

## Important Changes to Your Property Coverage

Hello,

Thank you for choosing Intact Insurance to protect what matters to you and your business. Your policy includes one or both of our property products listed below:

- Building and/or Contents – Broad Form: this is your foundational property coverage, insuring your building and/or other contents such as office contents, equipment and stock.
- *EDGE Complete*: this product extends your building and contents coverage to offer you additional protection.

Each of these products provide coverage if your building and/or contents are damaged by a specific incident or peril. As part of our regular review, we have updated when and how much coverage will apply in some circumstances.

- Modifications to the definitions, intention and exclusions have changed when certain coverages will apply. These changes will either broaden or limit when and how coverage applies.
- Additionally, for some coverage extensions, the amount of coverage in the event of a claim has changed – some have increased, while others have decreased.

Please review the following pages of this letter for a more detailed list of changes and refer to your insurance policy which provides the full details of your coverage, including a full list of conditions and exclusions.

As there are both enhancements and reductions, we encourage you to discuss the impact of these changes with your broker to ensure you have the coverage and limits you need for your business.

Sincerely,  
The Novex Insurance Team

# NOTICE TO INSURED – Detailed summary of important changes to your property coverage

## Building and/or Contents – Broad Form

- The updated Building and/or Contents – Broad Form further highlights that coverage is provided for “direct physical loss” and “direct physical damage” caused by an insured peril.
- The Indemnity Agreement under the updated form confirms that the amount paid applies to any one occurrence.
- *Growing plants, trees, shrubs, or flowers* extension has been updated to highlight that coverage applies only while on your premises.

### Coverage Enhancements:

- The service interruption portion of the Atmospheric, Temperature Change, Service Interruption or other Damage exclusion, now at paragraph 2.5.2., is subject to new exceptions including:
  - Total or partial interruption of services which originate at the premises caused directly by an insured peril to insured property while located on the premises.
  - Loss or damage caused directly by a resultant insured peril not otherwise excluded under the form.

### Reductions in Coverage:

- As a result of changes made to exclusion 2.5. Atmospheric, Temperature Change, Service Interruption or other Damage:
  - Under the atmospheric, temperature change or other damage portion, now paragraph 2.5.1.:
    - The exception for loss or damage caused directly by Named Perils now only applies to building or equipment.
    - The exception for rupture of pipes no longer applies if such pipes are excluded under the Pressure Vessels and Boilers exclusion.
  - Under the service interruption portion of the exclusion, now paragraph 2.5.2.:
    - The exclusion for total or partial interruption to the supply of services now also excludes suspension, failure, and fluctuation of supply. Such failure or fluctuation includes surges of power, lack of sufficient capacity and reduction in supply.
    - The exclusion's application to supply of electricity, water, gas or steam now extends to all utility services, including communication services as defined.
    - The exclusion applies whether or not there are one or more other causes or events that contribute to the loss or damage.
    - The following exceptions no longer apply:
      - Named Perils.
      - Rupture of pipes.
      - Breakage of apparatus not excluded under the Pressure Vessels and Boilers exclusion.
      - Theft or attempted theft.
      - An accident to a transporting conveyance provided the coverage is afforded by endorsement.
      - Damage to pipes caused directly by freezing.
- The definition of *Named Perils* has been updated to restrict coverage in specified circumstances for certain perils:
  - *Explosion* of certain parts or portions of boilers, smelt dissolving tanks, other vessels, apparatus and pipes under pressure, moving or rotating machinery, and gas turbines, owned, operated or controlled by the Insured are not covered except with respect to the explosion of natural, coal or manufactured gas. Explosion does not include electric arcing, rupture of electrical equipment due to arcing, bursting or rupture caused by hydrostatic pressure or freezing or bursting or rupture of any safety disc, diaphragm or fusible plug.
  - *Impact by Aircraft, Spacecraft or Land Vehicle* no longer includes impact of articles dropped from land vehicles. Impact by *Aircraft, Spacecraft or Land Vehicle* coverage does not apply to land vehicles belonging to or under the control of the Insured or an employee of the Insured, aircraft or spacecraft being taxied or moved inside or outside of a building or to loss or damage to aircraft, spacecraft or land vehicles causing the loss.
  - *Riot, Vandalism or Malicious Acts* does not cover loss or damage due to cessation of work, by interruption to process or business operations, by change in temperature or due to flood or release of water impounded by a dam or any explosion other than an explosion in respect of which there is insurance under that named peril.
  - *Smoke* coverage is now limited to smoke due to a sudden, unusual and faulty operation of a stationary furnace. Cumulative damage is excluded.
  - *Windstorm or Hail* does not cover loss or damage to the interior of the building or to contents, unless damage occurs concurrently with and results from an aperture caused by windstorm or hail. Windstorm or Hail does not cover loss or damage directly or indirectly caused by snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence or landslide.

- As a result of such changes to the definition of *Named Perils*, application of the *Growing plants, trees, shrubs or flowers* extension is similarly restricted, as is application of the Named Perils exceptions under the following exclusions:
  - Sewers, Drains, Watermains* exclusion.
  - Animals, Fish or Birds* exclusion.
  - Furs and Jewellery* exclusion.
  - The atmospheric, temperature change and other damage portion of the *Atmospheric, Temperature Change, Service Interruption or other Damage* exclusion now at paragraph 2.5.1.

If you also receive a French version of the BF02N/034.0 – Building and/or Contents – Broad Form, other than the modifications mentioned in this letter, we have also updated the French form to address certain unintentional inaccuracies in translation. Please refer to your French notice for those additional updates.

#### EDGE Complete (If your policy also has this extension package)

- Consistent with other changes made to some of your property policy forms, the updated **Edge** Complete further highlights that coverage is provided for “direct physical loss” and “direct physical damage” caused by an insured peril.
- The updated Betterments and Improvements section of the *Condominiums – unit owners’ additional coverages* extension has been modified by adjusting an unintentional bolding of the word building.

#### Coverage Enhancements:

- Your limits of insurance have increased for the following coverages extensions:

	New limit by <b>EDGE Complete</b> level		
	1.0	2.0	3.0
Bailee's customer	\$5,000	\$15,000	\$30,000
Breakdown of refrigeration or heating equipment on vehicle)	\$10,000	(no change)	(no change)
Condominiums – property in custody	\$5,000 / owner \$75,000 max	\$7,500 / owner \$75,000 max	\$7,500 / owner \$75,000 max
Confiscation or seizure of property	\$5,000	\$10,000	\$25,000
Money and securities	\$2,500	\$2,500	\$5,000
New generation (now referred to as “Equipment Upgrade”)	\$10,000	(no change)	(no change)
Precious metals	\$5,000	(no change)	(no change)
System software erasure	\$7,500	\$15,000	\$30,000
Warehouseman's legal liability	\$25,000	(no change)	(no change)

- Under the *Consequential Loss – Off-Premises Service Interruption* extension:
  - Coverage may now be triggered by loss or damage to any off-premises property that generates or supplies the covered services and is no longer limited to public utility generating plants, switching stations, substations, transformers and pumping stations.
  - In addition to electricity, water, gas and steam, coverage under the extension now also applies to communication services, as defined under your property policy forms, supplied to the premises.
  - The requirement that the damaged apparatus be within a specified distance from the location specified on the Declaration Page(s) has been removed.

#### Reductions in Coverage:

- Professional fees* will only be covered if prior written approval is received by Intact. Fees relating to the preparation of a proof of loss or inventory as well as fees for lawyers, loss appraisers, loss consultants and employees are now excluded from coverage.
- Now, under the *Valuable papers and records, computer data* extension, coverage does not apply when loss or damage is caused by a computer virus, harmful code, or similar instructions introduced into or enacted on a computer system, as defined, equipment or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

- *Building by-laws* coverage is not applicable:
  - To any part of the building subject to the by-laws, regulation or ordinance, but which the Insured elects not to repair, replace or reconstruct.
  - To any part of the building not subject to the by-laws, regulation or ordinance, but which the Insured elects to repair, replace or reconstruct.
  - If the Insured elects not to repair, replace or reconstruct the building at all.
- *Catch-all clause* no longer applies to the following coverage extensions: *Consequential Loss – Off-Premises Service Interruption, Money and Securities and Office Contents*.
- Under the *Consequential Loss – Off-Premises Service Interruption* extension:
  - Coverage is now also excluded for loss or damage directly or indirectly arising from loss or reduction of electricity, water, gas, steam or any communication service due to lack of sufficient capacity or from an intentional reduction in the supply of electricity, water, gas, steam or any communication service.
  - The limits have been reduced as follows:
 

1.0: no limit change	2.0: \$50,000	3.0: \$50,000
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- *Debris removal* now excludes coverage for owned plants, trees, shrubs, lawns or flowers (note: some coverage is provided in the *Growing plants, trees, shrubs, lawns or flowers* extension with reduced limits).
- *Equipment upgrade* (previously “New generation”) coverage no longer applies to obsolete equipment.
- *Growing plants, trees, shrubs, lawns or flowers* has been updated as follows:
  - The new form highlights that coverage only applies while on your premises.
  - The extension now only applies to plants, trees, shrubs, lawns or flowers owned by the Insured or in the Insured’s custody and for which the Insured is legally liable.
- *Property in transit* is only covered within Canada and the United States of America.
- Fittings, fixtures, machinery, or tools are no longer covered under the *Office contents* extension (previously “Office business contents”).
- Under *Warehouseman’s legal liability*, it is confirmed that the Insurer has the right and duty to defend the Insured against any action seeking damages to which the extension applies. The Insurer’s right and duty to defend end when the amount of insurance specified for the extension has been used up in the payment of judgments or settlements.

## PROPERTY COVERAGE

# BUILDING AND/OR CONTENTS – BROAD FORM

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Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS Section.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

## INDEMNITY AGREEMENT

1. 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 physical loss or direct physical damage so caused to an amount not exceeding whichever is the least of:
  - 1.1. the value of the lost or damaged property as determined in SPECIAL PROVISIONS - Item 5. Basis of Valuation, or if the Declaration Page(s) specifies that this policy is endorsed with a Form that contains a Replacement Cost clause applicable to this Form, by the valuation determined in the replacement cost clause;
  - 1.2. the interest of the Insured in the property; or
  - 1.3. the amount of insurance specified on the Declaration Page(s) for the lost or damaged property;in any one occurrence.

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 Declaration Page(s), and only while at the **premises**:

**Building**

**Equipment**

**Stock**

**Contents**

**Property of Every Description**

### 3. INSURED PERILS

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

## EXCLUSIONS

### 1. EXCLUDED PROPERTY

**This Form does not insure loss of or damage to:**

- 1.1. Sewers, Drains, Watermains  
sewers, drains or **watermains** located beyond the Insured's property lines at the location(s) described in the Declaration Page(s). This exclusion does not apply to loss or damage caused directly by **Named Perils**;  
Sewers drains or **watermains** located within the property lines described above shall only be covered if the Insured owns or is legally liable for loss or damage to such property;
- 1.2. Vacancy  
property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;  
**With regards to Condominium vacancy, refer to Item 8. Special Provisions applicable to Condominiums of the SPECIAL PROVISIONS;**
- 1.3. Electrical Devices, Appliances or Wiring  
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;
- 1.4. Growing Plants, Trees, Shrubs or Flowers  
growing plants, trees, shrubs or flowers, all while outside the **building**, except as provided in Extension of Coverage 5. Growing Plants, Trees, Shrubs or Flowers Outside the Building;
- 1.5. Animals, Fish or Birds  
animals, fish or birds. This exclusion does not apply to loss or damage caused directly by **Named Perils** or by theft or attempted theft;
- 1.6. Money, Precious Metals and Securities  
money, digital currency, **cash cards**, bullion, platinum, precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;
- 1.7. Automobiles, Watercraft and Aircraft  
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:**
  - 1.7.1. watercraft or amphibious or air cushion vehicles held for sale;
  - 1.7.2. unmanned air vehicles held for sale, while not airborne;
  - 1.7.3. unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the **premises**;
- 1.8. Furs and Jewellery  
furs, fur garments, jewels, jewellery and precious stones;  
**This exclusion does not apply to:**
  - 1.8.1. loss or damage caused directly by **Named Perils**; or
  - 1.8.2. the first \$5,000 of any loss otherwise insured;
- 1.9. Property Covered under Marine Insurance  
Property that is insured under the terms of any marine insurance;

- 1.10. Property Loaned, Rented or Leased  
property from the time of leaving the Insured's custody, if it is:
  - 1.10.1. loaned, rented or leased to others; or
  - 1.10.2. sold by the Insured under conditional sale or instalment payment or other deferred payment plan;
 This exclusion (1.10.) 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;
- 1.11. Property Illegally Acquired  
property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- 1.12. Pressure Vessels and Boilers
  - 1.12.1. any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - 1.12.2. 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 (1.12.) does not apply to:**
  - 1.12.3. manually portable gas cylinders;
  - 1.12.4. explosion of natural, coal or manufactured gas;
  - 1.12.5. explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;

## 2. EXCLUDED PERILS

**This Form does not insure against increased costs, and loss or damage caused directly or indirectly:**

- 2.1. Earthquake  
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**;  
This exclusion does not apply to property in transit, provided such coverage is afforded by endorsement attached to this Form;
- 2.2. Flood  
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 or **leakage from fire protective equipment**;  
This exclusion does not apply to property in transit, provided such coverage is afforded by endorsement attached to this Form, or to loss or damage caused directly by leakage from a **watermain**;
- 2.3. Other Water Damage
  - 2.3.1. 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 an insured peril not otherwise excluded in this Form;
  - 2.3.2. by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by an insured peril not otherwise excluded in this Form;
  - 2.3.3. 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 an insured peril not otherwise excluded in this Form;
- 2.4. Centrifugal Force, Breakdown  
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;
- 2.5. Atmospheric, Temperature Change, Service Interruption or other Damage
  - 2.5.1. by any of the following:
    - 2.5.1.1. by dampness or dryness of atmosphere;
    - 2.5.1.2. by changes in or extremes of temperature, heating or freezing;
    - 2.5.1.3. by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
    - 2.5.1.4. by contamination;
    - 2.5.1.5. by marring, scratching or crushing.**This exclusion (2.5.1.) does not apply to loss or damage caused directly:**
    - 2.5.1.6. to **building or equipment** by **Named Perils**;
    - 2.5.1.7. by theft or attempted theft;
    - 2.5.1.8. by rupture of pipes or breakage of apparatus not excluded under paragraph 1.12. of this Form;
    - 2.5.1.9. by an accident to a transporting conveyance provided such coverage is afforded by endorsement attached to this Form;
    - 2.5.1.10. to pipes by freezing unless such pipes are excluded in paragraph 1.12. of this Form;
  - 2.5.2. by the total or partial interruption, suspension, failure or fluctuation of the supply of power (including electricity, gas or steam), water, **communication service** or other utility service, however caused. Failure or fluctuation of any utility service includes surges of power, lack of sufficient capacity and reduction in supply.  
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.  
**This exclusion (2.5.2.) does not apply to:**
    - 2.5.2.1. the total or partial interruption, suspension, failure or fluctuation of such services which originates at the **premises**, but only if such interruption, suspension, failure or fluctuation is a direct result of direct physical loss of or direct physical damage to insured property, while located on the **premises**, caused by an insured peril;
    - 2.5.2.2. loss or damage caused directly by a resultant insured peril not otherwise excluded in this Form;
- 2.6. Rodents, Insects or Vermin  
by rodents, insects or vermin. This exclusion does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;
- 2.7. Delay  
by delay, loss of market, or loss of use or occupancy;



2.8. War

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;

2.9. Nuclear

2.9.1. by any nuclear incident (as defined in the *Nuclear Liability and Compensation Act*, 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;

2.9.2. by contamination by radioactive material;

2.10. Dishonest or Criminal Act

2.10.1. by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others (except bailees for hire);

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

2.10.3. by any dishonest or criminal act committed by anyone, except as stated in 2.10.2., 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;

2.11. Snowslide or Landslide

by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit (provided such coverage is afforded by endorsement attached to the present Form), or to loss or damage caused directly by resultant fire, explosion, smoke or **leakage from fire protective equipment**;

2.12. Loss or Damage caused by Pressure Vessels, Boilers

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:

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

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

2.12.3. 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;

2.12.4. moving or rotating machinery or its parts;

2.12.5. 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;

2.12.6. gas turbines;

This exclusion (2.12.) does not apply to loss or damage caused by resultant fire;

2.13. Settling, Expansion, Shifting or Cracking

by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by an insured peril not otherwise excluded in this Form;

2.14. By-Laws

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;

2.15. Pollution

2.15.1. 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:**

2.15.1.1. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** is directly caused by an insured peril not otherwise excluded in this Form; or

2.15.1.2. to loss or damage caused directly by a resultant insured peril not otherwise excluded in this Form;

2.15.2. 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**;

2.16. Data Exclusion:

2.16.1. This Form does not insure **data**;

2.16.2. This Form does not insure loss or damage caused directly or indirectly by a **data problem**;

Paragraph 2.16.2. 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;

2.17. Terrorism

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;

2.18. Fungi and Spores

This Form does not insure:

2.18.1. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any **fungi** or **spores**, unless such **fungi** or **spores** are directly caused by an insured peril not otherwise excluded by this Form;

2.18.2. the cost or expense for any testing, monitoring, evaluating or assessing of **fungi** or **spores**;

2.19. Wear and Tear, Defects

2.19.1. by wear and tear;

2.19.2. by rust or corrosion;

2.19.3. by gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

This exclusion (2.19.) does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;

2.20. Faulty or Improper Material, Workmanship, Design

the cost of making good:

2.20.1. faulty or improper material;

2.20.2. faulty or improper workmanship;

2.20.3. faulty or improper design;

This exclusion (2.20.) does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;

2.21. Disappearance

2.21.1. by mysterious disappearance;

2.21.2. by shortage of **equipment** or **stock** disclosed on taking inventory.

## EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amounts of insurance applying under this Form and, except as otherwise provided below, are subject to all terms, conditions, limitations and exclusions of this Form.

### 1. REMOVAL

If any of the insured property is necessarily removed from the **premises** to prevent direct physical loss of or direct physical 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 insured property in them all.

### 2. DEBRIS REMOVAL

2.1. 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 or damage to such property, for which loss or damage insurance is afforded under this Form.

2.2. 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 2.1. and 2.2. do not apply to costs or expenses:**

2.3. to **clean up pollutants** from land or water; or

2.4. 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 item 5. Basis of Valuation, for the purpose of applying co-insurance.

### 3. 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:

3.1. 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;

3.2. shall apply only to direct physical loss of or direct physical damage to the property caused by an insured peril and occurring at the **premises** or at a newly acquired location by the Insured.

### 4. BUILDING DAMAGE BY THEFT

This Form is extended to insure direct physical damage (except by fire) to that part of a **building** occupied by the Insured 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**, the Insured is legally liable for such damage and the **building** is not otherwise insured under this Form.

This Extension of coverage shall be limited to a maximum recovery of \$2,500 for any one occurrence.

### 5. GROWING PLANTS, TREES, SHRUBS OR FLOWERS OUTSIDE THE BUILDING

This Form is extended to insure direct physical loss of or direct physical damage to growing plants, trees, shrubs or flowers outside the **building** at the **premises** caused by **Named Perils** (with the exception of windstorm or hail), or from theft or attempted theft.

