution Liability – see COMMON EXCLUSIONS

p. Terrorism – see COMMON EXCLUSIONS

q. War Risks – see COMMON EXCLUSIONS

COVERAGE C – MEDICAL PAYMENTS

This insurance applies only when a Medical Payments Limit is indicated in the Declarations.

1. Insuring Agreement

- a. The Insurer will pay medical expenses as described below for “bodily injury” caused by an accident:
 - (1) On premises the Named Insured owns or rents;
 - (2) On ways next to premises the Named Insured owns or rents; or
 - (3) Because of the Named Insured’s 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 the Insurer within one year of the date of the accident; and
 - (c) The injured person submits to examination, at the Insurer’s expense, by physicians of the Insurer’s choice as often as the Insurer reasonably requires.
- b. The Insurer 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. The Insurer 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

The Insurer 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 the Named Insured owns or rents 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 any 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

This insurance applies only when a Tenants’ Legal Liability Limit is indicated in the Declarations.

1. Insuring Agreement

- a. The Insurer will pay those sums that the Insured becomes legally obligated to pay as “compensatory damages” because of “property damage” to which this insurance applies. This insurance applies only to “property damage” to premises of others rented to the Named Insured or occupied by the Named Insured. The Insurer will have the right and duty to defend the Insured against any “action” seeking “compensatory damages”. However, the Insurer will have no duty to defend the Insured against any “action” seeking “compensatory damages” for “property damage” to which this insurance does not apply. The Insurer may, at the Insurer’s discretion, investigate any “occurrence” and settle any claim or “action” that may result. But:
 - (1) The amount the Insurer will pay for “compensatory damages” is limited as described in SECTION III – LIMITS OF INSURANCE and is subject to the Deductible Clause shown in SECTION III – LIMITS OF INSURANCE; and
 - (2) The Insurer’s right and duty to defend ends when the Insurer has 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.

- 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 the Named Insured to give or receive notice of an "occurrence" or claim, 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 the Named Insured to give or receive notice of an "occurrence" or claim, 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 the Named Insured to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "property damage" to the Insurer or any other insurer;
 - (2) Receives a written or verbal demand or claim for "compensatory 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 any Insured.

b. Contractual Liability

"Property damage" for which an Insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the Insured would have in the absence of the contract or agreement.

c. Abuse – See COMMON EXCLUSIONS.

d. Asbestos – See COMMON EXCLUSIONS.

e. Fungi or Spores – See COMMON EXCLUSIONS

f. Nuclear Energy Liability – See COMMON EXCLUSIONS.

g. Pollution Liability – See COMMON EXCLUSIONS.

h. Terrorism – See COMMON EXCLUSIONS.

i. War Risks – See COMMON EXCLUSIONS.

COMMON EXCLUSIONS

This insurance does not apply to:

1. Abuse

- a. Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of "abuse".
- b. Claims or "actions" based on the Named Insured's practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- c. Claims or "actions" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

2. Asbestos

"Bodily injury", "property damage" or "personal injury" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.

This exclusion 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 injury".

3. Fungi or Spores

- a. "Bodily injury", "property damage" or "personal injury" or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores";

- b. any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
- c. any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

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

For the purpose of the following exception:

- (1) "Property damage" means physical injury to animals.
- (2) "Products-completed operations hazard" means all "bodily injury" and "property damage" that arises out of "the Named Insured's product" provided the "bodily injury" or "property damage" occurs after the Named Insured has relinquished physical possession "the Named Insured's product".

This exclusion does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" arising directly or indirectly from "fungi" or "spores" that are found in or on, or are, "the Named Insured's product", and the Named Insured intends "the Named Insured's product" to be:

- (a) applied topically to; or
- (b) ingested by;
humans or animals.

4. Nuclear Energy Liability

- a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof.
- b. "Bodily injury", "property damage" or "personal injury" with respect to which an Insured under this Form 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 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";
 - (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 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 injury".

5. Pollution Liability

- a. "Bodily injury", "property damage" or "personal injury" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - (1) Which occurred prior to the policy period shown in the Declarations;
 - (2) 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:
 - (a) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment 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;
 - (b) "Bodily injury" or "property damage" for which the Named Insured may be held liable, if the Named Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Named Insured's policy as an additional insured with respect to the Named Insured's 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
 - (c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a "hostile fire";
 - (3) At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (4) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (a) any Insured; or
 - (b) any person or organization for whom the Insured may be legally responsible; or

- (5) 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:
- (a) "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 permanent and integral mobile equipment 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;
 - (b) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by the Named Insured or on the Named Insured's behalf by a contractor or subcontractor; or
 - (c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a "hostile fire".
- (6) 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, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of "pollutants".
- b. Any fines or penalties assessed against or imposed upon any Insured arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".
 - c. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (2) Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Paragraph c. does not apply to liability for "compensatory 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 "action" by or on behalf of a governmental authority.

6. Terrorism

"Bodily injury", "property damage" or "personal 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 any sequence to the "bodily injury", "property damage" or "personal injury".

7. War Risks

"Bodily injury", "property damage" or "personal injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion 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 injury".

SUPPLEMENTARY PAYMENTS

1. The Insurer will pay, with respect to any claim the Insurer investigates or settles, or any "action" against an Insured that the Insurer defends:
 - a. All expenses the Insurer incurs.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to furnish these bonds.
 - c. All reasonable expenses incurred by the Named Insured at the Insurer's request to assist the Insurer in the investigation or defence of the claim or "action", including actual loss of earnings because of time off from work.
 - d. All costs taxed against the Named Insured in the "action".
 - e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.
2. If the Insurer defends an insured against an "action" and an indemnitee of the Insured is also named as a party to the "action", the Insurer will defend that indemnitee if all of the following conditions are met:
 - a. The "action" against the indemnitee seeks "compensatory damages" for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

- b. This insurance applies to such liability assumed by the Insured;
- c. The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by the Insured in the same "insured contract";
- d. The allegations in the "action" and the information the Insurer knows about the "occurrence" are such that no conflict appears to exist between the interests of the Insured and the interests of the indemnitee;
- e. The indemnitee and the Insured ask the Insurer to conduct and control the defence of that indemnitee against such "action" and agree that the Insurer can assign the same counsel to defend the Insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with the Insurer in the investigation, settlement or defence of the "action";
 - (b) Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the "action";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with the Insurer with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides the Insurer with written authorization to:
 - (a) Obtain records and other information related to the "action"; and
 - (b) Conduct and control the defence of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by the Insurer in the defence of that indemnitee, necessary litigation expenses incurred by the Insurer and necessary litigation expenses incurred by the indemnitee at the Insurer's request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b. (2) of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

The Insurer's obligation to defend an Insured's indemnitee and to pay for legal fees and necessary litigation expenses as SUPPLEMENTARY PAYMENTS ends when:

- i. The Insurer has used up the applicable limit of insurance in the payment of judgments or settlements; or
- ii. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If the Named Insured is designated in the Declarations as:
 - a. An individual, the Named Insured and the Named Insured's spouse are Insureds, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
 - b. A partnership, limited liability partnership or joint venture, the Named Insured is an Insured. The Named Insured's members, the Named Insured's partners, and their spouses are also Insureds, but only with respect to the conduct of the Named Insured's business.
 - c. A limited liability company, the Named Insured is an Insured. The Named Insured's members are also Insureds, but only with respect to the conduct of the Named Insured's business. The Named Insured's managers are Insureds, but only with respect to their duties as the Named Insured's managers.
 - d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, the Named Insured is an Insured. The Named Insured's "executive officers" and directors are Insureds, but only with respect to their duties as the Named Insured's officers or directors. The Named Insured's shareholders are also Insureds, but only with respect to their liability as shareholders.
 - e. A trust, the Named Insured is an Insured. The Named Insured's trustees are also Insureds, but only with respect to their duties as trustees.
2. Each of the following is also an Insured:
 - a. The Named Insured's "volunteer workers" or "employees", other than the Named Insured's "executive officers", but only with respect to acts performed on behalf of the Named Insured (if the Named Insured is an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or the Named Insured's managers (if the Named Insured is a limited liability company), but only with respect to acts performed on behalf of the Named Insured. However, none of these "employees" or "volunteer workers" is an Insured for:
 - (1) "Bodily injury", "personal injury" or "advertising injury":
 - (a) To the Named Insured, the Named Insured's partners or members (if the Named Insured is a partnership, limited liability partnership or joint venture), to the Named Insured's members (if the Named Insured is a limited liability company), to a co-"employee" but only with respect to acts performed on behalf of the Named Insured, or to the Named Insured's other "volunteer workers" but only with respect to acts performed on behalf of the Named Insured except with respect to "incidental medical malpractice injury";

- (b) To the spouse, 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 "compensatory damages" with or repay someone else who must pay "compensatory 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 a similar law.
- (2) "Property damage" to property that is:
- (a) Owned or occupied by; or
 - (b) Rented to or loaned to:
 - i. that "employee" or "volunteer worker"; or
 - ii. any other "employee" or "volunteer worker" of the Named Insured; or
 - iii. any of the Named Insured's partners or members (if the Named Insured is a partnership, limited liability partnership or joint venture); or
 - iv. any manager (if the Named Insured is a limited liability company).
- b. Any person (other than the Named Insured's "employee" or "volunteer worker"), or any organization while acting as the Named Insured's real estate manager.
 - c. Any person or organization having proper temporary custody of the Named Insured's property if the Named Insured dies, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until the Named Insured's legal representative has been appointed.
 - d. The Named Insured's legal representative if the Named Insured dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this Form.
 - e. The Named Insured's unit or strata lot owners and any tenants, but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.
 - f. Any person or organization under the Named Insured's management control and for which the Named Insured is responsible for arranging insurance, but only with respect to the Named Insured's premises, the Named Insured's operations, "the Named Insured's products" or "the Named Insured's work".
 - g. Any person, firm or organization (other than an architect or engineering firm) for whom the Named Insured has contracted to provide liability insurance. Coverage under this provision is afforded as per the present policy terms, limits and conditions and only with respect to the Named Insured's premises, "the Named Insured's product" or "the Named Insured's work".
3. Any organization the Named Insured newly acquires or forms, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which the Named Insured maintains ownership or management control, 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 the Named Insured acquires or forms the organization or the end of the policy period, whichever is earlier;
 - b. COVERAGES A and D do not apply to "bodily injury" or "property damage" that occurred before the Named Insured acquired or formed the organization; and
 - c. COVERAGE B does not apply to "personal injury" or "advertising injury" arising out of an offence committed before the Named Insured acquired or formed the organization.
4. No person or organization is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.
5. Any breach of condition of this policy by any Named Insured shall not affect the protection given to any other Named Insured who does not have knowledge of such breach of condition.

SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most the Insurer will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "actions" brought; or
 - c. Persons or organizations making claims or bringing "actions".
- 2. The General Aggregate Limit is the most the Insurer will pay for the sum of:
 - a. "Compensatory damages" under COVERAGE A, except "compensatory damages" because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

- b. "Compensatory damages" under COVERAGE B; and
 - c. Medical expenses under COVERAGE C.
3. The Products-Completed Operations Aggregate Limit is the most the Insurer will pay under COVERAGE A for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
 4. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most the Insurer will pay for the sum of:
 - a. "Compensatory damages" under COVERAGE A; and
 - b. Medical expenses under COVERAGE C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
 5. Subject to 2. above, the Personal Injury and Advertising Injury Limit is the most the Insurer will pay under COVERAGE B for the sum of all "compensatory damages" because of all "personal injury" and "advertising injury" sustained by any one person or organization.
 6. The Tenants' Legal Liability Limit is the most the Insurer will pay under COVERAGE D for "compensatory damages" because of "property damage" to any one premises.
 7. Subject to 4. above, the Medical Payments Limit is the most the Insurer 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 Limit of Insurance.