This Extension of coverage shall be limited to a maximum recovery, including debris removal expense, of \$500 for each growing plant, tree, shrub or flower.

### 6. NEWLY ACQUIRED LOCATION

Subject to a limit of \$250,000 on **buildings** and \$100,000 on **contents**, this insurance is extended to cover direct physical loss of or direct physical damage to property at any newly acquired location in Canada or the continental United States of America that is owned, rented or controlled by the Insured and occupied by the Insured for the purposes stated in the Declaration Page(s), provided such loss or damage is caused by an insured peril.

This coverage attaches at the time of the acquisition and extends for a period of 30 days, or to the date of endorsement of this Form adding such location, or until the expiry date of this policy, whichever occurs first.

## SPECIAL PROVISIONS

### 1. 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 in the Declaration Page(s) 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.

### 2. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified in the Declaration Page(s) and only where the amount of loss or damage exceeds \$50,000.

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 defined under Item 5. Basis of Valuation of the SPECIAL PROVISIONS by the co-insurance percentage specified on the Declaration Page(s). 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.

Value of the Property: For the purpose of applying this paragraph 2. Co-insurance, the value of the property is determined by Item 5. Basis of Valuation of the SPECIAL PROVISIONS. However, if the Declaration Page(s) specifies that this policy is endorsed with a Form that contains a Replacement Cost clause applicable to this Form, then for the purpose of applying this paragraph 2. Co-insurance, the Replacement Cost clause will establish the value of the property to which the Replacement Cost Clause applies, and Item 5. Basis of Valuation, will be of no force or effect with respect to that valuation.

### 3. PROPERTY PROTECTION SYSTEMS

It is a condition of this insurance 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:

- 3.1. sprinkler or other fire extinguishing system; or
- 3.2. fire detection system; or
- 3.3. 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 police service in response to any of these systems.

### 4. PREMIUM ADJUSTMENT

This clause is applicable if a specific amount of insurance is shown on the Declaration Page(s) for **stock**.

If, within six (6) 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.

### 5. BASIS OF VALUATION

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

- 5.1. **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;
- 5.2. **sold stock:** the selling price after allowance for discounts;
- 5.3. 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;
- 5.4. tenant's improvements:
  - 5.4.1. 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;
  - 5.4.2. 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;
- 5.5. business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):
  - 5.5.1. the cost of blank materials for reproducing the records; and
  - 5.5.2. the costs of labour to transcribe or copy the records when there is a duplicate;
- 5.6. 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.

### 6. LIBERALISATION CLAUSE

If, during the policy period, the Insurer introduces any broadening of the coverage for this Form or its replacement, for which no additional premium is charged, then the broadened coverage shall apply to the benefit of the Insured from the introduction date of the broadened coverage.

### 7. INFLATION PROTECTION

- 7.1. The amount of insurance shown in the Declaration Page(s) for the Buildings and/or Contents will automatically be increased as determined by the Insurer, based on available inflation data.
- 7.2. On renewal or anniversary date, the amounts of insurance will be automatically increased accordingly and the premium adjusted.

### 8. SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUMS

- 8.1. **Property Insured**  
This Form insures the **buildings** and **contents** as described in the Declaration Page(s).

- 8.2. **Additional Exclusions**

**This Form does not insure loss or damage to:**

- 8.2.1. **buildings** or **contents**, if all **units**, are to the knowledge of the **Condominium Corporation** vacant or unoccupied for more than 30 consecutive days;
- 8.2.2. property belonging to the owners of individual **units**;
- 8.2.3. improvements and betterments to individual **units** made or acquired by the owners of such **units**;

- 8.3. **Loss Adjustment**

**Applicable to Québec policies**

Loss adjustment (in accordance with the terms of article 1075 of the Civil Code of Quebec)

The indemnity owing to the syndicate following a substantial loss is, notwithstanding article 2494, paid to the trustee appointed in the constituting act of co-ownership or, where none has been appointed, designated by the syndicate.

**Applicable to policies for provinces and territories other than Québec**

The **Condominium Corporation** has the exclusive right to adjust any loss with the Insurer, and the owner of a damaged **unit** is bound by such adjustment, provided, however, that the said **Condominium Corporation**, may in writing authorize an owner to adjust any loss to his **unit** with the Insurer.

# DEFINITIONS

Wherever used in this Form:

**1. BUILDING** means:

- 1.1. the building(s) described in the Declaration Page(s) and includes:
  - 1.1.1. fixed structures pertaining to the **building(s)** and located on the **premises**. Such structures include, but are not limited to, antennae and their wiring, fencing, signs, lighting, wind turbines, solar panels and satellite dishes;
  - 1.1.2. additions and extensions communicating and in contact with the **building(s)**;
  - 1.1.3. permanent fittings and fixtures attached to and forming part of the **building(s)**;
  - 1.1.4. materials, equipment and supplies on the **premises** for maintenance of, and normal repairs and minor alterations to the **building(s)** or for building services;
  - 1.1.5. trees, shrubs and growing plants or flowers inside the **building(s)** used for decorative purposes;
  - 1.1.6. at the option of the Insured, and only for a **building** occupied as rented private residences:
    - 1.1.6.1. landlord's permanent fittings and fixtures, excluding furniture and furnishings in furnished suites or apartments;
    - 1.1.6.2. cooking, cooling, dishwashing, heating and refrigerating apparatus in suites and apartments;
    - 1.1.6.3. electrical and lighting fixtures;
    - 1.1.6.4. awnings, blinds, screen doors, screens and shutters.
- 1.2. With regards to condominiums, those parts of the common property or common elements and the units as defined in the provincial or territorial legislation or in the registered documents of the **Condominium Corporation**.

**2. 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.

**3. 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.

**4. COMMUNICATION SERVICE** means any service provided for the purpose of transmission of information, including voice, video or data. Such services include telephone, radio, microwave, television, cable, Internet service and any electronic, cellular or satellite network services.

**5. CONDOMINIUM CORPORATION** means a Corporation constituted under provincial legislation or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a syndicate in Quebec.

**6. CONTENTS** means **equipment** and **stock**.

**7. DATA** means representations of information or concepts, in any form.

**8. DATA PROBLEM** means:

- 8.1. erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
- 8.2. error in creating, amending, entering, deleting or using **data**; or
- 8.3. inability to receive, transmit or use **data**.

**9. EQUIPMENT** means:

- 9.1. generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, signs and appliances, other than **building** or **stock**;
- 9.2. similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;
- 9.3. tenant's improvements, which are defined as **building** improvements, alterations and betterments made at the expense of the Insured to a building occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such **building**. If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured;
- 9.4. glass or other equipment for which the Insured has assumed responsibility in a contract for a lease of premises.

**10. 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:

- 10.1. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- 10.2. any **watermains** or appurtenances located outside of the **premises** and forming a part of the public water distribution system;
- 10.3. any pond or reservoir in which the water is impounded by a dam.

**11. 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.

**12. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT** means:

- 12.1. the leakage or discharge of water or other substances from;
- 12.2. the collapse of; or
- 12.3. the rupture due to freezing of;

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

**13. MALICIOUS ACTS** means all acts of a malicious nature, except theft or attempted theft.

**14. NAMED PERILS** means the following perils, provided such perils are not otherwise excluded in EXCLUSIONS – Item 2. (Excluded Perils) of this Form:

- 14.1. Fire or lightning.
- 14.2. 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:
  - 14.2.1.
    - 14.2.1.1. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
    - 14.2.1.2. piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
    - 14.2.1.3. the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
    - 14.2.1.4. smelt dissolving tanks;

- 14.2.2. 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;
- 14.2.3. moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- 14.2.4. 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;
- 14.2.5. gas turbines;
- The following are not explosions within the intent or meaning of this section:
- 14.2.6. electric arcing or any coincident rupture of electrical equipment due to such arcing;
- 14.2.7. bursting or rupture caused by hydrostatic pressure or freezing;
- 14.2.8. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- 14.3. 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:
- 14.3.1. caused by land vehicles belonging to or under the control of the Insured or of any employee of the Insured;
- 14.3.2. to aircraft, spacecraft or land vehicles causing the loss;
- 14.3.3. caused by any aircraft or spacecraft when being taxed or moved inside or outside of a **building**.
- 14.4. 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:
- 14.4.1. due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- 14.4.2. 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 paragraph 14.2.;
- 14.4.3. due to theft or attempted theft.
- 14.5. 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.
- 14.6. **Leakage from fire protective equipment.**
- 14.7. Windstorm or Hail: There shall in no event be any liability for loss or damage:
- 14.7.1. to the interior of the **building** or to **contents** unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
- 14.7.2. directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
15. **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.
16. **PREMISES** means:
- 16.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:
- 16.1.1. areas under adjoining sidewalks and driveways;
- 16.1.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 16.1.;
- 16.2. in the open within 305 metres (1000 feet) of such property lines described in 16.1.
17. **PROPERTY OF EVERY DESCRIPTION** means **building, equipment** and **stock**.
18. **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**.
19. **STOCK** means:
- 19.1. merchandise of every description usual to the Insured's business;
- 19.2. packing, wrapping and advertising materials;
- 19.3. similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable.
20. **SURFACE WATER** means water or natural precipitation temporarily diffused over the surface of the ground.
21. **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.
22. **UNIT** means the unit as defined in the declaration, description or bylaws of the **Condominium Corporation** or provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a strata lot in British Columbia and to a private portion in Quebec.
23. **WATERMAIN** means piping of a public potable water distribution system exclusively.

## EDGE COMPLETE 1.0

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# SUMMARY OF COVERAGES

## SECTION 1

SECTION 1 – BLANKET EXTENSIONS		
Item	Extensions of Coverage	Total Combined Amount of Insurance per occurrence
1.	Accounts Receivable	\$250,000
2.	Brands and Labels	
3.	Building Damage by Theft	
4.	Environmental (Green) Upgrade	
5.	Expediting Expenses	
6.	Fire or Police Department Service Charges	
7.	Fire Suppression Recharge Expense	
8.	Personal Property of Officers, Employees and Volunteers	
9.	Professional Fees	
10.	Proof of Loss and Inventory Preparation Expense	
11.	Replacement of Locks and Keys	
12.	Tenant Leasehold Interest – Rents	
13.	Valuable Papers and Records, Computer Data	

## SECTION 2

SECTION 2 – BLANKET EXTENSIONS		
Items	Extensions of Coverage	Total Combined Amount of Insurance per occurrence
14.	Accrued Storage Charges	\$50,000
15.	Arson and Theft Reward (sub-limited)	
16.	Contents at Insured's Residence or Insured's Employee's Residence	
17.	Contents at Other than Specified Locations	
18.	Contents Temporarily Away from the Location(s)	
19.	Deferred Payment Plan Stock	
20.	Exhibition Floater	
21.	Fine Arts	
22.	Fines, Damages or Penalties for Breach of Contract	
23.	Installation Floater	
24.	Mobile Inventory Management Equipment	
25.	Mortgage Rate Guarantee	
26.	Moulds and Patterns	
27.	Property in Custody of Sales Representatives	



## SECTION 3

SECTION 3 – INDIVIDUAL EXTENSIONS		
Item	Extension of Coverage	Amount of Insurance per occurrence (unless otherwise stated)
28.	Bailee's Customer	\$5,000
29.	Breakdown of Refrigeration or Heating Equipment on Vehicle	\$10,000
30.	Building By-laws	
30.1.	Value of Undamaged Portion	Included
30.2.	Cost of Demolition	Included
30.3.	Increased Cost of Construction	Included + 10% / \$1,000,000
31.	Catch all Clause	\$25,000
32.	Computer Systems	\$25,000
	Computer Media	\$25,000
	Computer Data	\$25,000
33.	Condominiums – Common Elements Contents or Common Area Contents	\$50,000
34.	Condominiums – Common Expense	Included
35.	Condominiums – Trustees Fees	2% / \$50,000
36.	Condominiums – Property in Custody	\$5,000 per unit owner/ \$75,000 per occurrence
37.	Condominiums – Unit Owners' Additional Coverages	
37.1.	Contingent Condominium Unit Coverage	\$125,000
37.2.	Special Loss Assessment	\$125,000
37.3.	Betterments and Improvements	\$50,000
38.	Confiscation or Seizure of Property	\$5,000
39.	Consequential Loss – Off-Premises Service Interruption	\$50,000
40.	Consequential Loss – On Premises	Included
41.	Construction of Additions, Extensions, Alterations and Repairs	\$100,000
42.	Crane Operator's Insurance	\$5,000
43.	Debris Removal – Additional Expenses	Included + 10% / \$1,000,000
44.	Equipment Upgrade	\$10,000
45.	Extra Expense	\$25,000
46.	Growing Plants, Trees, Shrubs, Lawns or Flowers	\$25,000
47.	Land and Water Pollutant Clean Up Expenses	\$25,000 aggregate per policy period
48.	Money and Securities	\$2,500
49.	Newly Acquired Contents	\$50,000 (Equipment) / \$10,000 (Stock) / (30 days)
50.	Newly Acquired Location	\$500,000 (Building) / \$500,000 (Contents) / (90 days)
51.	Office Contents	\$5,000
52.	Peak Season Increase	25%
53.	Precious Metals	\$5,000
54.	Property in Transit	\$10,000
55.	Property Leased, Rented or Loaned	\$10,000
56.	Removal	Included (60 days)
57.	Roadways, Walkways and Parking Lots	\$50,000
58.	System Software Erasure	\$7,500 aggregate per policy period
59.	Unscheduled Tool Floater	\$5,000
60.	Warehouseman's Legal Liability	\$25,000

## SECTION 4

Item	SPECIAL PROVISIONS
	Basis of valuation – Replacement Cost
	Notice of Cancellation/Termination Amendment
	Territorial Limits
	Waiver of Deductible for a Major Loss

## PROPERTY COVERAGE

The following **EXTENSIONS OF COVERAGE** Section deletes and replaces the **EXTENSIONS OF COVERAGE** Section in the **Building and/or Contents – Broad Form** and, except as otherwise provided under the **EXTENSIONS OF COVERAGE** Section below, is subject to all terms, conditions, limitations and exclusions of the **Building and/or Contents – Broad Form**.

## EXTENSIONS OF COVERAGE

The following Extensions of Coverage are not subject to a co-insurance requirement unless stated otherwise.

In the event that more than one Extension of Coverage in this **EXTENSIONS OF COVERAGE** Section applies to the same loss or damage as a result of a single occurrence and provides any duplicative coverage, only the Extension of Coverage with the highest available amount of insurance will apply to the portion of the loss or damage with duplicative coverage.

In the event that coverage for loss or damage as a result of a single occurrence provided by an Extension of Coverage in this **EXTENSIONS OF COVERAGE** Section is also provided elsewhere in the policy, except in the Business Interruption Extension endorsement, then the Extension of Coverage in this **EXTENSIONS OF COVERAGE** Section is deleted in its entirety.

In the event that coverage for loss or damage as a result of a single occurrence provided by an Extension of Coverage in this **EXTENSIONS OF COVERAGE** Section is also provided in the Business Interruption Extension endorsement, then only the Extension of Coverage with the highest amount of insurance will apply.

### SECTION 1 – BLANKET EXTENSIONS

The following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description up to a total combined limit per occurrence as specified in the Summary of Coverages for Section 1 – **BLANKET EXTENSIONS**.

#### 1. ACCOUNTS RECEIVABLE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover:

- 1.1. all sums due to the Insured from customers, provided the Insured is unable to collect such sums as the result of direct physical loss of or direct physical damage to records of accounts receivable which are inside the **building** at the location designated on the Declaration Page(s), provided such loss or damage is caused by an insured peril;
- 1.2. interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage;
- 1.3. collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- 1.4. other expenses, while reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

**The Insurer shall not be liable for loss or damage:**

- 1.5. due to bookkeeping, accounting or billing errors or omissions;
- 1.6. the proof of which as to its factual existence is dependent upon an audit of records or an inventory computation. This shall not preclude the use of such procedures in support of claim for loss;
- 1.7. 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**

- 1.8. When there is proof that a loss insured by this Extension has occurred but the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Insured's monthly accounts receivable and shall be computed as follows:
  - 1.8.1. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
  - 1.8.2. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
  - 1.8.3. the amount determined under paragraph 1.8.1. above, increased or decreased by the percentage calculated under paragraph 1.8.2. above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
  - 1.8.4. the amount determined under paragraph 1.8.3. above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

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

## 2. BRANDS AND LABELS

If **stock** damaged by an insured peril is salvageable and bears a brand or trademark or guarantee, the insurance provided by this Building and/or Contents – Broad Form is extended to cover the removal of such brand, trademark or guarantee before sale of such **stock** as salvage.

## 3. BUILDING DAMAGE BY THEFT

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical damage (except by fire) to that part of a **building** occupied by the Insured, 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**, the Insured is legally liable for such damage and the **building** is not otherwise insured under this Building and/or Contents – Broad Form.

## 4. ENVIRONMENTAL (GREEN) UPGRADE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover:

- 4.1. any difference between the certified **green** cost and the established **replacement cost**;
- 4.2. any additional costs incurred by the Insured for the services of a **green authority**, in accordance with the design, construction, restoration or reconstruction of certified **green** property which suffered an insured loss; and
- 4.3. any additional costs incurred by the Insured to obtain the certification or the recertification of repaired or replaced insured property to be certified **green**; following direct physical loss of or direct physical damage to building(s) and equipment caused by an insured peril.

For the purposes of this Extension, the Insured shall comply with the co-insurance clause applicable to the **building(s)** and **equipment**.

**Green** means products, materials, methods, and processes certified by a **green authority** and that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

**Green Authority** means an authority on building products, materials, methods or processes that are certified and accepted by industry associations or government as supporting environmental sustainability and/or energy conservation. These entities include but are not limited to: Leadership in Energy and Environmental Design (LEED), Green Building Initiative (Green Globes), Energy Star, Building Owners and Managers Association (BOMA) BEST, any applicable Canadian Standards Association guideline, ISO Standards or any other environmental sustainability or energy conservation rating or certification system recognised by the Insurer.

## 5. EXPEDITING EXPENSES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover expediting expenses, including overtime, incurred as a result of direct physical loss of or direct physical damage to insured property caused by an insured peril, for such costs incurred to:

- 5.1. make reasonable temporary repairs;
- 5.2. expedite reasonable permanent repairs;
- 5.3. expedite permanent **replacement** of the insured property that has been lost or damaged.

This Extension does not apply to additional costs incurred for the rental or borrowing of property while the damaged property is being repaired or replaced.

**Replacement** means repair, construction, or reconstruction with new property of like kind and quality.

## 6. FIRE OR POLICE DEPARTMENT SERVICE CHARGES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover service charges assessed when a fire or police department is called to save or protect the insured property from fire or another insured peril at the location(s) described in the Declaration Page(s).

This Extension only provides reimbursement for service charges for which the Insured is legally liable and which have been received directly from:

- 6.1. the Insured's municipal fire or police department; or
- 6.2. a neighbouring municipality's fire department or police department for which there is an inter-municipal agreement.

## 7. FIRE SUPPRESSION RECHARGE EXPENSE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover any **fire suppression system** recharge expense (including system inspection expenses) incurred by the Insured due to the leakage or discharge of the fire suppressant within any **fire suppression system** at the **premises** of the Insured where such discharge or leakage is caused by or results from an insured peril.

Coverage under this Extension may also be applied to the cost incurred during the policy period of upgrading any **fire suppression system** following loss or damage arising out of a fire to which this Form otherwise applies, and that caused such **fire suppression system** to discharge. The cost incurred for upgrading **fire suppression systems** does not apply to any **automatic sprinkler system** designed to protect the **building or contents**.

**Fire Suppression System** means special fire suppression equipment, which is not water based and has been designed and installed to conform with National Fire Protection Association (NFPA) guidelines.

**Automatic Sprinkler System** means a system that consists of an integrated network of piping designed in accordance with fire protection engineering standards that includes a water supply source, a water control valve, a water flow alarm and a drain. The system shall be activated by heat from a fire that automatically discharges water over the fire area.

## 8. PERSONAL PROPERTY OF OFFICERS, EMPLOYEES AND VOLUNTEERS

At the option of the Insured, **equipment** includes personal property of officers, employees and volunteers of the Insured.

## 9. PROFESSIONAL FEES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover necessary and reasonable fees incurred by the Insured, with the prior written approval of the Insurer, for professional services provided by auditors, accountants, architects, surveyors, engineers and other professionals.

This Extension only applies to professional services required for the purpose of producing or certifying particulars or details of the Insured's business that are requested by the Insurer, in connection with direct physical loss of or direct physical damage to insured property caused by an insured peril, in order for the Insurer to arrive at the loss payable under this Building and/or Contents – Broad Form.

This Extension does not apply to any fees:

- 9.1. relating to the preparation of a proof of loss or inventory;
- 9.2. incurred for services provided by lawyers, public adjusters, loss appraisers, loss consultants or the Insured's own employees.

## 10. PROOF OF LOSS AND INVENTORY PREPARATION EXPENSE

If, as the result of direct physical loss of or direct physical damage to insured property caused by an insured peril, the Insurer requests:

- 10.1. the preparation of a proof of loss; or
- 10.2. the preparation of inventories to help determine the amount of the loss;

the insurance provided by this Building and/or Contents – Broad Form is extended to cover the necessary expenses incurred to prepare such proofs or inventories.

This Extension does not apply to expenses to prove this Building and/or Contents – Broad Form insures against a loss, nor for expenses incurred under the condition of this policy relating to appraisal.

## 11. REPLACEMENT OF LOCKS AND KEYS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover the replacement, repair or reprogramming of locks in the event of direct physical loss of or direct physical damage to master keys, electronic passes, or key cards controlling the doors to location(s) described in the Declaration Page(s), caused by an insured peril.

## 12. TENANT LEASEHOLD INTEREST – RENTS

If, as a result of direct physical loss of or direct physical damage to insured property caused by an insured peril, the landlord terminates the lease in accordance with the conditions of the lease, this Extension will cover the difference between the higher rent at the new premises and the rent stipulated in the prior lease for:

- 12.1. the unexpired term of the prior lease; or
- 12.2. twenty-four (24) months from the date of loss;

whichever time period is shorter.

The difference shall be calculated on the basis that the new premises are of similar size, condition and location without allowances for improvement.

## 13. VALUABLE PAPERS AND RECORDS, COMPUTER DATA

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **valuable papers and records** and **computer data** on the **premises** caused by an insured peril.

In the event of such loss or damage, the insurance provided by this Building and/or Contents – Broad Form is extended to cover the extra expense necessarily incurred in the reproduction of the **valuable papers and records** and **computer data**, including the cost of gathering or assembling information or data for such reproduction.

**This Extension does not apply to:**

- 13.1. errors or omissions in processing or copying unless fire or explosion ensues and then, coverage is only provided for direct physical loss of or direct physical damage to **valuable papers and records** and **computer data** caused by such ensuing fire or explosion;
- 13.2. **money** or **securities**;
- 13.3. computer viruses, harmful code or similar instructions introduced into or enacted on a **computer system**, equipment or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

**Computer Data** means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software and coded instructions for the processing and manipulation of **data** or the direction and manipulation of such computer equipment.

**Computer System** means electronic office equipment including computer servers, component parts, networks, mainframes, accounting machines, drives, associated peripheral equipment, and any storage devices that are used for **computer data** storage and processing.

**Money** means currency, coins, bank notes and bullion, traveller's cheques, registered cheques and money orders held for sale to the public.

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

**Valuable Papers and Records** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts and electronically stored records.

## SECTION 2 – BLANKET EXTENSIONS

The following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description up to a total combined limit per occurrence as specified in the Summary of Coverages for Section 2 – BLANKET EXTENSIONS.

## 14. ACCRUED STORAGE CHARGES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover the amount of uncollectible accrued storage charges that arise from direct physical loss of or direct physical damage to the movable property of others that is stored or transported by the Insured, provided such loss or damage is caused by an insured peril. No coverage is provided for storage charges that are more than thirty (30) days in arrears.

## 15. ARSON AND THEFT REWARD

In the event of direct physical loss of or direct physical damage to insured property resulting from an act of arson or theft, for which coverage is afforded under this policy, the insurance provided by this Building and/or Contents – Broad Form is extended to cover the reimbursement, to the Insured, for **rewards** up to a maximum amount equal to 25% of such covered loss, subject to the total combined limit per occurrence specified in the Summary of Coverages under this Section 2 – BLANKET EXTENSIONS.

**Rewards** means amounts paid for information directly leading to convictions for the act of arson or theft, or for the recovery of stolen property.

The Insurer's liability under this Extension shall not be increased by the number of people who provide information.

## 16. CONTENTS AT INSURED'S RESIDENCE OR INSURED'S EMPLOYEE'S RESIDENCE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **contents** caused by an insured peril, while such **contents** are at the residence of the Insured or the Insured's employees.

## 17. CONTENTS AT OTHER THAN SPECIFIED LOCATIONS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **contents** caused by an insured peril, while such contents are at a location not owned, rented, or controlled in whole or in part by the Insured anywhere in the world.

## 18. CONTENTS TEMPORARILY AWAY FROM THE LOCATION(S)

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **contents** caused by an insured peril, while such contents are temporarily removed from the location (s) described in the Declaration Page(s) and at an unnamed location anywhere in the world.

## 19. DEFERRED PAYMENT PLAN STOCK

The insurance provided by this Building and/or Contents – Broad Form is extended to cover **stock** the Insured has sold conditionally or whose price is payable at a future date or by installments. If direct physical loss of or direct physical damage to such **stock** caused by an insured peril occurs 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.

## 20. EXHIBITION FLOATER

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to the insured property caused by an insured peril, from the time such property leaves any **premises** of the Insured, while in transit to and from any exhibition site and while at such exhibition site.

## 21. FINE ARTS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to fine arts that are the property of the Insured, or the property of others for which the Insured may be legally liable, caused by an insured peril, while such fine arts are at the locations (s) described in the Declaration Page(s).

Fine arts includes paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, books, antique silver, manuscripts, porcelains, glass and bric-a-brac, that are rare, are of historical value or that are of artistic merit.

## 22. FINES, DAMAGES OR PENALTIES FOR BREACH OF CONTRACT

The insurance provided by this Building and/or Contents – Broad Form is extended to cover sums the Insured is legally liable to pay in discharge of fines, damages or penalties incurred solely for late or non-completion of orders in consequence of direct physical loss of or direct physical damage to insured property caused by an insured peril.

## 23. INSTALLATION FLOATER

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property, caused by an insured peril, while in transit or in the process of installation, construction, repair, or reconstruction, or any other project in connection with the operations of the Insured, provided that:

- 23.1. the Insured is the owner, or has care, custody or control and may be held responsible for the property described above; and
- 23.2. such property is intended to enter into and form part of the project performed by the Insured.

The Insurer shall be liable for up to the amount of insurance specified in the Summary of Coverages under this Section 2 on property at any single **project site**.

### Property Excluded

This Extension does not insure property while located on any **premises** owned, leased or occupied by the Insured.

### Cessation of Coverage

This insurance will be terminated:

- 23.3. at the beginning of use or occupancy of any part or section of the project unless such use or occupancy is for:
    - 23.3.1. construction purposes;
    - 23.3.2. office or habitation purposes;
    - 23.3.3. installing, testing or storing equipment or machinery;
  - 23.4. thirty (30) days after completion of the installation; or
  - 23.5. the expiration of this insurance;
- whichever occurs first.

**Project Site** means any work site at which the Insured has been contracted to do work usual to the operations of the Insured.

## 24. MOBILE INVENTORY MANAGEMENT EQUIPMENT

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **mobile inventory management equipment**, including **data** and media, caused by an insured peril. This Extension applies to property only while away from the **premises**.

Paragraph 2.16. Data Exclusion, of the Building and/or Contents – Broad Form, does not apply to this Extension.

This Extension does not apply to loss or damage due to electrical or magnetic injury, computer viruses, malware or any form of malicious code, or the disturbance or erasure of electronic recordings, except by lightning.

**Mobile Inventory Management Equipment** means mobile computers, computerized equipment and related component parts that are used away from the **premises** solely to manage and control inventory.

## 25. MORTGAGE RATE GUARANTEE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover the increase in mortgage cost required as a result of direct physical loss of or direct physical damage to a **building** caused by an insured peril where loss or damage to such **building** is deemed to be total, and where the mortgagor at the time of the loss closes the existing mortgage as a result of the insured loss, requiring a new mortgage at a higher but competitive rate of interest.

The new mortgage must be the same term, amortization, and interest rate option of the previous mortgage.

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

- 25.1. for the duration of the existing mortgage period in effect at the time of the loss, until its expiry;
- 25.2. until the Insured relinquishes title or interest in the **building**; or
- 25.3. for a period not exceeding sixty (60) months;

whichever occurs first.

Settlement of partial losses to the **building** shall be made as if this Extension had not been in effect.

## 26. MOULDS AND PATTERNS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to moulds and patterns that are the property of the Insured, or the property of others in the custody of the Insured for which the Insured is legally liable, caused by an insured peril.

## 27. PROPERTY IN CUSTODY OF SALES REPRESENTATIVES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property caused by an insured peril, while in the custody of sales representatives, whether in transit or otherwise.

## SECTION 3 – INDIVIDUAL EXTENSIONS

Except for Extensions 34. CONDOMINIUMS – COMMON EXPENSE, 40. CONSEQUENTIAL LOSS – ON PREMISES, and 56. REMOVAL, the following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description up to an individual limit per occurrence as specified in the Summary of Coverages for Section 3 – INDIVIDUAL EXTENSIONS, unless otherwise stated.

## 28. BAILEE'S CUSTOMER

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to all lawful goods and articles belonging to the Insured's customers and clients while such goods or articles are:

- 28.1. on the **premises** for the purpose of the Insured performing the business service or professional service described on the Declaration Page(s); or
- 28.2. in transit if the goods or articles are in the possession of the Insured;

provided such loss or damage is caused by an insured peril.

This Extension does not apply to loss or damage to goods or articles received for storage, or for which a storage charge has been or will be made.

## 29. BREAKDOWN OF REFRIGERATION OR HEATING EQUIPMENT ON VEHICLE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property due to spoilage resulting from sudden or accidental breakdown or failure of refrigeration or heating equipment forming part of the transporting vehicle owned, rented or leased by the Insured, subject to the following conditions:

- 29.1. it is warranted that the Insured or the Insured's agents shall exercise due diligence in maintaining in complete working order all refrigeration or heating units and related equipment, in accordance with the manufacturer's specified precautions and service procedures. If the Insured fails to maintain written records of such maintenance or fails to inspect, repair or otherwise keep such units and related equipment in good working order, there will be no coverage for loss or damage to cargo caused by or resulting from changes in temperature;
- 29.2. the insurance afforded by this Extension shall only apply as excess and in no event as contributing over any other valid and collectible insurance available to the Insured, unless there is no valid and collectible insurance, in which case this policy shall be primary.

## 30. BUILDING BY-LAWS

In the event of direct physical loss of or direct physical damage to a **building** caused by an insured peril, the insurance provided by this Building and/or Contents – Broad Form is extended to cover:

- 30.1. loss occasioned by the demolition of any undamaged portion of the **building**;
- 30.2. the cost of demolishing and clearing the site of any undamaged portion of the **building**; and
- 30.3. any increase in the cost of repairing, replacing, constructing or reconstructing the damaged portion of 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 regulates zoning or the demolition, repair or construction of damaged **buildings**, and is in force at the time of such loss or damage.

Coverage provided under this Extension is included in the limit of insurance stated on the Declaration Page(s) for the Building.

In the event such limit is exhausted, the Insurer shall be liable under paragraph 30.3. of this Extension only, for up to an additional 10% of the limit of insurance stated on the Declaration Page(s) for the Building, subject to the maximum amount stated in the Summary of Coverages for this Extension under this Section 3 – INDIVIDUAL EXTENSIONS.

**This Extension does not apply to:**

- 30.4. the enforcement of any by-law, regulation, ordinance or law:
  - 30.4.1. which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
  - 30.4.2. which would apply in the absence of a loss;
  - 30.4.3. that the Insured was required to comply with prior to the loss but failed to do so;
  - 30.4.4. if the Insured elects not to repair, replace or reconstruct the damaged **building** at all;
- 30.5. any part of the damaged **building** which is subject to the by-law, regulation, ordinance or law and which the Insured elects not to repair, replace or reconstruct;
- 30.6. any part of the damaged **building** which is not subject to the by-law, regulation, ordinance or law and which the Insured elects to repair, replace or reconstruct;
- 30.7. direct or indirect loss, damage, cost or expense:
  - 30.7.1. 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**;
  - 30.7.2. 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**.

## 31. CATCH ALL CLAUSE

In the event of a claim being made under any Extension specified under this Section 3 – INDIVIDUAL EXTENSIONS, except for the Extensions mentioned at paragraph 31.1. below, and following the application of all terms, deductibles, and conditions applicable to the Extension, if the amount of insurance is insufficient to fully indemnify the Insured for the insured loss or damage, then the insurance under this Extension 31. CATCH ALL CLAUSE provides additional coverage in excess of any such adjusted claim.

**This Extension does not apply to:**

- 31.1. Extensions 39. CONSEQUENTIAL LOSS – OFF-PREMISES SERVICE INTERRUPTION, 48. MONEY AND SECURITIES and 51. OFFICE CONTENTS.

If, in an occurrence, claim is made under more than one Extension under this Section 3 – INDIVIDUAL EXTENSIONS for which the amount of insurance is insufficient and to which this Catch All Clause may apply, then the Insured shall elect the Extension(s) to receive the benefit of the Catch All Clause.

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

- 31.2. the difference between the amount payable under the adjusted claim(s) and the amount required to fully indemnify the Insured; or
  - 31.3. the amount of insurance specified in the Summary of Coverages for this Extension 31. CATCH ALL CLAUSE under this Section 3 – INDIVIDUAL EXTENSIONS;
- whichever is the lesser amount, regardless of the number of Extensions under this Section 3 – INDIVIDUAL EXTENSIONS to which this Catch All Clause applies.

## 32. COMPUTER SYSTEMS, MEDIA AND DATA BREAKDOWN

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **computer systems, computer media or computer data** on the **premises** due to:

- 32.1. mechanical breakdown, faulty construction or error in design;
- 32.2. short circuit, blow-out or other electrical, electronic or magnetic disturbance:
  - 32.2.1. within a **computer system**; or
  - 32.2.2. caused by lightning;
- 32.3. failure, breakdown or malfunction of a **computer system** when **computer media** is being run through the **computer system** and the **computer media** fails, breaks down or malfunctions.

In addition, this Extension covers the extra expenses necessarily incurred to reprogram or replace any **computer data** that is disturbed or erased as the direct result of such loss or damage.

**This Extension does not apply to:**

- 32.4. errors or omissions in processing or copying of **computer media** or **computer data**;
- 32.5. computer viruses, harmful code or similar instructions introduced into or enacted on a **computer system**, equipment or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation;
- 32.6. loss or damage caused directly or indirectly by any change or interruption to electric power, if the change originates more than 1000 feet away from the **premises** insured containing the **computer system, computer media or computer data**.

**Computer Data** means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software and coded instructions for the processing and manipulation of data or the direction and manipulation of such computer equipment.

**Computer System** means electronic office equipment including computer servers, component parts, networks, mainframes, accounting machines, drives, associated peripheral equipment, and any storage devices that are used for computer data storage and processing.

**Computer Media** means the material on which computer data are stored.

### 33. CONDOMINIUMS – COMMON ELEMENTS CONTENTS OR COMMON AREA CONTENTS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **common elements contents** or **common area contents** at the **premises**, caused by an insured peril and not otherwise insured.

**Common Elements Contents** or **Common Area Contents** means furniture, furnishings, fittings, fixtures, machinery, and appliances other than the **building**. The property must be located in a common area of the **building** which is openly accessible to all occupants of the **building**.

### 34. CONDOMINIUMS – COMMON EXPENSE

The insurance provided by this Building and/or Contents – Broad Form is extended to indemnify the **condominium corporation** for the loss of such obligatory contributions towards common expenses as may be assessed from time to time by the **condominium corporation** against all **unit** owners, provided that the Insurer shall not be liable under this Extension for more than the pro-rata share of such expenses during the time that the **unit(s)** remain unoccupied and untenable due to direct physical loss of or direct physical damage to insured property caused by an insured peril.

### 35. CONDOMINIUMS – TRUSTEES FEES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover reasonable and customary fees paid by the **condominium corporation** or by any **unit** owner to an insurance trustee for services provided following insured loss or damage. The use of an insurance trustee must be required by the Condominium Declaration and the Insurance Trust Agreement.

This Extension shall be limited to a maximum recovery not exceeding whichever is the least of:

- 35.1. the amount of insurance specified in the Summary of Coverages for this Extension under this Section 3 – INDIVIDUAL EXTENSIONS; or
- 35.2. two percent (2%) of the loss sustained and otherwise payable under this Building and/or Contents – Broad Form.

### 36. CONDOMINIUMS – PROPERTY IN CUSTODY

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to the property of **unit** owners caused by an insured peril, provided that, at the time of the loss, the **condominium corporation** had accepted custody of such property for safekeeping.

This Extension shall be limited to an amount per **unit** owner and maximum amount per occurrence as specified in the Summary of Coverages for this Extension under this Section 3 – INDIVIDUAL EXTENSIONS.

### 37. CONDOMINIUMS – UNIT OWNERS' ADDITIONAL COVERAGES

#### 37.1. Contingent Condominium Unit Coverage

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to the **Insured's unit** caused by an insured peril, but only to the extent that said **unit** is not so insured by the **condominium corporation** or to the extent that the building insurance purchased by the **condominium corporation** on behalf of its **unit** owners is not effective or is inadequate.

#### 37.2. Special Loss Assessment

The insurance provided by this Building and/or Contents – Broad Form is extended to cover payment of the **Insured's** share of Special Loss Assessments levied against the **unit** owners of the **condominium corporation** by the directors of said **condominium corporation** in accordance with the governing rules of the corporation, when such assessments are made necessary by direct physical loss of or direct physical damage to the condominium property collectively owned by the **unit** owners caused by an insured peril.

#### 37.3. Betterments and Improvements

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to improvements, alterations or betterments made or acquired by the **Insured** that have become a permanent part of the building, provided such loss or damage is caused by an insured peril.

For the purposes of this Extension, **Insured** means the Condominium **unit** owner.