8. Deductible

- a. The Insurer's obligation under Property Damage Liability and Tenants' Legal Liability to pay "compensatory damages" on behalf of the Named Insured applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Declarations as applicable to such coverages, and the limit of insurance applicable to each "occurrence" for Property Damage Liability and any one premises for Tenants' Legal Liability coverage will be reduced by the amount of such deductible.
- b. The deductible amount applies as follows:
 - (1) Under COVERAGE A: To all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
 - (2) Under COVERAGE D, Tenants' Legal Liability to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
- c. The terms of this insurance, including those in respect to:
 - (1) the Insurer's right and duty to defend any "action" seeking those "compensatory damages"; and
 - (2) the Named Insured's duties in the event of an "occurrence", claim or "action";
 apply irrespective of the application of the deductible amount.
- d. The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

SECTION IV – DEFINITIONS

Whenever used in this Form and its endorsements:

1. **"Abuse"** means, but is not limited to, any act or threat involving molestation, harassment, corporal punishment, assault or battery or any other form of sexual, physical, mental, psychological or emotional abuse.
2. **"Action"** means a civil proceeding in which "compensatory damages" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the Insured must submit or does submit with the Insurer's consent; or
 - b. Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the Insured submits with the Insurer's consent.
3. **"Advertising injury"** means injury arising out of one or more of the following offences:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's products or services; or
 - b. Oral or written publication of material that violates a person's right of privacy; or
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.

4. **"Automobile"** means a self-propelled land motor vehicle, trailer or semi-trailer that is required by law to be insured under a contract evidenced by a motor vehicle policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
5. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
6. **"Compensatory damages"** means damages (including prejudgment interest) due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
7. **"Coverage territory"** means:
 - a. Canada and the United States of America (including its 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 **a.** above; or
 - c. All parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by the Named Insured in the territory described in **a.** above; or
 - (2) The activities of an insured person whose home is in the territory described in **a.** above, but is away for a short time on the Named Insured's business; and
 - (3) "Personal injury" or "advertising injury" offences that take place through the Internet or similar electronic means of communication

provided the Insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits in the territory described in **a.** above or in a settlement the Insurer agrees to in writing.
8. **"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.
9. **"Employee"** includes a "leased worker" and a "temporary worker".
10. **"Executive officer"** means a person holding any of the officer positions created by the Named Insured's charter, constitution, by-laws or any other similar governing document.
11. **"Fissionable substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
12. **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom, or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.
13. **"Hostile fire"** means a fire which becomes uncontrollable or breaks out from where it was intended to be.
14. **"Impaired property"** means tangible property, other than "the Named Insured's product" or "the Named Insured's work", that cannot be used or is less useful because:
 - a. It incorporates "the Named Insured's product" or "the Named Insured's work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. The Named Insured has failed to fulfil the terms of a contract or agreement;

if such property can be restored to use by:

 - (1) The repair, replacement, adjustment or removal of "the Named Insured's product" or "the Named Insured's work"; or
 - (2) The Named Insured fulfilling the terms of the contract or agreement.
15. **"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 first aid personnel at the time of an accident.
16. **"Insured contract"** means:
 - a. A contract for a lease of premises;
 - b. A sidetrack agreement;
 - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 - d. Any other easement agreement;
 - e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
 - f. An elevator maintenance agreement;

- g. That part of any other contract or agreement pertaining to the Named Insured's business (including an indemnification of a municipality in connection with work performed for a municipality) under which the Named Insured assumes the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by the Named Insured or by those acting on the Named Insured's behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or 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.

17. **"Leased worker"** means a person leased to the Named Insured by a labour leasing firm under an agreement between the Named Insured and the labour leasing firm, to perform duties related to the conduct of the Named Insured's business. "Leased worker" does not include a "temporary worker".

18. **"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 or watercraft;
- b. While it is in or on an aircraft or watercraft; or
- c. While it is being moved from an aircraft or watercraft 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 or watercraft.

19. **"Nuclear energy hazard"** means the radioactive, toxic, explosive, or other hazardous properties of "radioactive material".

20. **"Nuclear facility"** means:

- a. any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium, or any one or more of them;
 - b. any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them; (ii) processing or packaging waste;
 - c. any equipment or device used for the processing, fabricating or alloying of plutonium, thorium, or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - d. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material";
- and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

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

22. **"Personal 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, in any manner, of material that violates a person's right of privacy; or
- f. Defamation of character.

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

24. **"Products-completed operations hazard"**

- a. Includes all "bodily injury" and "property damage" occurring away from premises the Named Insured owns or rents and arising out of "the Named Insured's product" or "the Named Insured's work" except:
 - (1) Products that are still in the Named Insured's physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "the Named Insured's work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in the Named Insured's contract has been completed.

- (b) When all of the work to be done at the job site has been completed if the Named Insured's contract calls for work at more than one job site.
- (c) When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

25. "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.

- 26. "**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 any nuclear liability act, law or statute, or any law amendatory thereof as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
- 27. "**Spores**" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- 28. "**Temporary worker**" means a person who is furnished to the Named Insured to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 29. "**Terrorism**" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

30. "The Named Insured's product"

- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) The Named Insured;
 - (b) Others trading under the Named Insured's name; or
 - (c) A person or organization whose business or assets the Named Insured has 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 "the Named Insured's 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.

31. "The Named Insured's work"

- a. Means:
 - (1) Work or operations performed by the Named Insured or on the Named Insured's 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 "the Named Insured's work"; and
 - (2) The providing or failure to provide warnings or instructions.

- 32. "**Volunteer worker**" means a person who is not the Named Insured's "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by the Named Insured, and is not paid a fee, salary or other compensation by the Named Insured or anyone else for their work performed for the Named Insured.

SECTION V – DESCRIPTION OF TERMS USED FOR PREMIUM BASES

1. **“Area”** means the square footage or square metres of the buildings to be insured excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.
2. **“Cost of work”** means the total cost of all operations performed for the Named Insured during the Policy Period by independent contractors, including materials used or delivered for use by whomsoever supplied, except maintenance or ordinary alterations and repairs on premises owned or rented by the Named Insured.
3. **“Revenue”** means the gross amount of money charged for all work or services performed by or on behalf of the Named Insured or goods and products sold and distributed by the Named Insured or by others trading under the Named Insured’s name during the Policy Period.
4. **“Payroll”** means the total earnings during the Policy Period for each owner, partner, “executive officer” or “employee”. For Employer’s Liability, payroll not to exceed \$5,000.00 for each owner, partner, “executive officer”, or “employee” in any one policy year.
5. **“Cost”** means the total cost to any indemnitee, with respect to any contract which is insured, of all work let or sublet in connection with each specific project, including the cost of all labour, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or the subcontractor, including all fees, allowances, bonuses or commissions made, paid or due.
6. **“Standard Units”** means the unit of exposure to which the rates apply, and each article is designated (person, object or event), except litre which is per 1,000 litres.

IMPORTANT

The notice below applies to insurance contracts containing non-automobile legal liability coverages in provinces where statistical data relating to such contracts must be reported to the various Provincial Regulators/Superintendents of Insurance.

NOTICE TO INSUREDS

Pursuant to the

PERSONAL INFORMATION PROTECTION AND ELECTRONIC DOCUMENT ACT, S.C. 2000, c.5.
LEGAL AUTHORITY FOR COLLECTION.

PRINCIPAL PURPOSE FOR WHICH PERSONAL INFORMATION IS INTENDED TO BE USED:

Information collected by Insurers from Insureds or supplied to Insurers pertaining to the attached document will be used:

- to compile aggregate statistical data to be used to monitor trends in the insurance industry;
- to develop statistical exhibits to be used in monitoring the insurance industry;
- to respond to requests for customized statistical information on the insurance industry;
- to respond to inquiries on statistical information made to the various Provincial Regulator/Superintendents of Insurance; and
- to use and disclose such information for purposes which are consistent with the previous clauses.

QUESTIONS RELATING TO THE COLLECTION MAY BE ADDRESSED TO EITHER:

Intact Insurance Company
Privacy Officer
700 University Avenue, Suite 1500
Toronto, Ontario,
M5G 0A1
Telephone No. 1-866-941-5094

OR

Provincial Regulator or Superintendent of Insurance in your Province.

Non-Profit Organization Liability Insurance Policy

Novex Insurance Company

IMPORTANT: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OFFERED UNDER THIS INSURANCE POLICY APPLIES ONLY TO CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD.

Please read this Form carefully to determine rights, duties, coverage and limitations.

Words and phrases in bold or in quotation marks have special meaning as defined in Section 8 – Definitions.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurer shown in the Declarations Page (hereinafter called the “Insurer”) including the statements made in the application and its attachments and subject to all the terms, conditions and limitations of this policy, the Insurer agrees as follows:

SECTION 1 - INSURING AGREEMENTS

A. Insured’s Liability Coverage

The Insurer agrees to pay on behalf of the **Insured** all **loss** for which the **Insured** shall become legally obligated to pay on account of any **claim** first made against them during the **policy period**, because of a **wrongful act** committed before or during the **policy period**, within the **coverage territory**.

B. Non-Profit Outside Directorship Liability Coverage

1. The Insurer agrees to pay on behalf of:

1.1 an **Insured Person** all **loss** for which the **Insured Persons** are not indemnified by the **Organization** or the **outside organization** (even by reason of the **Organization’s** or **outside organization’s insolvency**);

1.2 the **Organization** all **loss** for which the **Organization** shall be required by law, its articles of incorporation or its by-laws to indemnify an **Insured Person**;

for which an **Insured Person** while serving in an **outside directorship** shall become legally obligated to pay on account of any **claim** first made against them, during the **policy period**, because of a **wrongful act** committed before or during the **policy period**, within the **coverage territory**.

2. Such coverage as granted to **Insured Persons** shall:

2.1 apply in the absence of any valid or collectible insurance available to the **Insured Persons** through the **outside organization**;
or

2.2 be specifically excess of any insurance available to the **Insured Persons** from the **outside organization** or any other source other than the **Organization**.

C. Employment Practices Liability Coverage

The Insurer agrees to pay on behalf of the **Insured** all **loss** for which the **Insured**, shall become legally obligated to pay on account of any **claim** first made against them by an **employee** or applicant, during the **policy period**, because of a **wrongful act** related to **employment practices** committed before or during the **policy period**, within the **coverage territory**.

Spousal Extension Coverage

Coverage is extended to the lawful or common law spouse or the domestic partner of an **Insured Person**, but only to the extent that such person is named as a co-defendant in a **claim** against an **Insured Person** solely in his or her capacity as the lawful or common law spouse or domestic partner of an **Insured Person**, including such **claims** that seek damages recoverable from property jointly held by the **Insured Person** and their lawful or common law spouse or domestic partner, or property transferred from the **Insured Person** to their lawful or common law spouse or domestic partner, provided, however, that this extension does not provide coverage for any **claim** for any actual or alleged **wrongful act** of the lawful or common law spouse or domestic partner of the **Insured Person**.

Estate Extension Coverage

Coverage is extended to the estates, heirs, legal representatives or assignees of any **Insured Person** who is deceased or the legal representatives or assignees of any **Insured Person** who is incompetent, insolvent or bankrupt.

SECTION 2 – EXTENDED REPORTING PERIOD

In the event of:

1. cancellation or refusal to renew this policy by the Organization named in the Declarations Page, if premiums due are paid; or
2. refusal to renew this policy by the Insurer;

the **Insured** shall have the right to an extension of the coverage granted by this policy with respect to any **claim** first made against them during the Extended Reporting Period(s) after the effective date of such cancellation or non-renewal, **BUT ONLY WITH RESPECT TO ANY WRONGFUL ACT COMMITTED PRIOR TO THE EFFECTIVE DATE OF CANCELLATION OR NON-RENEWAL** of this policy.

Subject to the above:

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the **policy period** and lasts for 60 days.

The Basic Extended Reporting Period does not apply to **claims** that are covered under any subsequent insurance purchased by the **Insured**, or that would be covered but for exhaustion of the Limit of Liability applicable to such **claims**.

Once in effect, the Basic Extended Reporting Period may not be cancelled.

A Supplemental 12-month Extended Reporting Period is available, by an endorsement attached to this policy and for an additional premium charge.

This supplemental period starts when the Basic Extended Reporting Period ends.

The additional premium for the Supplemental 12-month Extended Reporting Period shall be calculated at a percentage of the last annual premium, as follows:

- 75% if the policy has been in force with the Insurer for one year;
- 65% if the policy has been in force with the Insurer for two consecutive years;
- 55% if the policy has been in force with the Insurer for three consecutive years;
- 45% if the policy has been in force with the Insurer for four consecutive years or more.

The right to purchase the Supplemental 12-month Extended Reporting Period shall lapse unless written notice together with payment of the additional premium (including any applicable taxes) is given by the **Insured** to the Insurer within 60 days after the effective date of cancellation or non-renewal of this policy.

Notwithstanding paragraphs 1. and 2. above, the Basic Extended Reporting Period and Supplemental 12-month Extended Reporting Period are automatically granted without additional charge to a **Director** who was on the Board of Directors of the **Organization** or an **Officer** who was employed by the **Organization** on the effective date of the policy if it is the initial policy issued by the Insurer (or of the initial policy issued by the Insurer if the policy forms part of a continuous series of renewals) and who had retired before the effective date of cancellation or non-renewal of the policy, but only with respect to any **wrongful acts** committed prior to the effective date of cancellation or non-renewal of the policy and only if no other policy was issued to replace it within this 12-month period.

SECTION 3 - EXCLUSIONS

This policy does not apply to:

1. **claims** or any fact or circumstance that may reasonably give rise to a **claim**, whether disclosed in the application or not, in any way known to any **Insured** prior to the effective date of this policy (or of the initial policy issued by the Insurer if this policy forms part of a continuous series of renewals);
2. **claims** based upon, arising out of, directly or indirectly resulting from or in consequence of any circumstance if written notice has been given under any policy of which this policy is a renewal or replacement and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of its Limits of Liability) for such **loss**, in whole or in part, as a result of such notice;
3. **claims** based upon, arising out of, directly or indirectly resulting from any demand, suit or proceeding pending, or order, decree, judgment or settlement pending on or prior to the effective date of this policy (or of the initial policy issued by the Insurer if this policy forms part of a continuous series of renewals), or derived from, arising out of or resulting from or alleging the same or essentially the same facts as those alleged in such pending or prior litigation;
4. **claims**:
 - 4.1. which are based upon or arise out of, directly or indirectly, or any consequence related to the dishonesty or bad faith of any **Insured**;
 - 4.2. attributable to any **Insured Person** gaining in fact any personal profit or advantage to which such **Insured Person** was not legally entitled;
 - 4.3. for the return of any remuneration paid to any **Insured Person** by the **Organization**, if such remuneration was illegally paid; when a final judgment or other final adjudication (including any appeal therefrom), establishes that such conduct as enumerated in either one or all of paragraphs 4.1., 4.2. and 4.3. above were material to the cause of action so adjudicated. In such a case, the Insurer shall be entitled to recover its **defence costs** from the **Insured**. The words "final judgment or other final adjudication (including any appeal therefrom)" as used in this paragraph will include a decision rendered in a dispute between the **Insured** and the Insurer on the applicability of this insurance;
5. **claims** against any **Insured** made directly or indirectly by or on behalf of the **Organization**.

However, this exclusion does not apply to a **claim** against any **Insured Person**:

 - 5.1. that is a derivative action brought without the solicitation, assistance or active participation of any **Insured**;
 - 5.2. brought or maintained by a trustee in bankruptcy, liquidator, receiver or receiver-manager as defined in the *Bankruptcy and Insolvency Act*, R.S. (1985), c. B-3, in the *United States Bankruptcy Code* or in any similar federal, provincial, state, territorial or local legislation or any similar legislation of another country who has been appointed in relation to the financial affairs of the **Organization**;
 - 5.3. who was not serving the **Organization** in such duties on the date a **claim** is first made and where such **claim** is brought without the solicitation, assistance or active participation of an **Insured Person**;

6. with respect to Insuring Agreement A – Insured’s Liability Coverage and Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage, **claims** based upon, arising out of or resulting from an actual or alleged violation of the responsibilities, obligations or duties imposed by the *Canada Pensions Benefits Standards Act, 1985*, R.S. (1985), c.32 (2nd Supp.) or the *Employee Retirement Income Security Act of 1974* of the United States, as amended, or similar provisions of any federal, provincial, territorial, local, state, Canadian or foreign law or regulation or the common law upon fiduciaries of any pension, profit sharing, health and welfare or other **employee benefit plan** established for the purpose of providing benefits to the **Insureds**;
7. **claims** for bodily injury, emotional distress, mental anguish, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof.
However, this exclusion does not apply to **claims** for emotional distress or mental anguish resulting from **wrongful acts** related to **employment practices**;
8. **claims** based upon, arising out of, or directly or indirectly resulting from, the provision of or failure to provide any type of professional service, including opinions and the giving of advice, rendered to others by the **Insured**, either gratuitously or for a fee;
9. **claims** against any **Insureds** based upon, arising out of, or directly or indirectly resulting from an **Insured Person** serving in any capacity on behalf of any entity other than the **Organization**, even if directed or requested to serve in such capacity by the **Organization**. However, this exclusion does not apply to **claims** covered under Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage;
10. with respect to Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage, **claims** based upon, arising out of, or directly or indirectly resulting from any fact or circumstance that may reasonably give rise to a **claim**, whether disclosed in the application or not, in any way known to the **Insured Person** elected or appointed to an **outside directorship** prior to the effective date of this policy (or of the initial policy issued by the Insurer if this policy forms part of a continuous series of renewals) or prior to the date the **Insured Person** was elected or appointed to the **outside directorship**;
11. with respect to Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage, **claims** made by or on behalf of any **outside organization** or any entity linked to the **outside organization** or by any director, officer, trustee, observer or equivalent executive position or any employee of the **outside organization**;
12. **claims** based upon, arising out of, or directly or indirectly resulting from, the management, application or breach of a collective bargaining agreement;
13. with respect to Insuring Agreement A – Insured’s Liability Coverage and Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage, **claims** based upon, arising out of, or directly or indirectly resulting from, any contract or agreement, either oral or written. However, this exclusion does not apply to the extent that the **Insured** would have been liable in the absence of such contract or agreement;
14. **claims** based upon, arising out of, or directly or indirectly resulting from the liability of others assumed by the **Insured** under any contract or agreement, either oral or written, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement;
15. **losses**, other than **defence costs**, which constitute:
 - 15.1. **benefits** due, or to become due, or the equivalent value of such **benefits**;
 - 15.2. salary, wages, **benefits** or any other cost or expense the **Insured** shall incur or be required to pay as economic relief if the Organization named in the Declarations Page is ordered, pursuant to a judgment or final adjudication, but fails to reinstate the claimant as an **employee**;
 - 15.3. the costs of compliance with or the satisfaction or remedy of an undertaking, a direction, an order, a violation, a determination or a certificate negotiated, issued, made or committed under the *Employment Equity Act* of Canada, or any costs associated with any accommodation or affirmative action programme required by, pursuant to or ordered under the *Canadian Human Rights Act*, rules, orders, orders in council or regulations promulgated under and amendments to these laws, or similar provisions of any constitutional, federal, provincial, territorial or local statutory, common or civil law; or
 - 15.4. the costs of compliance with any order for or grant of or agreement to provide injunctive or non-pecuniary relief;
 - 15.5. with respect to Insuring Agreement C – Employment Practices Liability Coverage, a **claim** which is based upon, arising from, or in consequence of, any dispute with respect to the valuation of a written employment contract or agreement;
16. with respect to Insuring Agreement C – Employment Practices Liability Coverage, **claims** based upon, arising out of, or directly or indirectly resulting from any lock-out, strike, picket line, replacement workers, actual or alleged unfair practices or other similar actions resulting from labour disputes or labour negotiations or any protections contained within the *Canada Labour Code* (Part I), and amendments thereto, or similar provisions of any constitutional, federal, provincial, territorial or local statutory law or common law or civil law, or based upon, arising from or in consequence of any differences between the parties to a collective agreement arising from the interpretation, application, administration or alleged violation of a collective agreement;
17. with respect to Insuring Agreement C – Employment Practices Liability Coverage, **claims** based upon, arising out of, or directly or indirectly, resulting from the **insolvency** of the **Insured** or the partial or complete closing by the **Insured** of one or more places of business;
18. with respect to Insuring Agreement C – Employment Practices Liability Coverage, **claims** based upon, arising out of, or directly or indirectly, resulting from any actual or alleged violation of an obligation imposed by any act, or regulation related to pay equity, workers' compensation, industrial accidents and occupational disease, occupational health and safety, employment insurance, welfare and social welfare, social security or old age security, retirement benefits or pension plan benefits, disability benefits, or by any similar act or regulation, including the *Canada Labour Code* and in particular its Parts II, III [Division XIII.1], the *Employment Insurance Act*, the *Old Age Security Act*, the *Pension Benefit Standards Act, 1985*, the *Canada Pension Act*, the *Canadian Human Rights Act*, and in particular its Section 11, as amended, or similar provisions of any constitutional, federal, provincial, territorial, or local statutory law or the common law upon fiduciaries of any pension, profit sharing, health and welfare or other **employee benefit plan** established for the purpose of providing benefits to the **Insured** or **employees**.

However, this exclusion shall not apply to any **claim** 1) for actual or alleged discrimination or employment-related harassment under Division XV.1 of Part III of the *Canada Labour Code* or under the *Canadian Human Rights Act*, rules or regulations promulgated thereunder and amendments thereto or similar provisions of any constitutional, federal, provincial, territorial or local statutory or, common law or civil law, or 2) based upon, arising from, or in consequence of any actual or alleged retaliatory treatment against the claimant by the **Insured** on account of the claimant's exercise of rights pursuant to any such law;

19. with respect to Insuring Agreement C – Employment Practices Liability Coverage, **loss** and other amounts actually or allegedly due on account of any **claim** for a **wrongful act** made against any **Insured** for an actual or alleged violation of the responsibilities, obligations or duties imposed in Canada by the Canada Labour Code, Part III, rules, orders, orders in council or regulations promulgated thereunder and any amendments thereto, or similar provisions of any constitutional, federal, provincial, territorial or local statutory law of Canada, or under the provisions of any written, oral, express or implied employment contract or agreement, but this exclusion shall not apply to **defence costs**.

Furthermore, this exclusion shall not apply to any **claim** for any retaliatory treatment of any claimant by any **Insured** based upon such claimant's exercise of rights pursuant to any such law, any **equal pay claim**, or any unjust dismissal or dismissal without good and sufficient cause brought in direct reliance upon Sections 240 to 246 inclusive of the Canada Labour Code, Part III, Section 124 of the Quebec Act Respecting Labour Standards or Section 71 of the Nova Scotia Labour Standards Code. Any amount actually or allegedly due under the provisions of any written, oral, express or implied employment contract or agreement remain excluded;

20. **claims** based upon, arising out of, or directly or indirectly resulting from the actual, alleged, potential or threatened spill, discharge, emission, seepage, leakage, migration, release, escape or disposal of **pollutants** or **claims** directly or indirectly related to the implementation of **antipollution measures**.