### 38. CONFISCATION OR SEIZURE OF PROPERTY

If **equipment** or **stock** is confiscated or seized from the Insured by public authority, and the Insured purchased such property from a person who had acquired such property illegally, the insurance provided by this Building and/or Contents – Broad Form is extended to cover such loss.

This Extension shall not apply if the Insured was aware they were purchasing illegally acquired property.

### 39. CONSEQUENTIAL LOSS – OFF-PREMISES SERVICE INTERRUPTION

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **stock** on the **premises** caused by:

- 39.1. a change of temperature; or
- 39.2. dampness or dryness of atmosphere;

directly resulting from direct physical loss of or direct physical damage to any off-**premises** property that generates or supplies electricity, water, gas, steam or **communication service** to the **premises**, caused by an insured peril.

**This Extension does not apply to loss or damage directly or indirectly arising from:**

- 39.3. loss or damage to overhead electrical transmission lines or distribution lines (or their supporting structures) that are off the **premises**;
- 39.4. loss or reduction of electricity, water, gas, steam or **communication service** due to lack of sufficient capacity;
- 39.5. an intentional reduction in the supply of electricity, water, gas, steam or **communication service**.

### 40. CONSEQUENTIAL LOSS – ON PREMISES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **stock** on the **premises** caused by:

- 40.1. a change of temperature; or
- 40.2. dampness or dryness of atmosphere;

directly resulting from direct physical loss of or direct physical damage to **building** or **equipment**, including, while located on the **premises**, their supply or transmission lines and pipes and their connections furnishing electricity, water, gas, steam or **communication service**.

Such loss or damage to **building** or **equipment** must be caused by an insured peril.

### 41. CONSTRUCTION OF ADDITIONS, EXTENSIONS, ALTERATIONS AND REPAIRS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to property in course of construction that forms part of an addition, extension or alteration to the **building** on the **premises**, including:

- 41.1. materials and supplies;
- 41.2. landlord's permanent fittings and fixtures to be attached to the **building**;

- 41.3. scaffolding, falsework, forms, hoardings, excavation, site preparation, temporary structures, and similar work;
- 41.4. fences, foundations, other supports, frescoes, machinery and equipment for building services; and
- 41.5. landscaping;

provided that such loss or damage is caused by an insured peril and such property lost or damaged is not insured elsewhere.

#### 42. CRANE OPERATOR'S INSURANCE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover property in the care, custody or control of the Insured, owned by the Insured's customers and for which the Insured may be held legally liable, against direct physical loss or direct physical damage caused by accident while such property is being lifted or moved on the **project site** by cranes or hoisting equipment, during erection or elevation operations.

**Project Site** means any work site at which the Insured has been contracted to do work usual to the operations of the Insured.

#### 43. DEBRIS REMOVAL – ADDITIONAL EXPENSES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover expenses incurred by the Insured in the removal from the **premises** of:

- 43.1. debris of the insured property, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Building and/or Contents – Broad Form;
- 43.2. debris or other property which is not insured but which has been blown by windstorm upon the **premises**.

Coverage provided under this Extension is included in the limit of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description unless and until such limit is exhausted.

##### Additional Expenses

In the event the limit of insurance for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description is exhausted, the Insurer shall be liable under this Extension for up to an additional 10% of such limit of insurance, subject to the maximum amount applicable to all Additional Expenses combined (for all coverages) in any one occurrence stated in the Summary of Coverages for this Extension under Section 3 – INDIVIDUAL EXTENSIONS.

##### This Extension does not apply to:

- 43.3. costs or expenses to **clean up pollutants** from land or water;
- 43.4. costs or expenses 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**;
- 43.5. debris of growing plants, trees, shrubs, lawns or flowers owned by the Insured.

#### 44. EQUIPMENT UPGRADE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover any increase in the replacement cost of **equipment** which has been lost or damaged as a direct result of perils insured against and which the Insured elects to replace with **equipment** that is capable of performing the same functions and that may include technological improvements from that lost or damaged.

Coverage will only apply in the event of the total loss of the insured property. In case of a partial loss to the insured property, the basis of settlement will be applied according to the terms elsewhere in this Building and/or Contents – Broad Form.

This Extension does not apply to **equipment** that is obsolete at the time of the loss or damage.

#### 45. EXTRA EXPENSE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover **extra expenses** necessarily incurred by the Insured during the **restoration period** to maintain, as much as possible, the **normal** activities of the business after an insured loss affecting the **buildings** or their **contents**.

This Extension includes the actual loss as insured by this Building and/or Contents – Broad Form during the period of time, not exceeding thirty (30) days, while access to the **premises** is prohibited by order of civil authority as a direct result of direct physical damage to neighbouring premises caused by an insured peril.

##### The following expenses are not covered under any circumstances:

- 45.1. loss of income;
- 45.2. extra expense in excess of that necessary to continue as nearly as practicable the **normal** conduct of the Insured's business;
- 45.3. cost of repairing or replacing damaged property, except cost in excess of the **normal** cost of such repairs or replacements necessarily incurred to reduce the total amount of **extra expense**.

**Extra Expense** means the excess (if any) of the total cost during the restoration period for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. This will include the cost of using the property of others or other similar necessary emergency expenses. Any salvage value of such property remaining after resumption of normal operations shall be taken into consideration in the adjustment of any insured loss.

**Normal** means the condition which would have existed had no loss occurred.

**Restoration Period** means the period of restoration, commencing with the date of the loss and not limited by the expiration date of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the property as may be destroyed or damaged.

#### 46. GROWING PLANTS, TREES, SHRUBS, LAWNS OR FLOWERS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover:

- 46.1. direct physical loss of or direct physical damage to growing plants, trees, shrubs, lawns or flowers outside the **building** at the **premises**, provided such loss or damage is caused by an insured peril;
- 46.2. expenses incurred by the Insured in the removal of debris of such lost or damaged plants, trees, shrubs, lawns or flowers from the **premises**.

This Extension only applies to plants, trees, shrubs, lawns or flowers owned by the Insured, or in the Insured's custody and for which the Insured is legally liable.

#### 47. LAND AND WATER POLLUTANT CLEAN UP EXPENSES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover expenses incurred for the **clean up** of **pollutants** from land or water at the premises, provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants:

- 47.1. arises directly from direct physical loss of or direct physical damage to insured property at the **premises** caused by an insured peril;
- 47.2. is sudden, unexpected and unintended from the standpoint of the Insured; and
- 47.3. first occurs during the policy period.

##### 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 three hundred sixty-five (365) days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of **pollutants** for which **clean up** expenses are being claimed.

##### Limit of Insurance

The maximum amount of insurance under this Extension during any one annual policy period shall not exceed, in the aggregate, the amount of insurance specified in the Summary of Coverages for this Extension under Section 3 – INDIVIDUAL EXTENSIONS, regardless of the number of occurrences.



#### No Automatic Reinstatement

Notwithstanding any Reinstatement Clause or other provision to the contrary in this policy, the amount of insurance specified for this Extension under Section 3 – INDIVIDUAL EXTENSIONS will be reduced, following a loss, by the amount payable.

#### This Extension does not apply to:

- 47.4. expenses for **clean up** away from or beyond the **premises** resulting from any spill, discharge, emission, dispersal, leakage, seepage, migration, release or escape of **pollutants**, even if the **pollutants** emanated from the **premises**;
- 47.5. expenses for **clean up** of any spill, discharge, emission, dispersal, leakage, seepage, migration, release or escape of **pollutants** that began before the effective date of this policy;
- 47.6. fines, penalties, punitive or exemplary damages;
- 47.7. 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.

#### 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, unless there is no other valid and collectible insurance, in which case this policy shall be primary.

#### 48. MONEY AND SECURITIES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **money** and **securities** used in and incidental to the Insured's business (as evidenced by the Insured's account records) caused by an insured peril, while on the **premises** or away from such **premises** while being carried or held strictly incidentally to the Insured's business.

**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** or digital currency.

#### Other Insurance

The insurance provided by this Extension shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party, unless there is no other valid and collectible insurance, in which case this policy shall be primary.

#### 49. NEWLY ACQUIRED CONTENTS

This Extension is only applicable if **contents** are insured under this policy. The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to newly acquired **stock** and **equipment**, provided such loss or damage is caused by an insured peril.

This coverage attaches at the time of the acquisition and extends:

- 49.1. for a period of thirty (30) days;
- 49.2. to the date that the policy is endorsed adding such **stock** or **equipment**; or
- 49.3. until the expiry date of this policy;

whichever occurs first.

#### 50. NEWLY ACQUIRED LOCATION

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **buildings** and **contents** at any newly acquired location, other than any location(s) already described on the Declaration Page(s), that is owned, rented or controlled by the Insured for the purposes stated on the Declaration Page(s), provided such loss or damage is caused by an insured peril.

This coverage attaches at the time of the acquisition and extends:

- 50.1. for the number of days shown in the Summary of Coverages for this Extension under this Section 3 – INDIVIDUAL EXTENSIONS;
- 50.2. to the date that the policy is endorsed adding such location; or
- 50.3. until the expiry date of this policy;

whichever occurs first.

#### 51. OFFICE CONTENTS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **office contents** caused by an insured peril at the location described on the Declaration Page(s).

#### This Extension does not apply to:

- 51.1. **valuable papers and records**;
- 51.2. fine arts including paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, books, antique silver, manuscripts, porcelains, glass and bric-a-brac, that are rare, are of historical value or that are of artistic merit.

**Office Contents** means all of the Insured's office equipment including computer equipment, furniture, furnishings, utensils and appliances, other than **building** or **stock**.

**Valuable Papers and Records** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts and electronically stored records.

#### 52. PEAK SEASON INCREASE

The amount of insurance for Contents insured under this Building and/or Contents – Broad Form shall be automatically increased by 25% to provide for seasonal variations. However, this increase shall not apply unless the amount of insurance for Contents is 100% or more of the Insured's average monthly values for the twelve (12) months prior to the loss, or in the event the Insured has been in business for less than twelve (12) months, such shorter period of time.

#### 53. PRECIOUS METALS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to bullion, platinum, or other precious metals or alloys used for commercial, professional or industrial purposes in the business of the Insured, provided such loss or damage is caused by an insured peril.

#### 54. PROPERTY IN TRANSIT

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property, other than unscheduled tools, while in transit and during loading or unloading from a vehicle, provided such loss or damage is caused by an insured peril.

Additional Conditions:

- 54.1. coverage during loading shall not attach until the insured property is in the custody of the Insured or a common carrier or contract carrier for the purpose of transport;
- 54.2. coverage during unloading shall cease when the insured property leaves the custody of the Insured or a common carrier or contract carrier.

#### 55. PROPERTY LEASED, RENTED OR LOANED

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property, while leased, rented, loaned or entrusted to others for a period not exceeding thirty (30) days, provided such loss or damage is caused by an insured peril. This Extension is not applicable to commercial businesses whose main source of income consists of leasing property to other individual or entities.

## 56. REMOVAL

If any of the insured property is necessarily removed from the **premises** to prevent direct physical loss of or direct physical damage to or further loss of or damage to such property, that part of the insurance under this Building and/or Contents – Broad Form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for sixty (60) days only, or for the unexpired term of the policy if less than sixty (60) 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 insured property in them all.

## 57. ROADWAYS, WALKWAYS AND PARKING LOTS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to roadways, walkways, parking lots, other exterior paved surfaces, retaining walls, or permanently installed landscape structures on the **premises** outside the **building**, provided such loss or damage is caused by an insured peril.

## 58. SYSTEM SOFTWARE ERASURE

In the event that:

- 58.1. electronic recordings, upon which production machinery or inventory control systems at the **premises** are dependent; or
- 58.2. electronic recordings of **data** pertaining to the movable property of others stored or transported by the Insured;

are disturbed or erased by artificial electric or magnetic currents, the insurance provided by this Building and/or Contents – Broad Form is extended to cover the extra expense necessarily incurred to reprogram or replace such recordings.

### Limit of Insurance

The maximum amount of insurance under this Extension during any one annual policy period shall not exceed, in the aggregate, the amount of insurance specified in the Summary of Coverages for this Extension under Section 3 – INDIVIDUAL EXTENSIONS, regardless of the number of occurrences.

### No Automatic Reinstatement

Notwithstanding any Reinstatement Clause or other provision to the contrary in this policy, the amount of insurance specified for this Extension under Section 3 – INDIVIDUAL EXTENSIONS will be reduced, following a loss, by the amount payable.

### This Extension does not apply to:

- 58.3. errors or omissions in **data** entry or programming;
- 58.4. loss or damage caused by computer viruses, malware or any form of malicious code.

Paragraph 2.16. Data Exclusion, of the Building and/or Contents – Broad Form, does not apply to this Extension.

## 59. UNSCHEDULED TOOL FLOATER

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to unscheduled portable tools caused by an insured peril.

## 60. WAREHOUSEMAN'S LEGAL LIABILITY

The insurance provided by this Building and/or Contents – Broad Form is extended to cover the liability imposed by law upon the Insured as a warehouseman for direct physical loss of or direct physical damage to property of others while at the locations described on the Declaration Page(s), up to the amount of insurance specified for this Extension in the Summary of Coverages under Section 3 – INDIVIDUAL EXTENSIONS.

The Insurer will have the right and duty to defend the Insured against any action seeking damages to which this Extension applies. However, the Insurer's right and duty to defend under this Extension ends when the amount of insurance specified for this Extension in the Summary of Coverages under Section 3 – INDIVIDUAL EXTENSIONS has been used up in the payment of judgments or settlements.

With respect to an action the Insurer defends, the Insurer will pay expenses incurred for defence costs and related expense, and any accrued interest after entry of judgment upon that part of the judgment which is within the applicable amount of insurance for this Extension. Such payments will not reduce the amount of insurance specified for this Extension in the Summary of Coverages under Section 3 – INDIVIDUAL EXTENSIONS.

### This Extension does not insure:

- 60.1. any liability assumed by the Insured beyond the liability imposed by law in the absence of a contract or agreement;
- 60.2. the loss of perishable merchandise caused by or resulting from a partial or total electrical failure of a refrigeration or heating system.

# SPECIAL PROVISIONS

The SPECIAL PROVISIONS Section of the Building and/or Contents – Broad Form, is amended as follows:

Section 5. Basis of Valuation, is deleted in its entirety and replaced by the following:

## 5. BASIS OF VALUATION – REPLACEMENT COST

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

- 5.1. unsold **stock**: the **replacement cost** 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;
- 5.2. sold **stock**: the selling price after allowance for discounts;
- 5.3. obsolete or used **stock**: on the basis of actual cash value;
- 5.4. 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;
- 5.5. tenant's improvements:
  - 5.5.1. if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the replacement cost of the tenant's improvements at the time and place of loss or damage;
  - 5.5.2. 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;
- 5.6. business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):
  - 5.6.1. the cost of blank materials for reproducing the records; and
  - 5.6.2. the costs of labour to transcribe or copy the records when there is a duplicate;
- 5.7. **buildings**: loss shall be settled on the basis of **replacement cost**;
- 5.8. all other insured property under this Form and for which no more specific conditions have been set out: the **replacement cost** 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;

- 5.9. glass including any lettering, ornamentation or burglar alarm foil thereon, shall be settled on the basis of **replacement cost**, including:
- 5.9.1. repairing or replacing frames immediately encasing and contiguous to such damaged glass when necessary;
  - 5.9.2. installing temporary plates in or boarding up openings containing such glass when necessary because of unavoidable delay in repairing or replacing such damaged glass;
  - 5.9.3. removing or replacing any obstruction, other than window displays, when necessary in replacing such damaged glass, lettering or ornamentation;
- 5.10. patterns, dies, moulds: **replacement cost**, only if they have been used in production within twenty-four (24) months from the time of loss or damage.

**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.

- 5.11. **Replacement cost** means whichever is the least of the cost of replacing, repairing, constructing or reconstructing the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation. Wherever in this coverage the Insurer agrees to make settlement on the basis of replacement cost, such agreement shall only apply subject to the following provisions:
- 5.11.1. replacement shall be effected by the Insured with due diligence and dispatch;
  - 5.11.2. 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;
  - 5.11.3. 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 clause is applicable shall be on the basis of replacement cost as defined herein;
  - 5.11.4. this clause applies separately to each item listed on the Declaration Page(s);
  - 5.11.5. failing compliance by the Insured with any of the above provisions, settlement shall be made on the basis of actual cash value.

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 clause.

#### Exclusions

#### **This clause does not apply to:**

- 5.11.6. paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
  - 5.11.7. business records, including those which exist on electronic or magnetic media (other than pre-packaged software program);
  - 5.11.8. any increase in the cost of replacement occasioned by any by-law, regulation, ordinance or law;
  - 5.11.9. property that is obsolete or that has not been maintained in good or workable condition.
- 5.12. Any co-insurance calculation shall be based on a valuation of **replacement cost**.

The following clauses are added:

## **9. NOTICE OF CANCELLATION/TERMINATION AMENDMENT**

### **Applicable to policies for provinces and territories other than Québec**

Except for: (i) cancellations for non-payment of premium, and/or (ii) a written notice of termination personally delivered to the Insured, the number of days notice by the Insurer as stated in the Notice of Cancellation or Termination clause(s) contained in this policy is amended to sixty (60) days.

### **Applicable to Québec policies**

It is agreed that the thirty (30)-day prior cancellation notice, provided under paragraph 29.2 of the CANCELLATION Section under the General Conditions form to which this wording is attached, is increased from thirty (30) to sixty (60) days, and that therefore paragraph 29.2 now reads as follows:

### **29. THIS POLICY MAY BE CANCELLED AT ANY TIME:**

- 29.2. By the Insurer giving written notice to each of the Named Insured, at their last known address, at least fifteen (15) days before the effective date of cancellation by reason of non payment of premium or sixty (60) days before the effective date of cancellation for any other reason. Cancellation takes effect fifteen (15) or sixty (60) days after receipt of the written notice, depending upon the reason for cancellation. The Named Insured is entitled to a refund of the excess premium actually paid over the pro-rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

## **10. TERRITORIAL LIMITS**

Except as otherwise provided, this Form only covers property within Canada and the United States of America.

## **11. WAIVER OF DEDUCTIBLE FOR A MAJOR LOSS**

Except for covered loss or damage caused by earthquake, sewer back-up, flooding and any other type of water damage, the deductible limit stated on the Declaration Page(s) does not apply if the amount of the indemnity is higher than \$250,000.

**All other terms and conditions of the policy remain unchanged.**

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**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.

## CRIME 2.0

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## SUMMARY OF COVERAGES

Item	Coverage	Amount of Insurance per occurrence
1.	<b>Employee Dishonesty</b>	<b>\$50,000</b>
2.	<b>Theft, Robbery or Burglary</b>	<b>\$25,000</b>
3.	<b>Fraud – Limit per Coverage</b>	
3.1.	Money Orders or Counterfeit Money	<b>\$25,000</b>
3.2.	Forgery or Alteration	<b>\$25,000</b>
3.3.	Computer Fraud	<b>\$25,000</b>
3.4.	Funds Transfer Fraud	<b>\$25,000</b>
4.	<b>Expenses – Blanket Limit</b>	
4.1.	Professional Fees	
4.2.	Theft, Robbery or Burglary Reward	
4.3.	Medical Expenses	
4.4.	Computer Data Restoration Expenses	<b>\$10,000</b>

Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS Section.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Form insures those coverages as specified in the Summary of Coverages Section of this Form.