However, this exclusion shall not apply to any **claim** for **wrongful acts** related to **employment practices** for any retaliatory treatment of any claimant's actual or alleged: (1) refusal to violate any federal, provincial, territorial or local statutory law or common law or civil law regarding pollution, or (2) disclosure regarding any actual or alleged pollution by the **Organization**;

*NOTE: With respect to the above exclusions, no fact pertaining to or knowledge possessed by any **Insured** will be imputed to any other **Insured** to determine if coverage is applicable. Only facts pertaining to and knowledge possessed by any past, present or future Chief Financial Officer, President or Chairman, of the **Organization** named in the Declarations Page will be imputed to the **Organization** named in the Declarations Page to determine if coverage is available.*

*The following exclusions apply regardless of the cause of the **loss** or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.*

21. liability imposed by or arising under any nuclear liability act;
22. damages:
- 22.1. 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 termination upon exhaustion of its Limit of Liability;
- 22.2. resulting directly or indirectly from the **nuclear energy hazard** arising from:
- 22.2.1. the ownership, maintenance, operation or use of **nuclear facility** by or on behalf of an **Insured**;
- 22.2.2. 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**;
- 22.2.3. 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**;
23. 23.1. **claims** based upon, arising out of, or directly or indirectly resulting from the actual or alleged inhalation of, contact with, exposure to, use of, existence of, presence of, asbestos or any material containing asbestos in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or any material containing asbestos;
- 23.2. **claims** made by or on behalf of a governmental authority or arising out of any order or demand under any legislation or regulation that the **Insured** or others perform or assume liability for the following:
- 23.2.1. operations to evaluate or assess the presence or absence of asbestos, its effects or quantity;
- 23.2.2. operations to test for, monitor, contain, treat, detoxify, neutralize, identify, clean up, sample, remove, abate, mitigate, or dispose of asbestos;
- 23.2.3. any other actions to respond to situations involving asbestos;
- 23.3. any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with paragraphs 23.1. or 23.2. above;
- 23.4. any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in the paragraphs 23.1, 23.2 and 23.3 above;
24. **claims** based upon, arising out of, or directly or indirectly resulting from the actual or alleged civil or foreign war, invasion, hostilities (whether war be declared or not), act of foreign enemy, rebellion, insurrection, revolution, military or usurped power, martial law or confiscation by order of any government or any public authority.

SECTION 4 – LIMITS OF LIABILITY AND DEDUCTIBLES

1. Limits of Liability

1.1. The Limits stated in the Declarations Page and the rules below fix the most the Insurer will pay regardless of the number of:

1.1.1. **Insureds**;

1.1.2. **claims** made; or

1.1.3. persons or organizations making **claims**.

1.2. The Limits stated in the Declarations Page are Aggregate Limits of Liability for each coverage. Each Limit is the most the Insurer will pay separately for all **claims**, per coverage, made during the **policy period**. Each Limit shall apply in excess of the deductible amount stated in the Declarations Page. The Aggregate Limits under this policy shall be part of and not in addition to the Total Aggregate Limit of Liability per Policy Period stated in paragraph 1.3 below.

1.3. Subject to 1.2. above, the Total Aggregate Limit of Liability per Policy Period is the most the Insurer will pay for all **claims** made during the **policy period** under all Coverages.

2. Applicability of The Limits of Liability

The Limits of Liability shall apply separately to each **policy period**. If the **policy period** is extended for an additional period of less than 12 months, the additional period shall be deemed part of the last preceding period for purposes of determining the Limits of Liability. In addition, the Basic Extended Reporting Period, and the Supplemental 12-month Extended Reporting Period if exercised under SECTION 2, shall be part of, and not in addition to, the immediate preceding **policy period**, for the purposes of determining Limits of Liability.

3. Serial Loss

Claims arising out of interrelated circumstances shall be considered a single **loss**. One deductible amount shall apply to each and every **loss**.

4. Deductibles

4.1. The obligation of the Insurer to pay on behalf of the **Insured** applies only to the amount of **loss** in excess of any deductible amount stated in the Declarations Page as applicable to such coverages.

4.2. The deductible amounts stated in the Declarations Page for Insuring Agreement A – Insured’s Liability Coverage and Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage applies only to the **Organization**.

4.3. The deductible amount stated in the Declarations Page for Insuring Agreement C – Employment Practices Liability Coverage applies only to the **Organization** and only when the **Organization** is responsible for the payment arising from a **loss** subject to this Insuring Agreement as required by law, its articles of incorporation, its by-law or by any other contract.

4.4. The deductible amounts stated in the Declarations Page as applicable to the **Organization** with respect to Insuring Agreement A – Insured’s Liability Coverage and Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage shall also apply to **losses** for which the **Organization** fails or refuses to indemnify the **Insured Person**, if the indemnification is required or permitted by law, the **Organization**’s articles of incorporation or its by-laws, unless and to the extent that the **Organization** is unable to make such indemnification by reason of its **insolvency**.

4.5. In the event that a single **loss** is covered in part under several Insuring Agreements, the deductible amounts stated in the Declarations Page shall be applied separately to that part of the **loss** covered by each Insuring Agreement. However, the total deductible amount shall in no event exceed the highest deductible amount applicable to each **loss**.

5. Defence Costs

Except where this policy is governed by the insurance laws of the Province of Quebec, **defence costs** shall reduce and may exhaust the Limits of Liability stated in the Declarations Page and the deductible amounts stated in the Declarations Page apply to **defence costs**.

6. Increase of The Limits of Liability

If the Insurer has agreed to increase the Limits of Liability under this policy issued by the Insurer or any prior policy issued by the Insurer (if this policy forms part of a continuous series of renewals), such increase shall not apply to:

6.1. **claims** first made against the **Insured** before the effective date of the increase;

6.2. any fact or circumstance known to the **Insured** on the effective date of the increase and likely to give rise to a **claim**.

7. Reduction of The Limits of Liability

If the Limit of Liability has been reduced, the reduced Limit shall apply to all **claims** first made against the **Insured** after the effective date of the reduction, whether or not the **Insured** had prior knowledge of the **claim** or of any fact or circumstance likely to give rise to a **claim**.

SECTION 5 – DEFENCE AND SETTLEMENT

1. Right and Duty to Defend

The Insurer shall have the right and duty to defend any **claim** covered under this policy. However, if such **claim** is made outside Canada, the Insurer may instruct the **Insured** to conduct its own defence. In such a case, the Insurer shall have the right and be given the opportunity to be associated in the investigation, defence and settlement of any such **claim** which may reasonably appear to be covered, in whole or in part, under the terms of this policy.

2. Insurer’s Consent

The **Insured** shall not, except at their own cost, admit any liability, settle or attempt to settle any **claim**, incur any **defence costs**, or assume any contractual obligation without the Insurer’s consent, and such consent may not be unreasonably withheld.

3. Insured's Consent to Settlements

The Insurer shall have the right to investigate any **claim** and negotiate the settlement thereof, as it deems expedient, but the Insurer shall not make any settlement without the consent of the **Insured**. If, however, the **Insured** shall refuse to provide consent, the Insurer's liability for the **claim** shall be limited to:

- 3.1. the amount for which the Insurer could have settled such **claim** plus **defence costs** incurred as of the date such settlement was proposed in writing by the Insurer herein referred to as "Settlement Opportunity Amount"; and
- 3.2. 80% of the covered **loss** in excess of such Settlement Opportunity Amount, it being a condition of this insurance that the remaining 20% of such **loss** in excess of the Settlement Opportunity Amount shall be carried by the **Insured** at their own risk and be uninsured. However, this paragraph shall apply only if the Settlement Opportunity Amount exceeds the deductible amounts stated in the Declarations Page.

4. Termination of The Right and Duty to Defend

Subject to clause 5 – Defence Costs of SECTION 4 – LIMITS OF LIABILITY AND DEDUCTIBLES, the Insurer's right and duty to defend shall end when the applicable Limit of Liability is exhausted by the settlement or defence of **claims**.

5. Allocation

If **Insureds** in a **claim** incur both **loss** which is covered by this policy and also **loss** which is not covered by this policy either because such **claim** includes both covered and uncovered matters, or because such **claim** is made against both covered and uncovered parties, then coverage shall apply as follows:

- 5.1. all **defence costs** shall be deemed a covered **loss** and paid by the Insurer;
- 5.2. with respect to indemnities and other costs:
 - 5.2.1. the Insurer and the **Insured** shall use their best efforts to agree upon a fair and proper allocation of such amount between matters covered by this policy and matters not covered by this policy; and
 - 5.2.2. if the Insurer and the **Insured** cannot agree on any allocation, no presumption as to allocation shall exist in any arbitration, suit or other proceeding. The Insurer, if requested by the **Insured**, shall submit the allocation dispute to binding arbitration in accordance with the principles set forth under clause 16. – Arbitration Clause of SECTION 7 – GENERAL CONDITIONS of the policy.

6. Priority of Payments

In the event of a **loss** arising from a **claim** whose settlement exceeds the available Limits of Liability, the Insurer agrees, up to the Total Aggregate Limit of the Policy for each **policy period**:

- 6.1. to commence by settling the **losses** presented against **Directors** and **Officers** regardless of the coverage claimed;
- 6.2. to settle, up to any applicable balance, all other **claims** for the benefit of other **Insured Persons** not covered by 6.1.;
- 6.3. to settle, up to any applicable balance, all other **claims**.

In determination of the amounts allocated to the Insuring Agreements in the event of a shared judgment or settlement, the Aggregate Limits of Liability will be allocated in priority to the settlement of such **claims** in the order provided for in paragraphs 6.1., 6.2. and 6.3. above, unless a judge has instructed otherwise.

This clause applies even if the Insurer receives a formal notice of the **Organization's** insolvency.

The **Insureds** designated in 6.1., like those designated in 6.2. and 6.3. and within their respective orders of priority, each have the same rights.

SECTION 6 – NOTICE OF CLAIMS

Written notice of **claim** will be given to the Insurer as soon as practicable. Any interested person may give such notice. Failure to give notice of claim as soon as practicable will not affect the right of any of the **Insureds** who did not have knowledge of the claim.

Notwithstanding the above, the failure to notify the Insurer in writing as soon as practicable entails forfeiture of the **Insured's** right to indemnity and defence if such failure causes prejudice to the Insurer.

In the event of **claim**, the **Insured** must:

1. immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
2. authorize the Insurer to obtain records and other information;
3. cooperate with the Insurer in the investigation, settlement or defence of the **claim**; and
4. upon the Insurer's request, assist the Insurer in the enforcement of any right against any person or organization which may be liable to the **Insured**.

If, during the **policy period**, or the Extended Reporting Period(s), if exercised under SECTION 2, the **Insured** becomes aware of a **wrongful act** which may reasonably be expected to give rise to a **claim** and if the **Insured** gives written notice to the Insurer before the expiration date of the **policy period**, or of the Extended Reporting Period(s) if applicable, then any **claim** which may subsequently arise out of such **wrongful act** will be considered to have been made during the **policy period** in which the **wrongful act** was first reported to the Insurer. The **Insured** will provide the Insurer with information as it may require regarding such **wrongful act**.

In order not to cause prejudice to any **Insured** if, this policy is cancelled or not renewed by the **Insured**, the Organization named in the Declarations Page or the Insurer, the Insurer agrees to grant the **Insured** an additional period of 15 days following the expiration date of the **policy period** or of the Extended Reporting Period(s) if applicable, for giving the Insurer written notice of any **wrongful act** which may reasonably give rise to a **claim** which an **Insured** became aware of during the **policy period** or Extended Reporting Period(s) if applicable.

All **claims** arising out of the same facts or circumstances shall be deemed to have been reported at the time the first of those **claims** is reported to the Insurer.

Any wilfully false statement shall entail forfeiture, for the person making it, of the right to indemnity with respect to the risk to which the statement relates.