In the event that more than one coverage as provided under this Form applies to the risk insured, only the coverage with the highest amount of insurance will apply.

### Coverage 1. – Employee Dishonesty

1. The Insurer will pay the Insured for the loss of **money, securities and other property** which:
  - 1.1. the Insured sustains, directly resulting from one or more **fraudulent or dishonest acts** committed by an **employee**, acting alone or in collusion with others;
  - 1.2. the Insured's **client** sustains, directly resulting from one or more **fraudulent or dishonest acts** committed by an **employee**, acting alone or in collusion with others.
    - 1.2.1. However, in the event of collusion between the Insured's **employee** and the Insured's **client's** employee, there will be no coverage provided to the Insured under this insurance.

### Coverage 2. – Theft, Robbery or Burglary

2. The Insurer will pay the Insured for:
  - 2.1. loss of, or damage to, **money or securities**, by their actual destruction, disappearance or theft;
  - 2.2. loss of, or damage to, **other property**, by actual or attempted **safe burglary or robbery**;
 which the Insured sustains from any of the following locations:
  - a. within the **premises**, bank or similar place of safe deposit;
  - b. while being carried by an armoured motor vehicle company or **messenger**;  
 However, the Insurer will only pay for the amount of loss or damage the Insured cannot recover:
    - i. under a contract with the armoured motor vehicle company; and
    - ii. from any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.
  - c. within the living quarters of a **messenger**.
- 2.3. loss of, or damage to, **other property**, by theft while within the living quarters of a **messenger**;
- 2.4. damage to the **premises** or its exterior, directly resulting from, an actual or attempted theft, **robbery** or **safe burglary**, or by the unlawful entry or attempted unlawful entry into the **premises**, if the Insured is the owner of the **premises** or is liable for damage to the **premises**.

### Coverage 3. – Fraud

#### 3.1. Money Orders or Counterfeit Money

The Insurer will pay the Insured for loss sustained by the Insured directly resulting from the Insured's acceptance in good faith:

- 3.1.1. of a money order, or bank draft, issued or purported to have been issued by a bank, post office or express company, if such money order or bank draft is not paid upon presentation; or
- 3.1.2. of counterfeit Canadian or United States currency that is acquired during the course of the Insured's business; in exchange for merchandise, **money** or services.

### 3.2. Forgery or Alteration Coverage

3.2.1. The Insurer will pay the Insured for loss sustained by the Insured, directly resulting from:

3.2.1.1. **forgery** or alteration of a **financial instrument** by a **third party**;

3.2.1.2. **forgery** or alteration of, on or in any written instrument required in connection with a credit card or automated teller card issued to the Insured or to a partner, officer or **employee** of the Insured or to the Insured's spouse or a child residing permanently in the residence of the Insured; provided, that the Insured fully complies with the provisions, conditions and other terms under which the card was issued, and that the issued card is solely used for the Insured's business;

3.2.1.3. theft of the Insured's automated teller card, provided the Insured fully complies with the provisions, conditions and other terms under which the card was issued, and that the issued automated teller card is solely used for the Insured's business.

If the Insured is sued for refusing to pay for any instrument covered above, on the basis that it has been forged, altered or stolen, and the Insured has the Insurer's written consent to defend against the suit, the Insurer will pay for reasonable legal expenses incurred by the Insured and pay that defence. The amount that the Insurer will pay for such legal expenses and defence costs is in addition to the amount of insurance applicable to this Coverage.

### 3.3. Computer Fraud

The Insurer will pay the Insured for loss of, or damage to, **money, securities or other property**, which the Insured or the Insured's **client** sustains and that is caused directly by **computer fraud**.

### 3.4. Funds Transfer Fraud

The Insurer will pay the Insured for loss of **money** or **securities** held in a **transfer account** sustained by the Insured and directly resulting from a **fraudulent instruction** directing a **financial institution** to transfer, pay or deliver such **money** or **securities** from a **transfer account**.

## Coverage 4. – Expenses

### 4.1. Professional Fees

The Insurer will pay for necessary and reasonable fees charged by auditors, accountants, lawyers or other professionals retained by the Insured, for the purpose of producing or certifying particulars or details of the Insured's business and that are required by the Insurer in connection with a covered loss or damage and in order to arrive at the loss or damage payable under this Form.

These professional fees exclude any fees and cost of public adjusters, as well as the salary of any officer or **employee** of the Insured.

### 4.2. Theft, Robbery or Burglary Reward

If a theft, **robbery** or **burglary** occurs or is attempted, resulting in a loss or damage covered by this Form, the Insurer will pay for information that leads directly to a criminal conviction in connection with such loss or damage. The Insurer's liability under this coverage shall not be increased by the number of persons who provide information.

### 4.3. Medical Expenses

The Insurer will pay the Insured for expenses related to reasonable medical expenses incurred by a **messenger** who sustains **bodily injury** during and because of a **robbery** or attempted **robbery**.

This Form covers the following expenses:

4.3.1. first aid at the time of **bodily injury** arising from such actual or attempted **robbery**;

4.3.2. necessary medical, surgical, x-ray and dental services, including prosthetic devices;

4.3.3. necessary ambulance, hospital, and professional nursing services;

4.3.4. mental health and counselling services; and

4.3.5. in the event of death resulting from such injury, the funeral expense;

All these expenses must be incurred within twelve (12) consecutive months from the date such injury is sustained, provided:

4.3.6. such expenses are not payable under a governmental medical, dental, surgical or hospitalization plan, or under any other insurance contract;

4.3.7. such expenses are not payable under a workers' compensation, disability or medical benefits or unemployment or employment compensation law or a similar law.

### 4.4. Computer Data Restoration Expenses

The Insurer will pay the Insured for **computer data restoration expenses** incurred by the Insured and resulting directly from a loss or damage covered under Coverages 1. – Employee Dishonesty or 3.3. Computer Fraud.

## EXCLUSIONS

This Form does not apply:

### 1. INVENTORY COMPUTATION

Under Coverage 1. – Employee Dishonesty only, to loss or damage, or to that part of any loss or damage, where the proof of its existence or its amount, is dependent upon an inventory computation or a profit and loss computation;

### 2. MONEY DEVICES

Under Coverage 2. – Theft, Robbery or Burglary only, to loss of or damage to **money** contained in any money operated device or machine, unless the amount of **money** deposited within the device or machine is recorded by continuous recording;

### 3. GIFT CARDS

To loss of, or damage to, any gift certificate, gift card or card that has monetary exchange value. However, this exclusion does not apply to the first \$1,000 of any loss or damage insured, and is only provided if the Insured fully complies with the provisions, conditions and other terms under which the gift certificate or card was issued;

### 4. ACT BY EMPLOYEE

Under Coverage 2. – Theft, Robbery or Burglary and Coverage 3. – Fraud only, to loss or damage resulting from any fraudulent, dishonest or criminal act by an **employee**, director, trustee or authorized representative of any Insured whether acting alone or in collusion with others. This exclusion does not apply to actual or attempted **safe burglary** or **robbery**;

## 5. WAR AND INVASION

To loss or damage arising directly or indirectly, 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;

## 6. ACCOUNTING

To loss or damage due to accounting or arithmetical errors or omissions;

## 7. NUCLEAR

To loss or damage caused directly or indirectly:

7.1. By any nuclear incident (as defined in the *Nuclear Liability and Compensation Act*, any other nuclear liability act, law or statute, or any amending law) or nuclear explosion;

7.2. By contamination by radioactive material;

## 8. CRIMINAL ACTS

To loss or damage due to any fraudulent, dishonest or criminal act by any Insured or partner of the Insured, whether acting alone or in collusion with others;

## 9. FIRE

To any loss or damage resulting from fire however caused, except loss to **money, securities**, or loss of or damage to a safe or vault;

## 10. THREAT TO BODILY HARM OR DAMAGES

To loss of, or damage to, **money, securities** or **other property**, after it has been transferred or surrendered to a person or place outside the **premises** as a result of a threat to do:

10.1. Bodily harm to any person; or

10.2. Damage to the **premises** or property owned by the Insured or held by the Insured in any capacity;

These exclusions do not apply to loss of, or damage to, **money, securities** or **other property**, while outside the **premises** and being conveyed by a **messenger**.

## 11. DEFENSE OF LEGAL ACTION

To the defence of any legal action brought against the Insured; or to fees, costs or expenses incurred by the Insured for any legal action relating to any loss or damage covered by this Form, unless specifically stated elsewhere in this Form;

## 12. POTENTIAL INCOME

To any potential income, including but not limited to interest and dividends, not realized because of a loss or damage covered under this Form;

## 13. LEGAL LIABILITY OF INSURED

To all damages of any type for which the Insured is legally liable, except direct compensatory damage arising from a loss or damage covered under this Form;

## 14. TERRORISM

To any 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;

## 15. DATA

To loss of or damage to **data**, or loss or damage caused directly or indirectly by a **data problem**, except as provided under Paragraph 4.4. Computer Data Restoration Expenses;

## 16. SOCIAL ENGINEERING FRAUD

To loss or damage directly or indirectly resulting from **social engineering fraud**;

## 17. CONFIDENTIAL OR PERSONAL INFORMATION

To loss or damage resulting from:

17.1. the disclosure of the Insured's or any other person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or

17.2. the use of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or other type of non-public information.

## 18. GOVERNMENT AUTHORITY

To loss or damage resulting from any seizure or destruction of property by order of any governmental authority.

# GENERAL AGREEMENTS

## 1. CONSOLIDATION, MERGER OR PURCHASE

If the Insured consolidates or merges with, or purchases or acquires the assets of another entity, the coverage provided by this Form shall be extended to such consolidated or merged entity or such purchased or acquired assets, provided the Insured shall give the Insurer written notice thereof within sixty (60) 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**.

## 2. 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 shall, for the purposes of General Agreements 11. PRIOR FRAUD, DISHONESTY OR CANCELLATION, 12. LOSS-NOTICE-PROOF-ACTION AGAINST INSURER and 18. CANCELLATION AS TO ANY EMPLOYEE, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance as respects any **employee** as provided in General Agreement 18. below shall apply to every Insured.

If, prior to the cancellation or termination of this policy, this policy or any Coverage hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss or damage 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 or damage 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.

### 3. TERRITORY

This Form insures acts committed or events occurring:

- 3.1. With respect to Coverage 1. – Employee Dishonesty:
  - 3.1.1. within Canada and the United States of America (including their territories and possessions);
  - 3.1.2. anywhere in the world, for loss or damage caused by any **employee** temporarily outside of the territory specified in 3.1.1. above, for a period not exceeding ninety (90) days;
- 3.2. With respect to Coverages 2. – Theft, Robbery or Burglary, 3.1. Money Orders or Counterfeit Money, 3.3. Computer Fraud, and 3.4. Funds Transfer Fraud, within Canada and the United States of America (including their territories and possessions);
- 3.3. With respect to Coverage 3.2. Forgery or Alteration, anywhere in the world.

### 4. LOSS COVERED UNDER THIS POLICY AND PRIOR INSURANCE ISSUED BY THE INSURER

With respect to loss or damage which occurs:

- 4.1. partly during the **policy period**; and
- 4.2. 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 or damage is discovered;

The most the Insurer will pay is the larger of the amount recoverable under this Form or the prior insurance.

### 5. LOSS COVERED UNDER PRIOR INSURANCE

- 5.1. If the Insured or any predecessor in interest sustained a loss or damage during the period of any prior insurance that the Insured or such predecessor would have recovered under that insurance except that the time within which to discover the loss or damage had expired, the Insurer will pay for it under this Form, provided:
  - 5.1.1. the loss or damage is first discovered during the current **policy period**;
  - 5.1.2. the loss or damage would have been recoverable under the immediately preceding insurance, which prior policy is terminated, cancelled or allowed to expire as of the time of such substitution; and
  - 5.1.3. the loss or damage would have been covered by this Form had this Form been in effect when the loss or damage occurred.
- 5.2. The coverage under this General Agreement 5. is part of, and not in addition to, the amount of insurance applying under this Form and is limited to the lesser of the amount recoverable under:
  - 5.2.1. this Form as of the date such loss or damage was first discovered;
  - 5.2.2. this Form as of the date it was substituted for the prior insurance; or
  - 5.2.3. the prior insurance had it remained in effect.

### 6. LOSS OR DAMAGE SUSTAINED

Subject to General Agreement 5. LOSS COVERED UNDER PRIOR INSURANCE above, this Form applies only to acts committed or events which occurs during the **policy period** shown on the Declaration Page(s), and which are discovered by the Insured during the **policy period**, or during the period of time described under General Agreement 7. EXTENDED PERIOD TO DISCOVER LOSS below.

### 7. EXTENDED PERIOD TO DISCOVER LOSS

If, prior to the cancellation or termination of this policy, this policy or any Coverage is cancelled or terminated as to any Insured, there shall be no liability for any loss or damage sustained by such Insured unless discovered within one year from the date of such cancellation or termination.

### 8. LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

If a loss or damage is alleged to have been caused by the **fraudulent or dishonest acts** of any **employee(s)** and the Insured is unable to identify the specific **employee(s)** causing such loss or damage, the Insured will have the benefit of Coverage 1. – Employee Dishonesty, subject to the provisions of the Exclusions to this policy, provided that the evidence submitted reasonably proves that the loss or damage was in fact due to the **fraudulent or dishonest acts of employee(s)**, and that the total liability of the Insurer will not exceed the amount of insurance applicable to Coverage 1. – Employee Dishonesty.

### 9. OWNERSHIP OF PROPERTY; INTERESTS COVERED

- 9.1. Insured's Property  
The property covered under this Form is limited to property that the Insured owns or leases, that is held by the Insured in any capacity or for which the Insured is legally liable, provided the Insured was liable for the property prior to the time the loss or damage was sustained.
- 9.2. Client's Property  
Solely with respect to the **client** coverage, the property covered under this Form is limited to property that the **client** owns or leases, that is held by the **client** in any capacity or for which the **client** is legally liable, provided the **client** was liable for the property prior to the time the loss or damage was sustained.

However, this insurance is for the Insured's benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss or damage that is covered under this Form must be presented by the Insured.

### 10. RECORDS

The Insured must keep records of all property insured under this Form in such manner from which the Insurer can accurately verify the amount of loss or damage.

### 11. PRIOR FRAUD, DISHONESTY OR CANCELLATION

Coverage 1. – Employee Dishonesty will not apply to any **employee** from the time that the Insured, any partner of the Insured or officer not in collusion with the **employee**, has knowledge or information that the **employee** has committed any **fraudulent or dishonest act**, whether the act was committed before or after the date of employment by the Insured.

If, prior to the issuance of this Form, 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 **employee(s)** has been cancelled for any of such **employee(s)** by written notice of cancellation by that Insurer, and, if the **employee(s)** has not been reinstated under the coverage of that fidelity insurance or superseding fidelity insurance, the Insurer will not be liable on account of such **employee(s)** unless the Insurer has agreed in writing to include such **employee(s)** within Coverage 1. – Employee Dishonesty.

### 12. LOSS – NOTICE – PROOF – ACTION AGAINST INSURER

Upon knowledge or discovery of loss or damage or of an **occurrence** which may give rise to a claim for loss or damage, the Insured shall:

- 12.1. give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under Coverages 1. – Employee Dishonesty and 3.2. Forgery or Alteration, also to the police if the loss or damage is due to a violation of law;
- 12.2. file detailed proof of loss or damage, duly sworn to, with the Insurer within four months after the discovery of loss or damage.

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

At the Insurer's request, the Insured must submit to examination, under oath if required, by the Insurer, all at reasonable times and places as the Insurer will designate. The Insured will cooperate with the Insurer in all matters pertaining to loss, damage or claims.

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 policy, nor until 90 days after the required proofs of loss or damage have been filed with the Insurer, nor at all unless commenced within two years from the date when the Insured discovered the loss or damage, except in Québec, where such commencement begins within three (3) years of the discovery of such loss or damage.

If any limitation of time for notice of loss or damage or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

### 13. BASIS OF VALUATION – PAYMENT – REPLACEMENT

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

#### 13.1. Loss of money:

The Insurer will pay for loss of or damage to **money**, but only up to its face value. The Insurer may, at its option, pay for loss of or damage to **money** issued by any country other than Canada:

13.1.1. at face value in the **money** issued by that country; or

13.1.2. in the Canadian dollar equivalent determined by the rate of exchange on the day the loss or damage was first discovered.

#### 13.2. Loss of Securities

The Insurer will pay for loss of or damage to **securities**, but only for the market value of such **securities** at the close of business on the business day immediately preceding the day on which the loss was discovered.

#### 13.3. Loss of or Damage to Other Property or Damage to Premises

In case of loss of or damage to **other property** or damage to the **premises**, the Insurer shall not be liable for more than:

13.3.1. the actual cash value of such property; or

13.3.2. the actual cost of repairing such property or of replacing same with property or material 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 or such cost shall be determined by arbitration.

### 14. RECOVERIES

Any recoveries, less the cost of effecting such recoveries, made after settlement of a loss or damage covered under this Form, shall be distributed as follows:

14.1. First, to the Insured in satisfaction of its covered loss or damage in excess of the applicable amount of insurance and any applicable deductible amount;

14.2. Second, to the Insurer in satisfaction of the amounts paid to an Insured for a covered loss or damage;

14.3. Third, to an Insured in satisfaction of any deductible amount applicable to such loss or damage.

Recoveries do not include any amounts recovered from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit.

### 15. AMOUNT OF INSURANCE

The Insurer's total liability for all loss or damage resulting directly from an **occurrence** is the applicable amount of insurance shown in the Declaration Page(s) under each Coverage Section.

The maximum liability of the Insurer for loss or damage sustained will not exceed the amount of insurance as shown on the Declaration Page(s), regardless of the number of Insureds sustaining the loss.

Regardless of the number of years this policy continues in force and the number of premiums payable or paid, the limit of the Insurer's liability as specified on the Declaration Page(s) are not cumulative from **policy period to policy period**.

### 16. OTHER INSURANCE

#### 16.1. Insurance Issued by The Insurer or Any Subsidiary

Coverage provided under this Form may also be provided elsewhere by other coverages issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured. In the event of any such coverage duplication or overlap, the limits afforded under the different coverages only and issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured shall be cumulative, and this, notwithstanding any other provision to the contrary contained elsewhere within this policy or in any other policy issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured.

In the event such loss or damage would also be afforded or invoked under any other valid or collectible insurance maintained by the Insured, except an insurance policy issued by the Insurer or a subsidiary of the parent of the Insurer, the provisions of clause 16.2. below will prevail.

#### 16.2. Insurance Issued by Another Insurer

Under any other Coverage provided by this Form, if there is any other valid and collectible insurance (except for an insurance policy issued by the Insurer or a subsidiary of the parent of the Insurer as described under Paragraph 16.1. above), which would apply in the absence of such Coverage, the insurance under this policy shall apply only as excess insurance over such other insurance, except in the province of Québec where each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss or damage.

### 17. SUBROGATION

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

### 18. CANCELLATION AS TO ANY EMPLOYEE

Coverage 1. – Employee Dishonesty, shall be deemed cancelled as to any **employee**:

18.1. 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

18.2. Except in the province of Quebec, at 12:01 a.m. standard time as per the terms mentioned above, 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 this notice to the Insured at the address shown in the Declaration Page(s) shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by endorsement only.