SECTION 7 – GENERAL CONDITIONS

1. Policy Changes

This policy contains all the agreements between the **Insured** or the Organization named in the Declarations Page and the Insurer concerning the insurance afforded. The terms of this policy shall not be waived or changed, except by endorsement issued by the Insurer and made a part of this policy.

2. Declarations

By acceptance of this policy, the person who signed the application agrees that:

- 2.1. the statements in the application and the Declarations Page are accurate and complete and are based upon representations he made to the Insurer;
- 2.2. this policy has been issued in reliance upon such representations.

Any misrepresentation or concealment by the person who signed the application of any facts known to him which are likely to materially influence a reasonable insurer in the setting of the premium, the appraisal of the risk or the decision to accept it will void the policy 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 person who signed the application is established or unless it is established that the Insurer would not have accepted the risk if it had known the true facts, the Insurer will remain liable towards the **Insured** for such proportion of the indemnity as the premium it collected bears to the premium it should have collected.

To determine if the coverage provided by this policy applies, no statements or declarations made or information obtained by an **Insured** will be imputed to another **Insured** who had no knowledge of such misrepresentation or concealment, only facts pertaining to and knowledge possessed by any past, present or future Chief Financial Officer, President or Chairman of the Organization named in the Declarations Page will be imputed to the **Organization** to determine if coverage is available.

In case of any misrepresentation or concealment, this policy shall not be rescinded except with respect to:

- 2.3. any **Insured Person** who had knowledge of such misrepresentation or concealment;
- 2.4. the **Organization** who has indemnified an **Insured Person** who had knowledge of such misrepresentation or concealment;
- 2.5. the **Organization** if any past, present or future Chief Financial Officer, President or Chairman of the Organization named in the Declarations Page had knowledge of such misrepresentation or concealment.

3. Notice

Notices by the **Insured** to the Insurer will be mailed to the address shown in the Declarations Page.

Notices by the Insurer to an **Insured Person** or the **Organization** will be mailed to the Organization named in the Declarations Page at the address shown therein or any other address notified in writing to the Insurer.

Notice by the Organization named in the Declarations Page as provided hereunder shall constitute notice by the **Insured**. The **Insureds** agree that the Organization named in the Declarations Page will act on their behalf with respect to any action required or permitted, the giving and receiving of notice of **claim** or cancellation, the payment of premiums and the receiving of any return premiums that may be due under this policy or the acceptance of endorsements. Proof of receipt of the notices is the responsibility of the sender.

4. Separation of Insureds

Except with respect to the Limits of Liability and any rights or duties specifically assigned to the **Insureds**, this insurance shall apply in the same manner and to the same extent as if a separate policy had been issued to each **Insured**.

5. Assignment

Assignment of interest under this policy shall not bind the Insurer unless its consent thereto is given in writing.

6. Change of Control

In the event the Organization named in the Declarations Page merges into or consolidates with another organization, or if another organization or person or group of organizations or persons acquires more than 50% of the voting rights or management control of the Organization named in the Declarations Page, then coverage under this policy will continue until its expiry, but only with respect to **claims** for **wrongful acts** committed prior to such merger, consolidation or acquisition. The Organization named in the Declarations Page will give written notice of the merger, consolidation or acquisition to the Insurer as soon as practicable together with such information as the Insurer may request.

7. Cancellation

- 7.1. The Organization named in the Declarations Page may cancel this policy by mailing or delivering to the Insurer written notice stating when thereafter the cancellation will be effective. If no date is specified, cancellation is effective upon receipt of the notice.
- 7.2. The Insurer may only cancel this policy because of non-payment of premium by giving the Organization named in the Declarations Page, at the last mailing address known to it, written notice of cancellation by registered mail or personally delivered at least 15 days before the effective date of such cancellation.

Except in Québec, if notice is mailed, cancellation takes effect 15 days after receipt of the letter by the post office to which it is addressed. Proof of mailing will be sufficient proof of notice. In Québec, cancellation takes effect 15 days after receipt of the notice at the last known address of the Organization named in the Declarations Page.

If this policy is cancelled by the Organization named in the Declarations Page, the Insurer will send the Organization named in the Declarations Page any premium refund due. If the Insurer cancels, the refund will be pro rata. If the Organization named in the Declarations Page cancels, the refund will be computed in accordance with the Insurer's short rate table. The cancellation is effective even if the Insurer has not made or offered a refund.

8. **Payment of Premium**

The Organization named in the Declarations Page is responsible for the payment of all premiums and will be the payee for any return premiums payable by the Insurer.

9. **Computation of Premium**

The Insurer will compute all premiums for this policy in accordance with its rules and rates. The Organization named in the Declarations Page must keep records of the information needed by the Insurer for premium computation and will send copies to the Insurer at such times as it may request.

10. **Other Insurance**

10.1. If the **Insured** has other valid and collectible insurance against damages or **defence costs** covered by this policy, except an insurance policy issued by a subsidiary of the parent company of the Insurer, then this policy will be excess over such other insurance, unless such other insurance is written only as specific excess insurance, in which case this policy shall be primary.

10.2. If the **Insured** has other valid and collectible insurance against damages or **defence costs** covered by this policy, under a policy issued by a subsidiary of the parent company of the Insurer, the policy that applies most specifically to the **claim** will be primary and the other insurance will be excess. The Insurer's liability for any one **loss**, however, will in no event exceed the highest Limit of Liability applicable to the **loss** under all policies.

11. **Subrogation**

In the event of any payment under this policy, the Insurer will be subrogated to the extent of such payment to all the **Insured's** rights of recovery against any person or organization. The Insurer may be fully or partly released from its obligation towards the **Insured** where, owing to any act of the **Insured**, it cannot be so subrogated.

12. **Currency**

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

If judgment is rendered or if a settlement is denominated in a currency other than Canadian dollars, payment under this policy will be made in Canadian dollars.

With respect to the payment of the premium or of any judgment or settlement, the rate of exchange will be the rate in force on the date of billing, the date the final judgment is rendered or the date the amount of the settlement is agreed upon, respectively.

13. **Bankruptcy and Insolvency**

Bankruptcy or **insolvency** of the **Organization** shall not relieve the Insurer of its obligations under this policy.

14. **Action Against The Insurer**

No action shall lie against the Insurer unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy.

15. **Statutory Conformity**

The terms of this insurance which are in conflict with the terms of any applicable laws construing this insurance are hereby amended to conform to such laws.

16. **Arbitration Clause**

Any dispute between any **Insured** and the Insurer based upon, arising from or in connection with any actual or alleged coverage under this policy shall be submitted to binding arbitration.

Except with respect to the selection of the arbitration panel, an arbitration shall be governed by the law of the province or territory of the address of the **Organization** shown on the Declarations Page relating to arbitration, including rules, orders, orders in council or regulation promulgated under such law and amendments thereto or, upon the agreement of both the Insurer and the **Insured**, unless the **Organization** and the Insurer expressly agree otherwise in writing. The arbitration panel shall consist of one arbitrator selected by the **Insured**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators. The decisions of the panel are final and will not be contested.

SECTION 8 - DEFINITIONS

1. **Antipollution measures** mean the testing for, remediation, monitoring, removal, containment, treatment, detoxification, decontamination, stabilization or neutralization of **pollutants**, corrective measures, decontamination or clean up operations.
2. **Bankruptcy** means the state of the **Organization** which occurs at the time or date of the granting of a receiving order against the **Organization**, the filing of an assignment of property by or in respect of the **Organization** or the event that causes an assignment by the **Organization** to be deemed. **Bankruptcy** shall also include any similar position of the **Organization** under similar legislation of any other country.
3. **Benefits** means perquisites, fringe benefits, payments in connection with an **employee benefit plan** and any other payment, other than salary or wages, to or for the benefit of an **employee** arising out of the employment relationship.
4. **Claim**, either in the singular or the plural, means:
 - 4.1. any written demand or written allegation seeking non-monetary relief or damages;
 - 4.2. a civil proceeding commenced by the filing or service, whichever is earlier, of a complaint or similar pleading;
 - 4.3. a criminal proceeding against an **Insured Person** commenced by laying of information, the return of an indictment or similar document;
 - 4.4. a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document; or

4.5. an arbitration proceeding;

against an **Insured** for a **wrongful act**, including any appeal therefrom.

5. **Coverage territory** means any part of the world except with respect to Insuring Agreement C – Employment Practices Liability Coverage, for which this policy shall only apply to **claims** made in Canada in respect of **wrongful acts** committed in Canada and based on Canadian law.
6. **Defence costs** mean that part of **loss** consisting of reasonable costs, charges, fees (including but not limited to lawyers', accountants' and experts' fees) and expenses (other than salaries, overhead and benefit expenses of any **Insured**) incurred in defending or investigating **claims**.
- The term "**defence costs**" shall also include:
- 6.1. all premiums on bonds to release attachments for an amount not in excess of the Limit of Liability, but without any obligation to apply for or furnish such bonds;
- 6.2. all reasonable expenses (other than loss of earnings) incurred by the **Insured** at the Insurer's request in assisting the Insurer in the investigation or defence of any **claim** or suit;
- 6.3. all costs taxed against the **Insured** 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 applicable Limit of Liability and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability;
7. **Director** means any person who was, or now is, a member, a governor or a trustee of the Board of Directors of the **Organization** or who will be duly elected or appointed member, governor or trustee of the Board, after the effective date of this policy and any equivalent executive position of the **Organization** in foreign jurisdictions or any person who acts "de facto" as director of the **Organization**, before or after the effective date of the policy.
8. **Employee** means an individual who was, now is, or will be employed by the **Organization**, while acting within the scope of his duties.
9. **Employee Benefit Plan** means any retirement, pension, supplemental pension, savings, retirement saving, profit sharing, deferred compensation, change of control, insurance, medical, hospital, dental, vision care, drug, sick leave, short term or long term disability, salary continuation, vacation pay or other employee benefit, plan, program, arrangement, policy or practice whether written or oral, formal or informal, funded or unfunded, registered or unregistered that is maintained or otherwise contributed to, or required to be contributed to for the benefit of an **employee**.
10. **Employment practices** means:
- 10.1. wrongful dismissal, discharge or termination of employment, whether actual or constructive;
- 10.2. breach of any oral or written employment contract;
- 10.3. violation of any law concerning discrimination in employment;
- 10.4. employment-related harassment, including sexual harassment or other harassment in the workplace;
- 10.5. wrongful deprivation of employment or promotion;
- 10.6. wrongful discipline;
- 10.7. failure to grant tenure;
- 10.8. negligent evaluation;
- 10.9. employment-related invasion of privacy;
- 10.10. employment-related defamation;
- 10.11. employment-related wrongful infliction of emotional distress;
- 10.12. employment-related misrepresentation.
11. **Equal pay claim** means a **claim** for an actual or alleged differential of pay for the same work or substantially similar work, but does not include a **claim** for pay equity.
12. **Fissionable substance** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
13. **Insolvency** means:
- 13.1. the financial position of the **Organization** or **outside organization** as a debtor as that term is defined and used in Canada within the provisions of the *Bankruptcy and Insolvency Act*, R.S. (1985), c. B-3 and, without limiting the generality of the foregoing, shall occur when any receiver, conservator, liquidator, trustee, sequestrator, court or similar provincial or federal official or a creditor takes control of, supervises, manages or liquidates the **Organization** or **outside organization**;
- 13.2. a reorganization proceeding of the **Organization** or **outside organization** under the *Companies' Creditors Arrangement Act*, R.S. (1985), c. C-36 in Canada;
- 13.3. the **Organization** or **outside organization** becoming a debtor in possession under Chapter 11 of the United States Code, *Bankruptcy*;
- 13.4. any similar position of the **Organization** or **outside organization** under similar legislation of any other country.
14. **Insured**, either in the singular or the plural, means the **Organization** and **Insured Persons**.
15. **Insured Person**, either in the singular or the plural, means:
- 15.1. **Director, Officer, employee** or volunteer worker of the **Organization**;
- 15.2. All natural persons who were, now are, or will be, observers to the Board of Directors or members of any commission, assembly, or committee of the Board of Directors of the **Organization** or of a board created by the Organization named in the Declarations Page;
- 15.3. under Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage, any natural person serving in an **outside directorship**.