### 19. NO BENEFIT TO BAILEE

This General Agreement applies only to Coverage 2. – Theft, Robbery or Burglary.

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

### 20. DEDUCTIBLE

The Insurer will not pay for loss or damage directly resulting from an **occurrence**, unless the amount of loss or damage exceeds any deductible amount shown on the Declaration Page(s). The Insurer will then pay the amount of loss in excess of the deductible amount, up to the applicable amount of insurance.

## DEFINITIONS

Wherever used in this Form:

1. **Bodily injury** means bodily or mental injury, disability or shock sustained by a person, including death.
2. **Client** means a customer of the Insured to whom such Insured provides goods or services pursuant to a written contract or for a fee.
3. **Computer data restoration expenses** means reasonable expenses, other than the Insured's internal corporate costs, fees, wages and salary, incurred by the Insured, with the Insurer's prior written consent, to reproduce or duplicate damaged or destroyed **data** that was stored in the Insured's **computer system** and was damaged or destroyed directly as a result of a loss covered under Coverage 1. – Employee Dishonesty or 3.3. Computer Fraud. Such damaged or destroyed **data** shall be reproduced or duplicated from other **data** available to the Insured.  
  
However, if such damaged or destroyed **data** cannot be reproduced or duplicated from other **data**, then **computer data restoration expenses** means reasonable costs, other than the Insured's internal corporate costs, fees, wages and salary, incurred by the Insured for computer programmers or technology consultants to restore such damaged or destroyed **data** to substantially the same level existing immediately before the covered loss. **Computer data restoration expenses** shall not include any expenses incurred by a **client**.
4. **Computer fraud** means the unlawful taking of **money, securities or other property** resulting from:
  - 4.1. The unauthorized entry of **data** or computer instructions directly into; or
  - 4.2. The unauthorized change of **data** or computer instructions within;a **computer system**, including any such entry or change made via the internet, by a natural person or entity, other than an **employee** or any individual under the direct supervision of the Insured.  
**Computer fraud** does not include **social engineering fraud**.
5. **Computer system** means any computer or network of computers, including its input, output, processing, storage and communication facilities, operating system or application software, that is rented by, owned by, leased by, licensed to, or under the direct operational control of, the Insured.
6. **Data** means representations of information or concepts, in any form stored in a **computer system**.
7. **Data problem** means:
  - 7.1. Erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
  - 7.2. Error in creating, amending, entering, deleting or using **data**; or
  - 7.3. Inability to receive, transmit or use **data**.
8. **Employee** means:
  - 8.1. Any natural person:
    - 8.1.1. While in the Insured's service and for the first thirty (30) days immediately after termination of service, unless such termination is due to any **fraudulent or dishonest acts** committed by such natural person;
    - 8.1.2. Who the Insured compensates directly by salary, wages or commissions; and
    - 8.1.3. Who the Insured has the right to direct and control while performing services for the Insured;
  - 8.2. Any natural person who is furnished temporarily to the Insured:
    - 8.2.1. To substitute for a permanent **employee**, as defined in Paragraph 8.1. who is on leave; or
    - 8.2.2. To meet seasonal or short-term workload conditions;Who the Insured compensates directly by salary, wages or commissions and while that person is subject to the Insured's direction and control and performing services for the Insured;
  - 8.3. Any natural person whose services are leased to the Insured under a written agreement between the Insured and a labor leasing firm, to perform duties related to the conduct of the Insured's business, but excluding any temporary **employee** defined in Paragraph 8.2. above; or
  - 8.4. Any natural person who is a former **employee** retained by the Insured as a consultant while performing services for the Insured;**Employee** does not mean:
  - 8.5. Any volunteer, agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in this Paragraph 8. Above;
  - 8.6. Any director or trustee, except while performing acts coming within the scope of the usual duties of an **employee**.
9. **Financial institution** means:
  - 9.1. A bank, trust company, savings bank, credit union, savings and loan association, or similar banking institution; or
  - 9.2. A stock brokerage firm, mutual fund, liquid assets fund, or similar investment institution.
10. **Financial instrument** means any cheque, draft, promissory note, or similar written promise, order or direction to pay a sum certain in **money** that is made, drawn by or drawn upon the Insured or made or drawn by anyone acting as the Insured's agent, or that is purported to have been so made or drawn.
11. **Forgery** means the signing of the name of another person or entity with intent to deceive. **Forgery** does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose. Facsimile, mechanical or electronically produced or reproduced signatures shall be treated the same as original signatures.
12. **Fraudulent instruction** means:
  - 12.1. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction which purports to have been transmitted by the Insured, but which was, in fact, fraudulently transmitted by another party without the Insured's knowledge or consent;
  - 12.2. A written instruction issued by the Insured, which was forged or altered by another party without the Insured's knowledge or consent, or which purports to have been issued by the Insured, but which was, in fact, fraudulently issued without the Insured's knowledge or consent; provided, that this Paragraph 12.2. does not include any **forgery** covered under Paragraph 3.2. Forgery or Alteration.
13. **Fraudulent or dishonest acts** means only fraudulent or dishonest acts committed by an **employee** with the manifest intent:
  - 13.1. To cause the Insured to sustain such loss or damage; and
  - 13.2. To cause the Insured's **client** to sustain such loss or damage, solely for the purposes of the coverage afforded under Paragraph 1.2. of Coverage 1. – Employee Dishonesty; and
  - 13.3. To obtain financial benefit for the **employee**, or for any other person or organization intended by the **employee** to receive such benefit, but does not mean benefits earned in the normal course of employment.

- 14. Messenger** means the Insured or a partner of the Insured or any **employee** who is duly authorized by the Insured to have the care and custody of the property insured under this Form located outside or within the **premises**. **Messenger** does not include any person acting as a watchman, porter or janitor.
- 15. Money** means:
- 15.1. Currency, coins, bank notes and bullion; and
  - 15.2. Travellers' cheques, registered cheques and money orders, held for sale to the public.
- Money** does not include **virtual currency**.
- 16. Occurrence** means:
- 16.1. As with respect to Coverage 1. – Employee Dishonesty, all loss or damage caused by, or involving, one or more **employees**, whether the result of a single act or series of acts;
  - 16.2. As with respect to Coverage 3.2. Forgery or Alteration, all loss caused by any person or in which that person is involved, whether the loss or damage involves one or more instruments;
  - 16.3. As respects all other Coverages:
    - 16.3.1. An act or event, or series of related acts or events, involving one or more persons; or
    - 16.3.2. An act or event, or a series of related acts or events, not involving any person.
- 17. Other property** means any tangible property, other than **money** and **securities**, that has an intrinsic value.
- Other Property** does not include:
- 17.1. Intangible property such as computer programs or electronic data;
  - 17.2. Any Insured's or another entity's or person's confidential or personal information;
  - 17.3. Any property excluded under this Form; or
  - 17.4. **Virtual currency**.
- 18. Policy period** means each consecutive period of twelve (12) months included in the policy period shown on the Declaration Page(s). The first twelve-month period starts on the inception date of the policy and the subsequent period starts at the expiry of the first twelve-month period.
- 19. Premises** means:
- 19.1. The interior of that portion of any building; or
  - 19.2. Any temporary booth or similar location;
- Which is occupied by the Insured in conducting its business.
- For **robbery** only, the **premises** also include the space immediately surrounding such **premises**.
- 20. Robbery** means the unlawful taking of property from the care and custody of a person by someone who has:
- 20.1. Caused or threatened to cause that person bodily harm; or
  - 20.2. Committed an overt unlawful act witnessed by that person and of which that person was actually cognizant.
- 21. Safe burglary** means the unlawful taking of property from within a locked safe or vault by forcible or violent entry, as evidenced by visible marks upon its exterior, or the unlawful taking of a safe or vault from within the **premises**.
- 22. 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. **Securities** does not include **money** or **virtual currency**.
- 23. Social engineering fraud** means the intentional misleading of an **employee** or the Insured (if the Insured named in the Declaration Page(s) is a natural person who is a sole proprietor), through the use of an instruction received by the **employee** or the Insured that:
- 23.1. Causes such **employee** or such Insured to transfer, pay, or deliver **money, securities** or **other property**;
  - 23.2. Contains a misrepresentation of a material fact; and
  - 23.3. is relied upon by such **employee** or such Insured, believing the material fact to be true.
- 24. 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.
- 25. Third party** means a natural person, other than:
- 25.1. An **employee**; or
  - 25.2. A natural person acting in collusion with an **employee**.
- 26. Transfer account** means an account maintained by the Insured at a **financial institution** from which the Insured can initiate the transfer, payment or delivery of **money** or **securities** by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system, or by means of written instructions establishing the conditions under which such transfers are to be initiated by such **financial institution** through an electronic funds transfer system.
- 27. Virtual currency** means a digital or electronic medium of exchange that is used and accepted as a means of payment, but that is not issued by, or guaranteed by, a central bank, government or public authority.



**DEFINITION OF EMPLOYEE EXTENDED TO INCLUDE VOLUNTEER WORKERS**

**This Endorsement Changes the Policy. Please Read It Carefully.**

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.

**All other terms and conditions of the Policy remain unchanged.**

# COMMERCIAL GENERAL LIABILITY MAX

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Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declaration Page(s), and any other person or organization qualifying as a Named Insured under Paragraph 3. of Section II – Who Is An Insured. The words "we", "us" and "our" refer to the company providing this insurance.

The word "Insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

**Other words and phrases that appear in bold have special meaning. Refer to Section IV – Definitions.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.**

Various provisions in this Policy restrict coverage. Read the entire policy 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 a Limit of Insurance - Each Occurrence is indicated in the Declaration Page(s).

#### 1. INSURING AGREEMENT

- 1.1. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **bodily injury** or **property damage** to which this insurance applies. We will have the right and duty to defend the Insured against any **action** seeking those **compensatory damages**. However, we 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. We may, at our discretion, investigate any **occurrence** and settle any claim or **action** that may result. But:
  - 1.1.1. The amount we will pay for **compensatory damages** is limited as described in Section III – Limits of Insurance and Deductibles; and
  - 1.1.2. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical payments under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.
- 1.2. This insurance applies to **bodily injury** and **property damage** only if:
  - 1.2.1. The **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**; and
  - 1.2.2. The **bodily injury** or **property damage** occurs during the **policy period**; and
  - 1.2.3. Prior to the **policy period**, no Insured listed under Paragraph 1. of Section II – Who Is An Insured and no **employee** authorized by you to give or receive notice of an **occurrence** or 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**.
- 1.3. **Bodily injury** or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any **employee** authorized by you to give or receive notice of an **occurrence** or claim, and includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.
- 1.4. **Bodily injury** or **property damage** will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any **employee** authorized by you to give or receive notice of an **occurrence** or claim:
  - 1.4.1. Reports all or any part, of the **bodily injury** or **property damage** to us or any other insurer;
  - 1.4.2. Receives a written or verbal demand or claim for **compensatory damages** because of the **bodily injury** or **property damage**; or
  - 1.4.3. Becomes aware by any other means that **bodily injury** or **property damage** has occurred or has begun to occur.
- 1.5. **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:**

- 2.1. Expected or Intended Injury or Damage

**Bodily injury** or **property damage** expected or intended from the standpoint of the Insured. This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.
- 2.2. Contractual Liability

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

  - 2.2.1. That the Insured would have in the absence of the contract or agreement; or
  - 2.2.2. 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:
    - 2.2.2.1. Liability to such party for, or for the cost of, that party's defence has also been assumed in the same **insured contract**; and
    - 2.2.2.2. 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.
- 2.3. Workers' Compensation and Similar Laws

Any obligation of the Insured under a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.
- 2.4. Employer's Liability

**Bodily injury** to:

  - 2.4.1. An **employee** of the Insured arising out of and in the course of:
    - 2.4.1.1. Employment by the Insured; or
    - 2.4.1.2. Performing duties related to the conduct of the Insured's business; or
  - 2.4.2. The spouse, child, parent, brother or sister of that **employee** as a consequence of sub-paragraph 2.4.1. above.

This exclusion applies:

2.4.3. Whether the Insured may be liable as an employer or in any other capacity; and

2.4.4. 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:**

2.4.5. Liability assumed by the Insured under an **insured contract** but only with respect to a Canadian resident **employee**; or

2.4.6. A claim made or an **action** brought by a Canadian resident **employee**, because of **bodily injury** sustained in the course of employment or while performing duties on your behalf.

2.5. Watercraft

2.5.1. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation or entrustment to others by you or on your behalf of any self-propelled watercraft that exceeds 100 tons gross registry.

**This exclusion does not apply to:**

2.5.2. A watercraft while ashore on premises that are owned by, rented to or controlled by you;

2.5.3. Sub-paragraph 2.5.1. does not apply to **bodily injury** sustained by any of your **employees** while acting on your behalf.

2.6. Aircraft

2.6.1. **Bodily injury** or **property damage** arising out of:

2.6.1.1. The ownership, maintenance, use, operation or entrustment to others, by or on behalf of the Insured of any aircraft or any air cushion vehicle;

2.6.1.2. The ownership, use, operation or entrustment to others by or on behalf of the Insured of any premises for the purpose of an airport or an aircraft landing area;

2.6.1.3. All operations that are necessary or incidental to sub-paragraph 2.6.1.1. or 2.6.1.2. above;

2.6.1.4. Use includes **loading or unloading**;

2.6.1.5. Work or operations conducted by or on behalf of the Insured at airport premises or airport property (including but not limited to any runway, hangar, taxiway, apron, or air traffic control facility), but this exclusion shall not apply to such work or operations in Canada that are conducted solely within an area that is not designated by Transport Canada (or other airport regulatory authority) as a restricted area.

2.7. Automobile

2.7.1. **Bodily injury** or **property damage** arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use, operation or entrustment to others of any **automobile** owned or operated by, or on behalf of, or rented or loaned to any Insured;

2.7.2. This exclusion also applies to any:

2.7.2.1. Motorized snow vehicle or its trailers, except when being used for your business; or

2.7.2.2. 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.

2.7.3. 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:**

2.7.4. **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;

2.7.5. **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 thirty (30) days or more provided the lessee is obligated under contract to ensure that the **automobile** is insured;

2.7.6. **Bodily injury** or **property damage** liability imposed by law upon the Insured for loss or damage arising out of the ownership, maintenance, use or operation of machinery or apparatus (including its equipment), mounted on or attached to any **automobile** at the site of the use or operation of such machinery or apparatus and provided the Insured is not insured for liability arising out of the ownership, use or operation of such mounted or attached machinery or apparatus under any automobile policy.

2.8. Damage to Property

**Property damage to:**

2.8.1. Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

2.8.2. Premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises;

2.8.3. Property loaned to you;

2.8.4. Personal property in your care, custody or control, including but not limited to:

2.8.4.1. Property held by you for sale or entrusted to you for storage or safekeeping;

2.8.4.2. Property being on premises that is owned or rented by you for the purpose of having operations performed on such property by the Insured;

2.8.5. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the **property damage** arises out of those operations; or

2.8.6. That particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Sub-paragraph 2.8.2. of this exclusion does not apply if the premises are **your work** and were occupied, rented or held for rental by you, for a period not exceeding twelve (12) months.

Sub-paragraphs 2.8.3., 2.8.4., 2.8.5. and 2.8.6. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Sub-paragraph 2.8.6. of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

2.9. Damage to Your Product

**Property damage to your product** arising out of it or any part of it. This exclusion is replaced by exclusion 2.9.1., but only in respect to your operations related to the business of selling, repairing, or servicing automobiles:

2.9.1. **Property damage to your product** arising out of it or any part of it if caused by a defect existing at the time it was sold or transferred to another.

2.10. Damage to Your Work

**Property damage** to that particular part of **your work** arising out of it or any part of it and included in the **products-completed operations hazard**, this exclusion shall only apply to that part of **your 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 your behalf by a subcontractor.

2.11. 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:

- 2.11.1. A defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- 2.11.2. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

2.12. Recall of Products, Work or Impaired Property

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

- 2.12.1. **Your product**;
- 2.12.2. **Your work**; or
- 2.12.3. **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.

2.13. 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**.

2.14. Access to or Disclosure of Confidential or Personal Information (Privacy Breach)

**Compensatory damages** arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

2.15. Personal Injury and Advertising Injury

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

2.16. Professional Services

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

2.17. Asbestos - see Common Exclusions.

2.18. Fungi or Spores - see Common Exclusions.

2.19. Nuclear Energy Liability - see Common Exclusions.

2.20. Pollution - see Common Exclusions.

2.21. Terrorism - see Common Exclusions.

2.22. War Risks - see Common Exclusions.

2.23. Unsolicited Communication - see Common Exclusions.

## COVERAGE B - PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

This insurance applies only when a Personal Injury and Advertising Injury Limit of Insurance is indicated in the Declaration Page(s).

### 1. INSURING AGREEMENT

- 1.1. We 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. We will have the right and duty to defend the Insured against any **action** seeking those **compensatory damages**. However, we 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. We may, at our discretion, investigate any offence and settle any claim or **action** that may result. But:

- 1.1.1. The amount we will pay for **compensatory damages** is limited as described in Section III - Limits of Insurance and Deductibles; and

- 1.1.2. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical payments under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A, B and D.

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

### 2. EXCLUSIONS

**This insurance does not apply to:**

2.1. Knowing Violation of Rights of Another

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

2.2. 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 the Insured with knowledge of its falsity.

2.3. 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**.

2.4. Criminal Acts

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

2.5. Contractual Liability

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

2.6. Breach of Contract

**Advertising injury** arising out of a breach of contract, except an implied contract to use another's advertising idea in your **advertisement**.

- 2.7. 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 statement of quality or performance made in your **advertisement**.
- 2.8. Wrong Description of Prices  
**Advertising injury** arising out of the wrong description of the price of goods, products or services stated in your **advertisement**.
- 2.9. Infringement of Copyright, Patent, Trademark or Trade Secret  
**Personal injury** and **advertising injury** arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your **advertisement**, of copyright, trade dress or slogan.
- 2.10. Insureds in Media and Internet Type Businesses  
**Personal injury** or **advertising injury** committed by an Insured whose business is:
  - 2.10.1. Advertising, broadcasting, publishing or telecasting;
  - 2.10.2. Designing or determining content of web-sites for others; or
  - 2.10.3. An Internet search, access, content or service provider.**However, this exclusion does not apply to:**
  - 2.10.4. False arrest, detention or imprisonment;
  - 2.10.5. Malicious prosecution;
  - 2.10.6. 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 you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.
- 2.11. Interactive Websites, Electronic Chatrooms, Interactive Forums or Bulletin Boards  
**Personal injury** or **advertising injury** arising out of an electronic interactive website, a chatroom, an interactive forum or a bulletin board the Insured hosts, owns, or over which the Insured exercises control.
- 2.12. Unauthorized Use of Another's Name or Product  
**Advertising injury** arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- 2.13. Access to or Disclosure of Confidential or Personal Information (Privacy Breach)  
**Personal injury** or **advertising injury** arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.
- 2.14. Asbestos - see Common Exclusions.
- 2.15. Fungi or Spores - see Common Exclusions.
- 2.16. Nuclear Energy Liability - see Common Exclusions.
- 2.17. Pollution - see Common Exclusions.
- 2.18. Terrorism - see Common Exclusions.
- 2.19. War Risks - see Common Exclusions.
- 2.20. Unsolicited Communication - see Common Exclusions.

## COVERAGE C - MEDICAL PAYMENTS

This insurance applies only when a Medical Payments Limit of Insurance is indicated in the Declaration Page(s).

### 1. INSURING AGREEMENT

- 1.1. We will pay medical expenses as described below for **bodily injury** caused by an accident:
  - 1.1.1. On premises you own or rent;
  - 1.1.2. On ways next to premises you own or rent; or
  - 1.1.3. Because of your operations.
 provided that:
  - 1.1.4. The accident takes place in the **coverage territory** and during the **policy period**; and
  - 1.1.5. The injured person submits to an examination, at our expense, by physicians of our choice as often as we reasonably require.
- 1.2. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III - Limits of Insurance and Deductibles. We will pay reasonable expenses for:
  - 1.2.1. First aid administered at the time of an accident;
  - 1.2.2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices;
  - 1.2.3. Necessary ambulance, hospital, professional nursing and funeral services; and
  - 1.2.4. Travel and babysitting expenses.

### 2. EXCLUSIONS

**We will not pay expenses for bodily injury:**

- 2.1. Any Insured  
 To any Insured, except **volunteer workers**.
- 2.2. Hired Person  
 To any person while engaged in maintenance and repair of the insured premises or alteration, demolition or construction operations at such premises.
- 2.3. Injury on Normally Occupied Premises  
 To any person injured on that part of premises you own or rent, that such person normally occupies.



2.4. Workers' Compensation and Similar Laws

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

2.5. Athletics Activities

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

2.6. Products-Completed Operations Hazard

Included within the **products-completed operations hazard**.

2.7. Coverage A Exclusions

Excluded under Coverage A.

## COVERAGE D - TENANTS' LEGAL LIABILITY

This insurance applies only when a Tenant's Legal Liability Limit of Insurance is indicated in the Declaration Page(s).

### 1. INSURING AGREEMENT

- 1.1. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **property damage** to which this insurance applies. This insurance applies only to **property damage** to premises of others (including building fixtures permanently attached thereto other than improvements and betterments) rented to you or occupied by you. We will have the right and duty to defend the Insured against any **action** seeking those **compensatory damages**. However, we will have no duty to defend the Insured against any **action** seeking **compensatory damages** for **property damage** to which this insurance does not apply. We may, at our discretion, investigate any **occurrence** and settle any claim or **action** that may result. But:

1.1.1. The amount we will pay for **compensatory damages** is limited as described in Section III - Limits of Insurance and Deductibles; and

1.1.2. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical payments under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A, B and D.

- 1.2. This insurance applies to **property damage** only if:

1.2.1. The **property damage** is caused by an **occurrence** that takes place in the **coverage territory**;

1.2.2. The **property damage** occurs during the **policy period**; and

1.2.3. Prior to the **policy period**, no Insured listed under Paragraph 1. of Section II - Who Is An Insured and no **employee** authorized by you to give or receive notice of an **occurrence** or 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**.

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

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

1.4.1. Reports all or any part, of the **property damage** to us or any other insurer;

1.4.2. Receives a written or verbal demand or claim for **compensatory damages** because of the **property damage**; or

1.4.3. Becomes aware by any other means that **property damage** has occurred or has begun to occur.

### 2. EXCLUSIONS

This insurance does not apply to:

- 2.1. Expected or Intended Damage

**Property damage** expected or intended from the standpoint of the Insured.

- 2.2. Contractual Liability

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

- 2.3. Asbestos - see Common Exclusions.

- 2.4. Fungi or Spores - see Common Exclusions.

- 2.5. Nuclear Energy Liability - see Common Exclusions.

- 2.6. Pollution - see Common Exclusions.

- 2.7. Terrorism - see Common Exclusions.

- 2.8. War Risks - see Common Exclusions.

- 2.9. Unsolicited Communication - see Common Exclusions.

## COMMON EXCLUSIONS COVERAGES A, B, C and D

This insurance does not apply to:

### 1. ASBESTOS

**Bodily injury, property damage or personal 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**.

## 2. FUNGI OR SPORES

- 2.1. **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**;
- 2.2. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with 2.1. above; or
- 2.3. 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 2.1. or 2.2. 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:

- 2.4. **Property damage** means physical injury to animals;
- 2.5. **Product-completed operations hazard** means all **bodily injury** and **property damage** that arises out of **your product** provided the **bodily injury or property damage** occurs after you have relinquished physical possession of **your 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, **your product**, and are intended to be:

- 2.6. Applied topically to humans or animals; or
- 2.7. Ingested by humans or animals.

### LIMITED COVERAGE

This **FUNGI OR SPORES** exclusion does not apply to **bodily injury, property damage or personal injury** included in the **products-completed operations hazard**, which is not otherwise excluded by this Form. Subject to the Each Occurrence Limit and the Products-Completed Operations Aggregate Limit shown in the Declaration Page(s), the Fungi or Spores Liability Limit is \$500,000 in any one **occurrence** and in the Aggregate and is the most we will pay under this LIMITED COVERAGE.

## 3. NUCLEAR ENERGY LIABILITY

- 3.1. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- 3.2. **Bodily injury, property damage or personal injury** with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability;
- 3.3. **Bodily injury, property damage or personal injury** resulting directly or indirectly from the **nuclear energy hazard** arising from:
  - 3.3.1. The ownership, maintenance, operation or use of a **nuclear facility** by or on behalf of an Insured;
  - 3.3.2. 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**;
  - 3.3.3. 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**.

## 4. POLLUTION

- 4.1. **Bodily injury, property damage or personal injury** arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:
  - 4.1.1. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this sub-paragraph does not apply to:
    - 4.1.1.1. **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;
    - 4.1.1.2. **Bodily injury or property damage** for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional Insured with respect to your ongoing operations performed for that additional Insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional Insured; or
    - 4.1.1.3. **Bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire**;
  - 4.1.2. At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
  - 4.1.3. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - 4.1.3.1. Any Insured; or
    - 4.1.3.2. Any person or organization for whom you may be legally responsible; or
  - 4.1.4. At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations 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 sub-paragraph does not apply to:
    - 4.1.4.1. **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;
    - 4.1.4.2. **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 you or on your behalf by a contractor or subcontractor; or
    - 4.1.4.3. **Bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire**.
  - 4.1.5. 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 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**.

4.2. Any loss, cost or expense arising out of any:

4.2.1. 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

4.2.2. 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 Section 4.2. 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.

## 5. 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**.

## 6. 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**.

## 7. UNSOLICITED COMMUNICATION

**Bodily injury, property damage, personal injury or advertising injury** imposed by or arising from any **action** or omission that violates or allegedly violates any federal, provincial, territorial, state or municipal act, law, statute, ordinance, rule or regulation, that restricts or prohibits the transmitting of any **unsolicited communication**, regardless of the jurisdiction.

# SUPPLEMENTARY PAYMENTS - COVERAGES A, B and D

1. We will pay, with respect to any claim we investigate or settle, or any **action** against an Insured we defend:

- 1.1. All expenses we incur;
- 1.2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
- 1.3. All costs to protect you against any levy of execution arising from a judgment;
- 1.4. All reasonable expenses you incur at our request to assist us in the investigation or defence of the claim or **action**, including actual loss of earnings because of time off from work;
- 1.5. All costs assessed or awarded against you in the **action**;
- 1.6. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

If we are prevented by law or otherwise from defending the Insured, we will reimburse the Insured for defence costs and expenses that are incurred with our consent.

These payments will not reduce the limits of insurance.

2. If we defend an Insured against an **action** and an indemnitee of the Insured is also named as a party to the **action**, we will defend that indemnitee if all of the following conditions are met:

- 2.1. 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**;
- 2.2. This insurance applies to such liability assumed by the Insured;
- 2.3. 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**;
- 2.4. The allegations in the **action** and the information we know about the **occurrence** are such that no conflict appears to exist between the interests of the Insured and the interests of the indemnitee;
- 2.5. The indemnitee and the Insured ask us to conduct and control the defence of that indemnitee against such **action** and agree that we can assign the same counsel to defend the Insured and the indemnitee; and
- 2.6. The indemnitee:
  - 2.6.1. Agrees in writing to:
    - 2.6.1.1. Cooperate with us in the investigation, settlement or defence of the **action**;
    - 2.6.1.2. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **action**;
    - 2.6.1.3. Notify any other insurer whose coverage is available to the indemnitee; and
    - 2.6.1.4. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - 2.6.2. Provides us with written authorization to:
    - 2.6.2.1. Obtain records and other information related to the **action**; and
    - 2.6.2.2. Conduct and control the defence of the indemnitee in such **action**.

So long as the above conditions are met, legal fees incurred by us in the defence of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of sub-paragraph 2.2.2. 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.

Our obligation to defend an Insured's indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- 2.7. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- 2.8. The conditions set forth above, or the terms of the agreement described in sub-paragraph 2.6. above, are no longer met.

## SECTION II - WHO IS AN INSURED

### 1. IF YOU ARE DESIGNATED IN THE DECLARATION PAGE(S) AS:

- 1.1. An individual, you and your spouse are Insureds, but only with respect to the conduct of a business of which you are the sole owner.
- 1.2. A partnership, limited liability partnership or joint venture, you are an Insured. Your members, your partners, and their spouses are also Insureds, but only with respect to the conduct of your business.
- 1.3. A limited liability company, you are an Insured. Your members are also Insureds, but only with respect to the conduct of your business. Your managers are Insureds, but only with respect to their duties as your managers.
- 1.4. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an Insured. Your **executive officers** and directors are Insureds, but only with respect to their duties as your officers or directors. Your shareholders are also Insureds, but only with respect to their liability as shareholders.
- 1.5. A trust, you are an Insured. Your trustees are also Insureds, but only with respect to their duties as trustees.
- 1.6. An incorporated association, each member of the incorporated association is an Insured but solely in respect of the liability arising out of his actions as a member and his participation in the activities of the incorporated association. This insurance shall only apply as excess coverage to the extent of any amount not paid due to the exhaustion of the personal General Liability policy of a member. This insurance does not apply to loss, damage or injury to a member caused by another member of the incorporated association.

### 2. EACH OF THE FOLLOWING IS ALSO AN INSURED:

- 2.1. Your **volunteer workers** only while performing duties related to the conduct of your business, or **employees**, other than either your **executive officers** (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company), or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **employees** or **volunteer workers** are Insureds for:
    - 2.1.1. **Bodily injury, personal injury or advertising injury:**
      - 2.1.1.1. To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-**employee** while in the course of his or her employment or performing duties on your behalf, or to your other **volunteer workers** while performing duties related to the conduct of your business, except with respect to **incidental medical malpractice injury**;
      - 2.1.1.2. To the spouse, child, parent, brother or sister of that co-**employee** or **volunteer worker** as a consequence of sub-paragraph 2.1.1.1. above;
      - 2.1.1.3. 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 sub-paragraphs 2.1.1.1. or 2.1.1.2. above;
      - 2.1.1.4. Arising out of his or her providing or failing to provide professional health care services; or
      - 2.1.1.5. 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.
    - 2.1.2. **Property damage** to property that is:
      - 2.1.2.1. Owned or occupied by; or
      - 2.1.2.2. Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose.By you, any of your **employees**, **volunteer workers**, any partner or member (if you are a partnership, limited liability partnership or joint venture) or any member (if you are a limited liability company).
  - 2.2. Any person (other than your **employee** or **volunteer worker**), or any organization while acting as your real estate manager.
  - 2.3. Any person or organization having proper temporary custody of your property if you die, but only:
    - 2.3.1. With respect to liability arising out of the maintenance or use of that property; and
    - 2.3.2. Until your legal representative has been appointed.
  - 2.4. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Form.
  - 2.5. Your 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.
  - 2.6. Any Canadian domiciled person or organization under your management control and for which you are responsible for arranging insurance, but only with respect to your premises, your operations, **your product** or **your work**.
  - 2.7. Any person, firm or organization for whom you have 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 your premises, **your product** or **your work**. However, this sub-paragraph does not apply to any person, firm or organization who is added to this Policy as an Additional Insured by endorsement.
  - 2.8. **Agents** acting on your behalf but solely in respect of any liability arising out of the performance of their duties on your behalf.

For the purpose of this sub-paragraph only, **agent** means any person who solicits and procures business from potential clients on your behalf, and who receives a commission in return for the performance of their duties.
3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
    - 3.1. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the **policy period**, whichever is earlier;
    - 3.2. Coverage A and D do not apply to **bodily injury** or **property damage** that occurred before you acquired or formed the organization; and
    - 3.3. Coverage B does not apply to **personal injury** or **advertising injury** arising out of an offence committed before you acquired or formed the organization.No person or organization is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declaration Page(s).

## SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLES

1. The Limits of Insurance shown in the Declaration Page(s), subject to the rules below, are the most we will pay regardless of the number of:
  - 1.1. Insureds;
  - 1.2. Claims made or **actions** brought; or

- 1.3. Persons or organizations making claims or bringing **actions**.
2. The Abuse Aggregate Limit is the most we will pay under Coverage A for **compensatory damages** because of **bodily injury** arising out of **abuse**.
3. The Products-Completed Operations Aggregate Limit is the most we 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 Paragraphs 2. and 3. above, the Each Occurrence Limit is the most we will pay for the sum of:
  - 4.1. **Compensatory damages** under Coverage A; and
  - 4.2. Medical payments under Coverage C;
 because of all **bodily injury** and **property damage** arising out of any one **occurrence**.
5. The Personal Injury and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all **compensatory damages** because of all **personal injury** and **advertising injury** sustained by any number of person(s) or organization(s) in the Aggregate.
6. The Tenants' Legal Liability Limit is the most we will pay under Coverage D for **compensatory damages** because of **property damage** to any one premises.
7. Subject to Paragraph 4. above, the Medical Payments Limit is the most we will pay under Coverage C for all medical payments because of **bodily injury** sustained by any one person.
8. The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period** shown in the Declaration Page(s), unless the **policy period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
9. **DEDUCTIBLES**
  - 9.1. Our obligation under Property Damage Liability and Tenants' Legal Liability to pay **compensatory damages** on your behalf applies only to the amount of **compensatory damages** in excess of any deductible amounts stated in the Declaration Page(s) as applicable to such coverages, and the limits of insurance applicable to each **occurrence** for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
  - 9.2. The deductible amounts apply as follows:
    - 9.2.1. Coverage A
 

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**.
    - 9.2.2. Coverage D
 

Under Coverage D: 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**. However, this deductible shall not be applied to claims arising out of the perils of fire, explosion, smoke and sprinkler leakage.
  - 9.3. The terms of this insurance, including those in respect to:
    - 9.3.1. Our right and duty to defend any **action** seeking those **compensatory damages**; and
    - 9.3.2. Your duties in the event of an **occurrence**, claim or **action**;
 apply irrespective of the application of the deductible amount.
  - 9.4. We may pay any part or all of the deductible amount to effect settlement of any claim or **action** and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

## SECTION IV - DEFINITIONS

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** because of **bodily injury**, **property damage**, **personal injury** or **advertising injury** to which this insurance applies are alleged. **Action** includes:
  - 2.1. An arbitration proceeding in which such **compensatory damages** are claimed and to which the Insured must submit or does submit with our consent; or
  - 2.2. Any other alternative dispute resolution proceeding in which such **compensatory damages** are claimed and to which the Insured submits with our consent.
3. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - 3.1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - 3.2. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.
4. **Advertising injury** means injury arising out of one or more of the following offences:
  - 4.1. 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; or
  - 4.2. Oral or written publication, in any manner, of material that violates a person's right of privacy; or
  - 4.3. The use of another's advertising idea in your **advertisement**; or
  - 4.4. Infringing upon another's copyright, trade dress or slogan in your **advertisement**.
5. **Automobile** means a self-propelled land motor vehicle, trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any machinery or equipment attached to such automobile.
6. **Bodily injury** means bodily or mental injury, sickness, disease, disability or shock sustained by a person, including death resulting at any time.
7. **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.

- 8. Coverage territory** means any part of the world:
- 8.1. Provided the Insured's responsibility to pay **compensatory damages** is determined in an **action** on the merits in Canada or the United States of America (including their territories and possessions) or in an out-of-court settlement to which we have agreed; or
  - 8.2. If the loss, damage or injury arises out of the Insured's use of space intended for commercial representation purposes related to the Insured's business, such as sales offices, showrooms, or during trade shows, exhibitions, fairs or conferences. For the purpose of this sub-paragraph 8.2., any loss, damage or injury arising from the **products-completed operations hazard**, is covered only to the extent described in sub-paragraph 8.1.
- 9. Electronic data** means information, facts or programs in any form or representations of information or concepts in any form stored as or on, created or used on, or transmitted to or from computer or data processing software (including systems and application software), memory devices, data processing devices or any other media that are used with electronically controlled equipment.
- 10. Employee** includes a **leased worker** and a **temporary worker**.
- 11. Executive officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document or any person designated as an officer by you.
- 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. 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.
- 14. Hostile fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.
- 15. Impaired property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
- 15.1. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
  - 15.2. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- 15.3. The repair, replacement, adjustment or removal of **your product** or **your work**; or
  - 15.4. Your fulfilling the terms of the contract or agreement.
- 16. Incidental medical malpractice injury** means **bodily injury** arising out of the rendering of or failure to render, during the **policy period**, the following services:
- 16.1. Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
  - 16.2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- by any Insured or any indemnitee causing the **incidental medical malpractice injury** who is not engaged in the business or occupation of providing any of the services described in sub-paragraphs 16.1. and 16.2. above.
- 17. Insured contract** means:
- 17.1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an **insured contract**;
  - 17.2. A sidetrack agreement;
  - 17.3. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
  - 17.4. Any other easement agreement;
  - 17.5. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
  - 17.6. An elevator maintenance agreement;
  - 17.7. A declaration of co-ownership;
  - 17.8. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay 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 you or by those acting on your behalf and provided that such **bodily injury** or **property damage** arises from **your work**. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Sub-paragraph 17.8. does not include that part of any contract or agreement:
- 17.8.1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - 17.8.1.1. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - 17.8.1.2. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - 17.8.2. 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 17.8.1. above and supervisory, inspection, architectural or engineering activities.
- 18. Leased worker** means a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. **Leased worker** does not include a **temporary worker**.
- 19. Loading or unloading** means the handling of property:
- 19.1. After it is moved from the place where it is accepted for movement into or onto an aircraft;
  - 19.2. While it is in or on an aircraft; or
  - 19.3. While it is being moved from an aircraft 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 that is not attached to the aircraft.
- 20. Nuclear energy hazard** means the radioactive, toxic, explosive, or other hazardous properties of **radioactive material**.
- 21. Nuclear facility** means:
- 21.1. 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;
  - 21.2. Any equipment or device designed or used for:
    - 21.2.1. Separating the isotopes of plutonium, thorium and uranium or any one or more of them; or
    - 21.2.2. Processing or packaging waste;
  - 21.3. 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;