16. **Loss**, either in the singular or the plural, means:
- 16.1. compensatory damages, including any interest accruing before entry of judgment (or, in those jurisdictions where statute prescribes interest from some other date, from such prescribed date) upon that part of the judgment which is within the limits of the Insurer's liability and;
 - 16.2. **defence costs**;
- which an **Insured** becomes legally obligated to pay on account of any **claim** or **claims** made against them for a **wrongful act**.
- Loss**, other than **defence costs**, shall not include:
- 16.3. fines, penalties, punitive or exemplary damages;
 - 16.4. any taxes the **Organization** or **outside organization** owe, or have failed to pay, other than those taxes for which an **Insured Person**, (including an **outside directorship**), becomes personally liable under statutory law;
 - 16.5. the salary or **benefits** of a claimant;
 - 16.5.1. who has been or shall be hired, promoted or reinstated to employment;
 - 16.5.2. whose employment has been or shall be continued;
 - 16.5.3. whose salary or **benefits** have been increased pursuant to a settlement, order or other resolution;
 - 16.6. with respect to a **claim** for **Employment Practices**, salaries, wages or commissions payable to a claimant for services performed for any **Organization** while employed with any **Organization**;
 - 16.7. matters uninsurable by law under which this policy is construed.
17. **Nuclear energy hazard** means the radioactive, toxic, explosive, or other hazardous properties of **radioactive material**.
18. **Nuclear facility** means:
- 18.1. 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;
 - 18.2. any equipment or device designed or used for (1) separating the isotopes of plutonium, thorium and uranium or any one or more of them; (2) processing or utilizing spent fuel; or (3) handling, processing or packaging **waste**;
 - 18.3. 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;
 - 18.4. 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.
19. **Officer** means any person who was, now is, or will be duly elected or appointed officer of the **Organization** and any equivalent executive position of the **Organization** in foreign jurisdictions or any person who acts "de facto" as officer of the **Organization**, before or after the effective date of the policy.
20. **Organization** means:
- 20.1. the Organization named in the Declarations Page;
 - 20.2. any **subsidiary** of the **Organization** which existed on or before the effective date of this policy. Coverage will apply only to **wrongful acts** committed after the entity became a **subsidiary**;
 - 20.3. any new **subsidiary** of the **Organization** which is acquired or created during the **policy period** and whose revenues represent 35% or more of the total annual revenues of the Organization named in the Declarations Page at the time of the acquisition or creation, as shown in the most recent annual financial statements (or interim financial statements, if applicable), provided written notice is given to the Insurer within 90 days of the acquisition or creation together with such information as the Insurer may require and any additional premium required by the Insurer is paid. Coverage will apply only to **wrongful acts** committed after such acquisition or creation;
 - 20.4. any new **subsidiary** of the **Organization** which is acquired or created during the **policy period** and whose revenues represent less than 35% of the total annual revenues of the Organization named in the Declarations Page at the time of the acquisition or creation, as shown in the most recent annual financial statements (or interim financial statements, if applicable). Coverage will apply only to **wrongful acts** committed after such acquisition or creation. The **Organization** will provide all particulars of the new **subsidiary** to the Insurer at the next renewal of this policy;
 - 20.5. any former **subsidiary** of the **Organization**, but only with respect to **losses** arising out of **wrongful acts** actually or allegedly committed while it was a **subsidiary**.
21. **Outside directorship** means the position of director, officer, trustee, governor, observer or equivalent executive position held by an **Insured Person** in an **outside organization**, provided that service in such position was at the request of the **Organization**.
22. **Outside organization** means any non-profit organization, having no share capital and shall not include the **Organization**.
23. **Policy period** means the period from the effective date of this policy to the policy expiration date as set forth in the Declarations Page, or its earlier cancellation in accordance with clause 7 – Cancellation in SECTION 7 – GENERAL CONDITIONS.
24. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and **waste**.
25. **Radioactive material** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
26. **Subsidiary** means any non-profit association or organization in which more than 50% of the voting rights is owned by the Organization named in the Declarations Page or by one or more of its **subsidiaries**.

27. Wrongful act means:

27.1. Applicable to **Insuring Agreement A – Insured’s Liability Coverage** any negligent act, error, omission, negligence, breach of duty, misleading statement or any other act actually or allegedly committed by:

27.1.1. an **Insured Person** in the discharge of his duties, or any other matter claimed against an **Insured Person** solely by reason of his being an **Insured Person**;

27.1.2. the **Organization**;

and not excluded by the terms and conditions of the policy.

27.2. Applicable to **Insuring Agreement B – Non-Profit Outside Directorship Liability Coverage** any negligent act, error, omission, negligence, breach of duty, misleading statement or any other act actually or allegedly committed by an **Insured Person** in the discharge of his duties, or any other matter claimed against an **Insured Person** solely by reason of his being an **Insured Person** and not excluded by the terms and conditions of the policy;

27.3. Applicable to **Insuring Agreement C – Employment Practices Liability Coverage** any negligent act, error, omission, negligence, breach of duty or misleading statement related to **employment practices** actually or allegedly committed or commenced by the **Insured** and not excluded by the terms and conditions of the policy.

28. Waste includes materials to be recycled, reconditioned or reclaimed.

1. Insuring Agreement

In consideration of the payment of the premium and in reliance upon all statements made **and information furnished to the Insurer, and subject to all the terms**, conditions and limitations of this form the Insurer agrees to reimburse the "Insured" for "Legal Expenses" incurred by the "Insured" arising from or in connection with a "Covered Proceeding" if such "Covered Proceeding" commences, or if notice in accordance with section 6, below, is given, during the "Certificate Period" and for costs of "Legal Consultation" or of retaining an "Expert Witness" during the "Certificate Period".

2. Extensions

Subject otherwise to the terms hereof, this form shall respond to a "Claim" made against the estates, heirs, or legal representatives of deceased "Insureds" and the legal representatives of "Insureds" in the event of their incompetency, insolvency or bankruptcy, who were insured at the time notice of the "Claim" is received by the "Insured".

3. Limits of Insurance

With respect to Section 1, above, the maximum amounts in respect of which the Insurer will reimburse the "Insured" are as follows, unless otherwise indicated on the "Declaration Page(s)":

- (a) **One Hundred Thousand Dollars (\$100,000.00) per "Claim" subject to a maximum of One Hundred Thousand (\$100,000.00) per "Certificate Period" for "Legal Expenses";**
- (b) Five Thousand Dollars (\$5,000.00) per "Claim" or in the aggregate, per "Certificate Period" in respect of the cost of retaining an "Expert Witness" for purposes of the defense of a "Claim".
- (c) Five Thousand Dollars (\$5,000.00) per "Certificate Period" in respect of costs incurred by the "Insured" for "Legal Consultation".

4. Definitions

- (a) **"Certificate of Insurance"** means a document issued to an "Insured" evidencing coverage under this form.
- (b) **"Certificate Period"** means the period stated in the "Declarations Page(s)" and during the "Policy Period" or renewals thereof, or such lesser period in the event that coverage under this form is cancelled.
- (c) **"Civil Proceeding"** means a proceeding instituted in a court of competent jurisdiction in Canada seeking compensatory, aggravated, punitive or exemplary damages and/or declaratory or injunctive relief in connection therewith and judgment against an "Insured" for such damages, declaratory or injunctive relief, together with legal costs, pre- and post-judgment interest and further and other relief.
- (d) **"Claim"** means receipt by the "Insured" of, or the filing of, a notice or complaint against the "Insured", alleging that the "Insured" has contravened any Federal or Provincial statute, any regulation or order passed pursuant thereto, or any by-laws, rules and regulations passed by the "Entity Insured" or by any other organization, association, corporation or entity which governs members of the **"Insured's Club"**.

"Claim" does not include

- (1) any form of relief pursued by way of a "Civil Proceeding";
 - (2) any allegation, complaint, charge, or relief claimed in connection with a "Criminal Proceeding".
- (e) **"Covered Proceeding"** means a "claim" instituted and conducted in Canada before a legally constituted tribunal, board, board of inquiry, board of review, commission, committee or commissioner with jurisdiction to hear and/or review evidence, documentary or otherwise, make findings of fact in relation thereto, make a determination or render a decision as to whether the "Insured" is guilty of contravening the statutes, regulations, orders or by-laws governing the conduct of members of the **"Insured's activities"**, or has otherwise failed to meet the standards of the **"Insured's Club"**, and to impose any form of disciplinary sanction, including suspension of the "Insured's" license or ability to practice the "Insured Profession", or expulsion from the "Insured Profession", or to impose a fine, penalty or other monetary sanction (not including any form of damages, compensatory or otherwise) upon the "Insured" as a result thereof.

"Covered Proceeding" does not include:

- (1) a "Civil Proceeding";
- (2) a "Criminal Proceeding".

- (f) **“Criminal Proceeding”** means a proceeding instituted by means of the swearing of an information, the laying of a charge or the return of an indictment, before a Court of competent jurisdiction in Canada with jurisdiction to hear and determine the charges referred to therein, alleging or charging that the "Insured" has contravened the provisions of any Provincial or Federal statute, including the *Criminal Code*, R.S.C. 1985 ch. C-46 as amended, which creates an offence or crime and which provides for conviction thereunder, whether by way of summary conviction or indictment, and as a result of which the "Insured" is liable to be convicted, fined or sentenced to some form of imprisonment or other punishment.
- (g) **“Declaration Page(s)”** means the “Declaration Page(s)” applicable to this form.
- (h) **“Entity Insured”** means the organization, association, corporation, or entity named in the “Declaration Page(s).”
- (i) **“Expert Witness”** means a person who is qualified by education, training and/or experience, to provide evidence with respect to the practice of, or the standard of practice required by, the **“Insured’s activities”** and to opine concerning whether the "Insured" has met or exceeded such standard, whether the "Insured" contravened or breached any statute, regulation or by-law governing the conduct of the "Insured's Club" or upon any other issue material to the "Covered Proceeding".
- (j) **“Insured(s)”** is the Named Insured shown in the “Declaration Page(s)” and means a natural person who is a member in good standing of the "Entity Insured" and who holds a valid "Certificate of Insurance".
- (k) **“Insured Profession”** or **“Insured Practice”** means the profession described in the “Declaration Page(s)”, performed in accordance with the legislation regulating the practice of such profession.
- (l) **“Legal Consultation”** means the obtaining of legal advice by the "Insured" in relation to his or her legal obligation to release confidential information, documentary or otherwise, created, obtained, received and/or held by the "Insured" in connection with his or her **“Insured’s activities”** and in his or her capacity as a member of the **“Insured’s Club”**.
- (m) **“Legal Expenses”** means:
- (1) fees, not to exceed \$250.00 per hour, charged by a lawyer qualified to practice in the jurisdiction in which the "Covered Proceeding" is instituted, in respect of time spent in defending a "Covered Proceeding", including fees charged for the services of articling students, paralegals, clerks and other professional staff working with and under the direction of such lawyer, but not including any overtime charges or charges in respect of any secretarial or other office support staff;
 - (2) all necessary disbursements incurred in defence of a "Covered Proceeding", including photocopying and binding charges, courier or messenger services, long distance telephone and telecopier charges, filing and postage charges, the cost of summonses, other than costs for retaining an “Expert Witness”, amounts paid to process servers, charges for obtaining transcripts of evidence or reasons for decision in connection with the "Covered Proceeding", and necessary transportation, accommodation and meal charges incurred in connection with the "Covered Proceeding";
 - (3) Goods and Services Tax payable as required by law on the fees and disbursements in (1) and (2) above;
 - (4) legal costs including court costs awarded against the "Insured" in a "Covered Proceeding", excluding any fines or penalties or costs assessed against the "Insured" in connection with a "Covered Proceeding", except those costs which are specifically included within the definition of "Legal Expenses";
 - (5) any other expense not included in (1), (2), (3) or (4) except costs for “Legal Consultation” or costs for retaining any “Expert Witness” which, in the opinion of the lawyer retained by the "Insured" to defend a "Covered Proceeding", is necessary for such defense but only where specific approval has been sought from the Insurer, and provided in writing, in advance of such expense being incurred.
- (n) **“Policy Period”** means the period stated in the “Declaration Page(s)” or such lesser period in the event that this policy is cancelled.
- (o) **“Territorial Limits”** means Canada, including all provinces, Yukon, Northwest Territories and Nunavut.

5. Exclusions

The coverage provided for in Section 1, Insuring Agreement, shall not include:

- (a) "Legal Expenses" in respect of a "Claim" instituted against or notified to the "Insured", or amounts incurred for "Legal Consultation" or for any “Expert Witness” arising out of a demand or request received by the “Insured”, prior to the inception of the "Certificate Period", or arising from any matter, circumstance or situation known to the "Insured" prior to inception of the "Certificate Period".
- (b) "Legal Expenses", costs of "Legal Consultation" or costs for any “Expert Witness” in relation to, or arising out of, any intentional or deliberate violation or contravention by the "Insured" of any statute, regulation, order or by-law in force in the "Territorial Limits" or anywhere else in the world;
- (c) "Legal Expenses", costs of “Legal Consultation” or costs for any “Expert Witness” incurred to defend "Covered Proceedings" instituted, commenced, brought or transferred outside the "Territorial Limits";

- (d) any "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" incurred without the consent by the Insurer having been provided in accordance with Section 6 of this form;
- (e) "Legal Expenses" incurred to defend a "Covered Proceeding", costs of "Legal Consultation", or costs for any "Expert Witness" arising from any actual or alleged dishonesty, fraud or malicious conduct on the part of the "Insured", provided however, that if the "Insured" is found by the trier of fact in the "Covered Proceeding" not to have acted in a dishonest, fraudulent or malicious manner, the "Insurer" will reimburse the "Insured" in accordance with all terms and conditions of this form within a reasonable time after such "Covered Proceeding" and any appeal therefrom relating to such findings have been concluded;
- (f) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" incurred to appeal or seek review of a decision rendered at first instance in a "Covered Proceeding", unless the Insurer specifically agrees in writing that such appeal or review should be taken;
- (g) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" covered by any other valid policy of insurance covering and available to the "Insured" in respect of the defence of a "Covered Proceeding" or for purposes of obtaining "Legal Consultation" or for retaining any "Expert Witness".

6. Conditions

1. Notice

- (a) In the event of a "Claim" being received by the "Insured" during the "Certificate Period", the "Insured" shall, as soon as practicable and in any event within 30 days of receiving such "Claim" or notice thereof, provide notice in writing to the Insurer of such "Claim", together with a copy of the "Claim" or any other document in relation thereto, sufficient to apprise the Insurer of the nature of the "Claim" and to enable a determination to be made by the Insurer as to whether coverage is provided under this policy and, if so, to consent to "Legal Expenses", or costs for retaining an "Expert Witness" being incurred.
- (b) In the event that during the "Certificate Period" the "Insured" receives a demand or request to release confidential information and reasonably feels that he or she requires "Legal Consultation" in connection with such demand or request, the "Insured" shall, as soon as practicable and in any event within 30 days of receipt of such demand or request, provide notice thereof in writing to the Insurer, together with a copy of any written demand or request, which notice shall be in a form sufficient to apprise the Insurer of the nature of the demand or request and to enable the "Insurer" to make a determination as to whether coverage is provided under this form and, if so, to consent to costs of such "Legal Consultation".
- (c) Within a reasonable time after receipt of notice from the "Insured" under Sections 1(a) and 1(b) hereof, if the Insurer accepts coverage under this form for "Legal Expenses", "Legal Consultation" or for retaining any "Expert Witness", the Insurer shall provide its written consent to the "Insured" incurring "Legal Expenses", costs of "Legal Consultation" or costs of retaining any "Expert Witness" subject to all terms and conditions of this form.
- (d) If notice as required by this Section is not provided by the "Insured" to the Insurer, or if the Insurer determines that there is no coverage under this form for the "Claim", request or demand, the Insurer will so advise the "Insured", within a reasonable time after such notice, in writing, and no coverage will be provided under this form in respect of such "Claim", demand or request. Failure of the "Insured" to comply with the notice requirements of this Section in respect of any "Claim", demand or request shall not invalidate the "Insured's" right to seek reimbursement in respect of any other "Claim", demand or request received during the "Certificate Period" and notified to the Insurer as required by this Section.

2. Conduct of "Covered Proceedings" and "Legal Consultation"

- (a) The "Insured" shall have the right to select the lawyer by whom the "Legal Expenses" will be incurred or who will provide "Legal Consultation" or will arrange for the retention of any "Expert Witness" as contemplated by this form. The "Insured" shall advise the Insurer of the identity of such lawyer, his or her address, and any other information concerning such lawyer which is reasonably requested by the Insurer.
- (b) The lawyer referred to in 2 (a) above shall report jointly to the "Insured" and the Insurer, as required, with respect to the status of the "Covered Proceeding" in order to apprise the Insurer of such information as it reasonably requires to monitor the "Covered Proceeding" and "Legal Expenses" being incurred in connection therewith. The lawyer providing "Legal Consultation" or arranging for the retention of any "Expert Witness" shall confirm to the Insurer in writing the nature of the demand or request concerning which the "Legal Consultation" or retention of any "Expert Witness" was made necessary.
- (c) Accounts rendered by the lawyers referred to in 2 (a) and 2 (b) above shall identify in respect of each attendance: the nature of the work performed, the person performing the service, the date upon which the service was performed, the time spent and the hourly rate of each person performing services as contained in the account. Accounts shall also contain details as to disbursements incurred and copies of receipts. Accounts shall be rendered to, and paid at first instance by, the "Insured" who shall, subject to all other terms and conditions of this form and to proof of payment, be entitled to reimbursement from the Insurer in respect thereof.
- (d) The "Insured" shall take all reasonable steps to minimize the "Legal Expenses" being incurred and/or the cost of "Legal Consultation", and/or the costs of retaining any "Expert Witness" consistent with maintaining the "Insured's" status in the "Insured's Club" and the "Insured's" right to engage in his or her "Insured activities".

3. Coverage Territory

The coverage provided by this form applies to amounts incurred for "Legal Expenses", costs of "Legal Consultation" or costs for retaining any "Expert Witness" only in relation to the defense of "Covered Proceedings" within the "Territorial Limits".

4. Changes

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

5. Other Insurance

In the event that the "Insured" is entitled to reimbursement for "Legal Expenses", for the cost of "Legal Consultation", or for the costs of retaining any "Expert Witness", or is entitled to be afforded a defence under any other valid insurance policy or policies, the coverage provided by this form shall be excess of and will not contribute, in any manner whatsoever, to such other valid and collectable insurance.

6. Termination

This policy may be terminated:

- (1) By the Insurer giving to the "Insured":
 - (i) 30 days' written notice of termination by registered mail;
 - (ii) 5 days' written notice of termination personally delivered;
 - (iii) 15 days' written notice of termination by registered mail when cancelling for non-payment of premium;
- (2) By the "Insured" at any time on request.

7. Notice of Loss

The "Insured", upon knowledge of loss, shall give immediate notice thereof to the Insurer or to the authorized representative through whom the policy was issued and shall also give immediate notice of any loss due to violation of law to the public police or other peace authorities having jurisdiction.

8. Subrogation

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

9. Assignment

Assignment of interest under this form shall not bind the Insurer until its consent is endorsed hereon; if, however, the Named Insured shall die or be adjudged bankrupt or insolvent within the "certificate period", this form, unless cancelled, shall, if written notice be given to the Insurer within sixty days after the date of such death or adjudication, cover the "Insured's" legal representative as the "Insured".

10. Action against "Insurer"

No suit shall be brought under this form until ninety days after proof of loss as required herein has been furnished nor at all unless commenced within two years from the date upon which the loss was discovered by the "Insured".

11. Representation

By accepting this insurance, the "Insured" agrees:
The statements on the "Declaration Page(s)" are accurate and complete;

- (a) Those statements are based upon representations the Named Insured made to the Insurer in the application(s) for this insurance; and
- (b) The Insurer has issued this insurance in reliance upon the Named Insured's representations._

12. Currency

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

1. Insuring Agreement

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the Insurer, including the statements made in the application, and subject to all the terms, conditions and limitations of this form the Insurer agrees to reimburse the "Insured" for "Legal Expenses" incurred by the "Insured" arising from or in connection with a "Covered Proceeding" if such "Covered Proceeding" commences, or if notice in accordance with section 6, below, is given, during the "Certificate Period" and for costs of "Legal Consultation" or of retaining an "Expert Witness" during the "Certificate Period".

2. Extensions

Subject otherwise to the terms hereof, this form shall respond to a "Claim" made against the estates, heirs, or legal representatives of deceased "Insureds" and the legal representatives of "Insureds" in the event of their incompetency, insolvency or bankruptcy, who were insured at the time notice of the "Claim" is received by the "Insured".

3. Limits of Insurance

With respect to Section 1, above, the maximum amounts in respect of which the Insurer will reimburse the "Insured" are as follows, unless otherwise indicated on the "Declaration Page(s)":

- (a) Twenty-Five Thousand Dollars (\$25,000.00) per "Claim" subject to a maximum of Fifty Thousand Dollars (\$50,000.00) per "Certificate Period" for "Legal Expenses";
- (b) Five Thousand Dollars (\$5,000.00) per "Claim" or in the aggregate, per "Certificate Period" in respect of the cost of retaining an "Expert Witness" for purposes of the defense of a "Claim".
- (c) Five Thousand Dollars (\$5,000.00) per "Certificate Period" in respect of costs incurred by the "Insured" for "Legal Consultation".

4. Definitions

- (a) **"Certificate of Insurance"** means a document issued to an "Insured" evidencing coverage under this form.
- (b) **"Certificate Period"** means the period stated in the "Declarations Page(s)" and during the "Policy Period" or renewals thereof, or such lesser period in the event that coverage under this form is cancelled.
- (c) **"Civil Proceeding"** means a proceeding instituted in a court of competent jurisdiction in Canada seeking compensatory, aggravated, punitive or exemplary damages and/or declaratory or injunctive relief in connection therewith and judgment against an "Insured" for such damages, declaratory or injunctive relief, together with legal costs, pre- and post-judgment interest and further and other relief.
- (d) **"Claim"** means receipt by the "Insured" of, or the filing of, a notice or complaint against the "Insured", alleging that the "Insured" has contravened any Federal or Provincial statute, any regulation or order passed pursuant thereto, or any by-laws, rules and regulations passed by the "Entity Insured" or by any other organization, association, corporation or entity which governs members of the "Insured Profession" including the manner in which they conduct themselves within their "Insured Practice".

"Claim" does not include

- (1) any form of relief pursued by way of a "Civil Proceeding";
- (2) any allegation, complaint, charge, or relief claimed in connection with a "Criminal Proceeding".

- (e) **"Covered Proceeding"** means a "claim" instituted and conducted in Canada before a legally constituted tribunal, board, board of inquiry, board of review, commission, committee or commissioner with jurisdiction to hear and/or review evidence, documentary or otherwise, make findings of fact in relation thereto, make a determination or render a decision as to whether the "Insured" is guilty of contravening the statutes, regulations, orders or by-laws governing the conduct of members of the "Insured Profession", or has otherwise failed to meet the standards of the "Insured Profession", and to impose any form of disciplinary sanction, including suspension of the "Insured's" license or ability to practice the "Insured Profession", or expulsion from the "Insured Profession", or to impose a fine, penalty or other monetary sanction (not including any form of damages, compensatory or otherwise) upon the "Insured" as a result thereof.

"Covered Proceeding" does not include:

- (1) a "Civil Proceeding";
- (2) a "Criminal Proceeding".

- (f) **"Criminal Proceeding"** means a proceeding instituted by means of the swearing of an information, the laying of a charge or the return of an indictment, before a Court of competent jurisdiction in Canada with jurisdiction to hear and determine the charges referred to therein, alleging or charging that the "Insured" has contravened the provisions of any Provincial or Federal statute, including the *Criminal Code*, R.S.C. 1985 ch. C-46 as amended, which creates an offence or crime and which provides for conviction thereunder, whether by way of summary conviction or indictment, and as a result of which the "Insured" is liable to be convicted, fined or sentenced to some form of imprisonment or other punishment.
- (g) **"Declaration Page(s)"** means the "Declaration Page(s)" applicable to this form.
- (h) **"Entity Insured"** means the organization, association, corporation, or entity named in the "Declaration Page(s)."
- (i) **"Expert Witness"** means a person who is qualified by education, training and/or experience, to provide evidence with respect to the practice of, or the standard of practice required by, the "Insured Profession" and to opine concerning whether the "Insured" has met or exceeded such standard, whether the "Insured" contravened or breached any statute, regulation or by-law governing the conduct of the "Insured Profession", or upon any other issue material to the "Covered Proceeding".
- (j) **"Insured(s)"** is the Named Insured shown in the "Declaration Page(s)" and means a natural person who is a member in good standing of the "Entity Insured" and who holds a valid "Certificate of Insurance".
- (k) **"Insured Profession"** or **"Insured Practice"** means the profession described in the "Declaration Page(s)", performed in accordance with the legislation regulating the practice of such profession.
- (l) **"Legal Consultation"** means the obtaining of legal advice by the "Insured" in relation to his or her legal obligation to release confidential information, documentary or otherwise, created, obtained, received and/or held by the "Insured" in connection with his or her "Insured Practice" and in his or her capacity as a member of the "Insured Profession".
- (m) **"Legal Expenses"** means:
- (1) fees, not to exceed \$250.00 per hour, charged by a lawyer qualified to practice in the jurisdiction in which the "Covered Proceeding" is instituted, in respect of time spent in defending a "Covered Proceeding", including fees charged for the services of articling students, paralegals, clerks and other professional staff working with and under the direction of such lawyer, but not including any overtime charges or charges in respect of any secretarial or other office support staff;
 - (2) all necessary disbursements incurred in defence of a "Covered Proceeding", including photocopying and binding charges, courier or messenger services, long distance telephone and telecopier charges, filing and postage charges, the cost of summonses, other than costs for retaining an "Expert Witness", amounts paid to process servers, charges for obtaining transcripts of evidence or reasons for decision in connection with the "Covered Proceeding", and necessary transportation, accommodation and meal charges incurred in connection with the "Covered Proceeding";
 - (3) Goods and Services Tax payable as required by law on the fees and disbursements in (1) and (2) above;
 - (4) legal costs including court costs awarded against the "Insured" in a "Covered Proceeding", excluding any fines or penalties or costs assessed against the "Insured" in connection with a "Covered Proceeding", except those costs which are specifically included within the definition of "Legal Expenses";
 - (5) any other expense not included in (1), (2), (3) or (4) except costs for "Legal Consultation" or costs for retaining any "Expert Witness" which, in the opinion of the lawyer retained by the "Insured" to defend a "Covered Proceeding", is necessary for such defense but only where specific approval has been sought from the Insurer, and provided in writing, in advance of such expense being incurred.
- (n) **"Policy Period"** means the period stated in the "Declaration Page(s)" or such lesser period in the event that this policy is cancelled.
- (o) **"Territorial Limits"** means Canada, including all provinces, Yukon, Northwest Territories and Nunavut.

5. Exclusions

The coverage provided for in Section 1, Insuring Agreement, shall not include:

- (a) "Legal Expenses" in respect of a "Claim" instituted against or notified to the "Insured", or amounts incurred for "Legal Consultation" or for any "Expert Witness" arising out of a demand or request received by the "Insured", prior to the inception of the "Certificate Period", or arising from any matter, circumstance or situation known to the "Insured" prior to inception of the "Certificate Period".
- (b) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" in relation to, or arising out of, any intentional or deliberate violation or contravention by the "Insured" of any statute, regulation, order or by-law in force in the "Territorial Limits" or anywhere else in the world;
- (c) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" incurred to defend "Covered Proceedings" instituted, commenced, brought or transferred outside the "Territorial Limits";
- (d) any "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" incurred without the consent by the Insurer having been provided in accordance with Section 6 of this form;
- (e) "Legal Expenses" incurred to defend a "Covered Proceeding", costs of "Legal Consultation", or costs for any "Expert Witness" arising from any actual or alleged dishonesty, fraud or malicious conduct on the part of the "Insured", provided however, that if the "Insured" is found by the trier of fact in the "Covered Proceeding" not to have acted in a dishonest, fraudulent or malicious manner, the "Insurer" will reimburse the "Insured" in accordance with all terms and conditions of this form within a reasonable time after such "Covered Proceeding" and any appeal therefrom relating to such findings have been concluded;

- (f) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" incurred to appeal or seek review of a decision rendered at first instance in a "Covered Proceeding", unless the Insurer specifically agrees in writing that such appeal or review should be taken;
- (g) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" covered by any other valid policy of insurance covering and available to the "Insured" in respect of the defence of a "Covered Proceeding" or for purposes of obtaining "Legal Consultation" or for retaining any "Expert Witness".

6. Conditions

1. Notice

- (a) In the event of a "Claim" being received by the "Insured" during the "Certificate Period", the "Insured" shall, as soon as practicable and in any event within 30 days of receiving such "Claim" or notice thereof, provide notice in writing to the Insurer of such "Claim", together with a copy of the "Claim" or any other document in relation thereto, sufficient to apprise the Insurer of the nature of the "Claim" and to enable a determination to be made by the Insurer as to whether coverage is provided under this policy and, if so, to consent to "Legal Expenses", or costs for retaining an "Expert Witness" being incurred.
- (b) In the event that during the "Certificate Period" the "Insured" receives a demand or request to release confidential information and reasonably feels that he or she requires "Legal Consultation" in connection with such demand or request, the "Insured" shall, as soon as practicable and in any event within 30 days of receipt of such demand or request, provide notice thereof in writing to the Insurer, together with a copy of any written demand or request, which notice shall be in a form sufficient to apprise the Insurer of the nature of the demand or request and to enable the "Insurer" to make a determination as to whether coverage is provided under this form and, if so, to consent to costs of such "Legal Consultation".
- (c) Within a reasonable time after receipt of notice from the "Insured" under Sections 1(a) and 1(b) hereof, if the Insurer accepts coverage under this form for "Legal Expenses", "Legal Consultation" or for retaining any "Expert Witness", the Insurer shall provide its written consent to the "Insured" incurring "Legal Expenses", costs of "Legal Consultation" or costs of retaining any "Expert Witness" subject to all terms and conditions of this form.
- (d) If notice as required by this Section is not provided by the "Insured" to the Insurer, or if the Insurer determines that there is no coverage under this form for the "Claim", request or demand, the Insurer will so advise the "Insured", within a reasonable time after such notice, in writing, and no coverage will be provided under this form in respect of such "Claim", demand or request. Failure of the "Insured" to comply with the notice requirements of this Section in respect of any "Claim", demand or request shall not invalidate the "Insured's" right to seek reimbursement in respect of any other "Claim", demand or request received during the "Certificate Period" and notified to the Insurer as required by this Section.

2. Conduct of "Covered Proceedings" and "Legal Consultation"

- (a) The "Insured" shall have the right to select the lawyer by whom the "Legal Expenses" will be incurred or who will provide "Legal Consultation" or will arrange for the retention of any "Expert Witness" as contemplated by this form. The "Insured" shall advise the Insurer of the identity of such lawyer, his or her address, and any other information concerning such lawyer which is reasonably requested by the Insurer.
- (b) The lawyer referred to in 2 (a) above shall report jointly to the "Insured" and the Insurer, as required, with respect to the status of the "Covered Proceeding" in order to apprise the Insurer of such information as it reasonably requires to monitor the "Covered Proceeding" and "Legal Expenses" being incurred in connection therewith. The lawyer providing "Legal Consultation" or arranging for the retention of any "Expert Witness" shall confirm to the Insurer in writing the nature of the demand or request concerning which the "Legal Consultation" or retention of any "Expert Witness" was made necessary.
- (c) Accounts rendered by the lawyers referred to in 2 (a) and 2 (b) above shall identify in respect of each attendance: the nature of the work performed, the person performing the service, the date upon which the service was performed, the time spent and the hourly rate of each person performing services as contained in the account. Accounts shall also contain details as to disbursements incurred and copies of receipts. Accounts shall be rendered to, and paid at first instance by, the "Insured" who shall, subject to all other terms and conditions of this form and to proof of payment, be entitled to reimbursement from the Insurer in respect thereof.
- (d) The "Insured" shall take all reasonable steps to minimize the "Legal Expenses" being incurred and/or the cost of "Legal Consultation", and/or the costs of retaining any "Expert Witness" consistent with maintaining the "Insured's" status in the "Insured Profession" and the "Insured's" right to engage in his or her "Insured Practice".

3. Coverage Territory

The coverage provided by this form applies to amounts incurred for "Legal Expenses", costs of "Legal Consultation" or costs for retaining any "Expert Witness" only in relation to the defense of "Covered Proceedings" within the "Territorial Limits".

4. Changes

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

5. Other Insurance

In the event that the "Insured" is entitled to reimbursement for "Legal Expenses", for the cost of "Legal Consultation", or for the costs of retaining any "Expert Witness", or is entitled to be afforded a defence under any other valid insurance policy or policies, the coverage provided by this form shall be excess of and will not contribute, in any manner whatsoever, to such other valid and collectable insurance.

6. Termination

This policy may be terminated:

- (1) By the Insurer giving to the "Insured":
 - (i) 30 days' written notice of termination by registered mail;
 - (ii) 5 days' written notice of termination personally delivered;
 - (iii) 15 days' written notice of termination by registered mail when cancelling for non-payment of premium;
- (2) By the "Insured" at any time on request.

7. Notice of Loss

The "Insured", upon knowledge of loss, shall give immediate notice thereof to the Insurer or to the authorized representative through whom the policy was issued and shall also give immediate notice of any loss due to violation of law to the public police or other peace authorities having jurisdiction.

8. Subrogation

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

9. Assignment

Assignment of interest under this form shall not bind the Insurer until its consent is endorsed hereon; if, however, the Named Insured shall die or be adjudged bankrupt or insolvent within the "certificate period", this form, unless cancelled, shall, if written notice be given to the Insurer within sixty days after the date of such death or adjudication, cover the "Insured's" legal representative as the "Insured".

10. Action against "Insurer"

No suit shall be brought under this form until ninety days after proof of loss as required herein has been furnished nor at all unless commenced within two years from the date upon which the loss was discovered by the "Insured".

11. Representation

By accepting this insurance, the "Insured" agrees:

The statements on the "Declaration Page(s)" are accurate and complete;

- (a) Those statements are based upon representations the Named Insured made to the Insurer in the application(s) for this insurance; and
- (b) The Insurer has issued this insurance in reliance upon the Named Insured's representations.

12. Currency

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