- 21.4. 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.
- 22. Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 23. Personal injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offences:
- 23.1. False arrest, detention or imprisonment;
  - 23.2. Malicious prosecution;
  - 23.3. 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;
  - 23.4. 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;
  - 23.5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - 23.6. Discrimination, (except in such jurisdictions where by legislation, court decisions or administrative ruling, such insurance is prohibited or held to violate the law or public policy of any such jurisdiction) sustained by any person or persons during the **policy period**.
- 24. Policy period** means each consecutive period of twelve (12) months included in the **policy period** shown on the Declaration Page(s). The first twelve-month period starts on the inception date of the policy and the subsequent period starts at the expiry of the first twelve-month period.
- 25. 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.
- 26. Products-completed operations hazard**
- 26.1. Includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product** or **your work** except:
    - 26.1.1. Products that are still in your physical possession; or
    - 26.1.2. Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
      - 26.1.2.1. When all of the work called for in your contract has been completed;
      - 26.1.2.2. When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site;
      - 26.1.2.3. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - 26.2. Does not include **bodily injury** or **property damage** arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.
- 27. Professional services** means, without limitation:
- 27.1. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection with such service or treatment;
  - 27.2. Service or treatment conducive to health;
  - 27.3. Professional services of a pharmacist;
  - 27.4. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
  - 27.5. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
  - 27.6. Cosmetic, body piercing, hairdressing, massage, physiotherapy, chiropody, hearing aid, optical or optometric services or treatments;
  - 27.7. The preparation or approval of maps, plans, opinions, reports, surveys, field orders, change orders or drawings and specifications;
  - 27.8. Supervisory, inspection, architectural, design or engineering services;
  - 27.9. Professional advice or activities of accountants, advertisers, notaries (Quebec), public notaries, paralegals, lawyers, real estate brokers or agents, insurance brokers or agents, travel agents, financial institutions, or consultants;
  - 27.10. Computer programming or re-programming, consulting, advisory or related services; or
  - 27.11. Claim, investigation, adjusting of claims, appraisal, survey or audit services.
- 28. Property damage** means:
- 28.1. 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
  - 28.2. 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.
- 29. 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.
- 30. Spores** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any **fungi**.
- 31. Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.
- 32. 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.
- 33. Unsolicited communication** means communication in any form sent to any person or organization, without their prior consent.
- 34. Volunteer worker** means a person who is not your **employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 35. Your product**
- 35.1. Means:
    - 35.1.1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - 35.1.1.1. You;
      - 35.1.1.2. Others trading under your name; or
      - 35.1.1.3. A person or organization whose business or assets you have acquired; and
    - 35.1.2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - 35.2. Includes:
    - 35.2.1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and

35.2.2. The providing of or failure to provide warnings or instructions.

35.3. Does not include vending machines or other property rented to or located for the use of others but not sold.

**36. Your work**

36.1. Means:

36.1.1. Work or operations performed by you or on your behalf; and

36.1.2. Materials, parts or equipment furnished in connection with such work or operations.

36.2. Includes:

36.2.1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and

36.2.2. The providing of or failure to provide warnings or instructions.



## COMMERCIAL GENERAL LIABILITY COVERAGE

# EMPLOYEE BENEFIT LIABILITY EXTENSION

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to the terms, conditions, limitations and exclusions of such Form.

Insurance provided under **SECTION I – COVERAGES** of the Commercial General Liability Max Form is extended to include the following:

### 1. INSURING AGREEMENT

#### EMPLOYEE BENEFIT LIABILITY

We will pay on behalf of the **Insured** all sums that the **Insured** becomes legally obligated to pay as **compensatory damages** because of a **wrongful act** in the **administration** of your **employee benefit programs**, provided that the claim is first made during the **policy period** within Canada.

We will have the right and duty to defend any **action** against the **Insured** seeking damages because of such **wrongful act**, even if any of the allegations of the **action** are groundless, false or fraudulent, and we may make such investigation and settlement of any claim or **action** as we deem expedient. However, we will have no duty to defend the **Insured** against any **action** seeking **compensatory damages** to which this insurance does not apply. We may, at our discretion, investigate any **occurrence** and settle any claim or **action** that may result, but we will not be obligated to pay any claim or judgment or to defend any **action** after the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

### 2. EXCLUSIONS

This insurance does not apply to any claim based upon:

- 2.1. Failure of performance of contract by an insurer, or any other party, including the **Insured**, obligated to afford the benefits;
- 2.2. The **Insured's** failure to comply with any law concerning workers' compensation, employment insurance, social security, disability benefits or any similar law;
- 2.3. Any insufficiency of funds to meet any obligation under any plan included in the **employee benefits program**;
- 2.4. Failure of any investment plan to perform as represented by an **Insured**; or
- 2.5. Any advice given by an **Insured** to an **employee** to participate or not to participate in any investment plan.

### 3. LIMITS OF INSURANCE

The Limits of Insurance shown in the Declaration Page(s) and the rules below fix the most we will pay regardless of:

- 3.1. **Insureds** under this Policy;
- 3.2. **Wrongful acts** for which coverage is afforded under this Endorsement;
- 3.3. Persons sustaining any such **wrongful act**;
- 3.4. Claims made or **actions** brought on account of any such **wrongful act**; or
- 3.5. Plans included in the **employee benefit programs**.

The Limit of Insurance stated in the Declaration Page(s) is the total limit of our liability for all **compensatory damages** because of **wrongful acts** to which this insurance applies sustained by any one **employee**, including such **employees**, dependants and beneficiaries, in any one **policy period** and in the Aggregate.

If the Policy is for a term in excess of one year, the Limit of Insurance stated in the Declaration Page(s) will apply separately to each consecutive annual period thereof. If you elect to exercise the option described in paragraph 6. **EXTENDED REPORTING PERIOD (optional)** of this Endorsement, the Limit of Insurance will apply separately, but not cumulatively, to such extended reporting period.

### 4. DEDUCTIBLE

Subject to the foregoing clause as respects Limits of Insurance, our liability will be only for the amount of each claim that is in excess of the deductible amount stated in the Declaration Page(s).

The terms of this insurance, including those with respect to notice of claim or **action**, our right to investigate, negotiate and settle any claim or **action**, and our 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 **action** and, upon notification of the action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

### 5. ADDITIONAL DEFINITIONS

For the purposes of this Endorsement:

- 5.1. **Administration** means:
  - 5.1.1. Application of rules determining eligibility for participation to the **employee benefit programs**;
  - 5.1.2. Calculation of service and compensation credits for benefits;
  - 5.1.3. Preparation of **employee** communications material;
  - 5.1.4. Maintenance of participants' service and employment records;
  - 5.1.5. Preparation of reports required by government agencies;
  - 5.1.6. Calculation of benefits;

5.1.7. Orientation of new participants and advising participants of their rights and options with respect to the **employee benefit programs**;

5.1.8. Interpreting the **employee benefit programs**;

5.1.9. Collection of contributions and application of contributions as provided in the **employee benefit programs** and book keeping;

5.1.10. Preparation of reports concerning participants' benefits; and

5.1.11. Processing of claims, effecting enrollment, termination or cancellation of **employees** under the **employee benefit programs**; provided all such acts are authorized by you.

5.2. **Employee** means your officer or your employee, whether actively employed, disabled or retired.

5.3. **Employee benefit programs** means one or more of the following types of insurance or plans maintained by you solely for the benefit of **employees**:

5.3.1. Group life insurance, group accident or health insurance, profit sharing plans, pension plans and stock subscription plans, investment plans, unemployment insurance, social security benefits, workers' compensation and disability benefits insurance; or

5.3.2. Any other similar **employee benefit programs** sponsored by you.

5.4. **Insured** means:

5.4.1. The Named Insured described in the Declaration Page(s); and

5.4.2. Each executive officer or any person employed by you and who is authorized to administer your **employee benefit programs**;

5.5. **Loss** means any event which gives rise to one or more claims.

5.6. **Wrongful act** means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or other act done or wrongfully attempted by an **Insured** or any matter claimed, against an **Insured**, by reason of or in connection with the **administration** of the **employee benefit programs**.

#### 6. EXTENDED REPORTING PERIOD (optional)

If this Policy is cancelled or not renewed for any reason other than non-payment of premium you may elect to purchase a one (1) 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", because of a **wrongful act** which occurred prior to the termination date of this insurance. To exercise this option, you will give written notice of such election to us within thirty (30) days following such termination date and will pay, when due, the premium required by our rules, rates and rating plans then in effect.

**All other terms and conditions of the Policy remain unchanged.**

**COMMERCIAL GENERAL LIABILITY COVERAGE****EMPLOYERS' LIABILITY LIMITATION ENDORSEMENT**

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

**SECTION I – COVERAGE A, 2. EXCLUSIONS**, Paragraph 2.4 Employers' Liability is deleted from this Form in its entirety.

Limited Employers' Bodily Injury Liability coverage is added to **SECTION I – Coverage A** of this Form as follows:

**Limited Employers' Bodily Injury Liability Coverage**

**1. Insuring Agreement**

We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **bodily injury** caused by accident sustained by a Canadian resident **employee** arising out of and in the course of his or her employment by the Insured, in the operations described in the Declaration Page(s).

**2. Limits of Insurance**

Regardless of:

- 2.1. the number of **employees** who sustain **bodily injury**; or
- 2.2. claims made or **actions** brought on account of **bodily injury**;

our liability is limited as follows:

The Limit of Insurance stated in the Declaration Page(s) is the limit of our liability for all **compensatory damages**, including **compensatory damages** for care and loss of services, arising out of **bodily injury** sustained by any one, or more than one, Canadian resident **employee**, in any one accident or event.

**3. Exclusions**

This insurance does not apply to:

- 3.1. liability assumed by the Insured under any contract or agreement; but this exclusion does not apply to liability assumed under an **insured contract**;
- 3.2. **bodily injury** arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any aircraft;
- 3.3. **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
- 3.4. **bodily injury** arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations.

All other terms and conditions of the Policy 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 Automobile Policy)**

**novex**

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**

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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. No. 6 - Standard Non-Owned Automobile Liability Policy**

**APPLICABLE IN ALL PROVINCES AND TERRITORIES, EXCEPT QUÉBEC**

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

**APPLICATION**

**ITEMS**

- |   |  |
|---|--|
| 1. FULL NAME OF THE APPLICANT:                | <b>SEE POLICY DECLARATIONS</b>   |
| POSTAL ADDRESS (including County or District) | <b>SEE POLICY DECLARATIONS</b>   |
| Applicant is:                                 | <b>SEE POLICY DECLARATIONS</b><br>(State whether Individual, Partnership, Corporation, Municipality or Estate) |
| 2. Policy Period                              | From: 12.01 A.M. STANDARD TIME AT THE APPLICANT'S ADDRESS STATED<br>HEREIN AS TO EACH OF SAID DATES            |

**SEE POLICY DECLARATIONS**

3. THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF:

**AS KNOWN TO THE INSURER**

4. The Applicant's Partners, Officers, Employees And Agents As Of The Date Of This Application Are As Follows:

Partners, Officers And Employees Who Regularly Use Automobiles Not Owned By The Applicant In His Business. All Other Partners, Officers And Employees

LOCATION :

CLASS A1 - Private Passenger:

Number:

Rate:

Premium:

CLASS A2 – Commercial:

Number:

Rate:

Premium:

**AS KNOWN TO THE INSURER**

LOCATION :

CLASS B:

Number:

Rate:

Premium:

CLASS C:

Number:

Rate:

Premium:

**AS KNOWN TO THE INSURER**

5. **"HIRED AUTOMOBILES"** - THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS:

TYPE OF AUTOMOBILE:

ESTIMATED COST OF HIRE:

RATES PER \$100 OF COST OF HIRE:

ADVANCE PREMIUM:



**COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT**

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.

6. "AUTOMOBILES OPERATED UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS:

TYPE OF AUTOMOBILE & DESCRIPTION OF USE:

ESTIMATED CONTRACT COST:

RATES PER \$100 OF CONTRACT COST:

ADVANCE PREMIUM:

**COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT**

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.

7. THIS APPLICATION IS MADE FOR INSURANCE AGAINST THE PERILS MENTIONED IN THIS ITEM AND UPON THE TERMS AND CONDITIONS OF THE INSURER'S CORRESPONDING STANDARD POLICY FORM AND FOR THE FOLLOWING SPECIFIED LIMIT.

INSURING AGREEMENT	SECTION A THIRD PARTY LIABILITY	COMBINED PREMIUMS
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	<b>\$ IN ACCORDANCE WITH POLICY LIMITS</b> (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.	\$
INCLUDED		
ENDORSEMENTS INCLUDED	<b>\$ IN ACCORDANCE WITH POLICY LIMITS</b>	\$
MINIMUM RETAINED PREMIUM INCLUDED	<b>\$ IN ACCORDANCE WITH POLICY LIMITS TOTAL PREMIUM</b>	\$

8. HAS ANY INSURER CANCELLED, DECLINED OR REFUSED TO RENEW OR ISSUE, AUTOMOBILE INSURANCE TO THE APPLICANT WITHIN THREE YEARS PRECEDING THIS APPLICATION? IF SO, STATE NAME OF INSURER.

**AS KNOWN TO THE INSURER**

9. STATE PARTICULARS OF ALL ACCIDENTS OR CLAIMS ARISING OUT OF THE USE OR OPERATION IN HIS BUSINESS OF NON- OWNED AUTOMOBILES BY THE APPLICANT WITHIN THE THREE YEARS PRECEDING THIS APPLICATION.

INJURY TO PERSONS

**AS KNOWN TO THE INSURER**

DAMAGE TO PROPERTY OF OTHERS

**AS KNOWN TO THE INSURER**

10. ALL THE STATEMENTS IN THIS APPLICATION ARE TRUE AND THE APPLICANT HEREBY APPLIES FOR A CONTRACT OF AUTOMOBILE INSURANCE TO BE BASED ON THE TRUTH OF THE SAID STATEMENTS.

11. Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the insured contravenes a term of the contract or commits a fraud; or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.

**INSURING AGREEMENT**

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 (Not applicable in the Province of Ontario)
  - 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
- (c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or
- (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- (e) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

## ADDITIONAL AGREEMENTS OF INSURER

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

1. upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
2. to defend in the name and on behalf of any person insured by this Policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
3. to pay all costs taxed against any person insured by this Policy in any civil action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and
4. in the case the injury be to a person, reimburse any person insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
5. be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in Section A of Item 7 of the application; and
6. not set up any 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 leased or "**hired automobile**" in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

### 2. TERRITORY

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

### 3. HIRED AUTOMOBILES DEFINED

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

### 4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

### 5. TWO OR MORE AUTOMOBILES

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

### 6. PREMIUM ADJUSTMENT

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

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

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

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

### 7. LIMITATION OF ACTIONS

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* of the province or territory in which the Policy was issued.

**STATUTORY CONDITIONS**

The insurance provided under this Coverage is subject to the "Automobile Statutory Conditions" approved by the Superintendent of insurance for the province or territory in which this policy was issued and upon request the Company will make available a complete copy of same.

Words and phrases that appear in bold and/or in quotation marks are defined within the present endorsement or to the Definitions section of the present policy.

All other terms and conditions of the policy remain unchanged.

## 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)

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**novex**

#### 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.

## COMMERCIAL GENERAL LIABILITY COVERAGE

# GENERAL AGGREGATE LIMIT ENDORSEMENT

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

**SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES** under the Commercial General Liability Max Form is deleted and replaced as follows:

1. The Limits of Insurance shown in the Declaration Page(s), subject to the rules below, are the most we will pay regardless of the number of:
  - 1.1. Insureds;
  - 1.2. Claims made or **actions** brought; or
  - 1.3. Persons or organizations making claims or bringing **actions**.
2. The General Aggregate Limit is the most we will pay for the sum of:
  - 2.1. **Compensatory damages** under Coverage A, except **compensatory damages** because of **bodily injury** or **property damage** included in the **products-completed operations hazard**;
  - 2.2. **Compensatory damages** under Coverage B; and
  - 2.3. Medical expenses under Coverage C.
3. Subject to Paragraph 2. above the Abuse Aggregate Limit is the most we will pay under Coverage A for **compensatory damages** because of **bodily injury** arising out of **abuse**.
4. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for **compensatory damages** because of **bodily injury** and **property damage** included in the **products-completed operations hazard**.
5. Subject to Paragraphs 2., 3. and 4. above, the Each Occurrence Limit is the most we will pay for the sum of:
  - 5.1. **Compensatory damages** under Coverage A; and
  - 5.2. Medical payments under Coverage C;
 because of all **bodily injury** and **property damage** arising out of any one **occurrence**.
6. Subject to Paragraph 2. above, the Personal Injury and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all **compensatory damages** because of all **personal injury** and **advertising injury** sustained by any number of person(s) or organization(s) in the Aggregate.
7. The Tenants' Legal Liability Limit is the most we will pay under Coverage D for **compensatory damages** because of **property damage** to any one premises.
8. Subject to Paragraph 5. above, the Medical Payments Limit is the most we will pay under Coverage C for all medical payments because of **bodily injury** sustained by any one person.
9. The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period** shown in the Declaration Page(s), unless the **policy period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
10. **DEDUCTIBLES**
  - 10.1. Our obligation under Property Damage Liability and Tenants' Legal Liability to pay **compensatory damages** on your behalf applies only to the amount of **compensatory damages** in excess of any deductible amount(s) stated in the Declaration Page(s) as applicable to such coverages, and the limits of insurance applicable to each **occurrence** for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
  - 10.2. The deductible amounts apply as follows:
    - 10.2.1. Coverage A
 

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**.
    - 10.2.2. Coverage D
 

Under Coverage D: 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**. However, this deductible shall not be applied to claims arising out of the perils of fire, explosion, smoke and sprinkler leakage.
  - 10.3. The terms of this insurance, including those in respect to:
    - 10.3.1. Our right and duty to defend any **action** seeking those **compensatory damages**; and
    - 10.3.2. Your duties in the event of an **occurrence**, claim or **action**;
 apply irrespective of the application of the deductible amount.
  - 10.4. We may pay any part or all of the deductible amount to effect settlement of any claim or **action** and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

All other terms and conditions of the Policy remain unchanged.

## COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT

This Endorsement Changes the Policy. Please Read It Carefully.

Words and phrases in bold font or quotation marks have special meaning as defined below or in the Form to which this endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this endorsement. These titles have only been inserted for ease of reading.

This endorsement is attached to and modifies all commercial liability coverage forms and endorsements in the policy, including but not limited to any of the following:

Commercial General Liability Max; Owners', Landlords' & Tenants' Liability; Farm Liability; Commercial Umbrella Coverage; Farm Umbrella Liability Coverage Form; Commercial Excess Liability; Directors and Officers Liability Coverage Section; Non-Profit Organization Liability Insurance Policy; Employment Practices Liability Coverage Section; Venture Investing and Private Equity Liability; Educational Liability; Fiduciary Liability Coverage Section; Professional Liability (Errors and Omissions); Malpractice Liability Form (Occurrence) For Nursing Homes, Medical Clinics and Other Medical Institutions; Excess Professional Liability (Errors and Omissions); and any extensions, clauses or additions of coverage to such liability forms, including exceptions to exclusions.

The following paragraphs are added to the Forms:

- 1.1. Notwithstanding any other provision of the policy to the contrary, this insurance does not apply to, and no coverage will be available for, any **claim, bodily injury, injury, property damage, personal injury, advertising injury, loss, compensatory damages, damages, defence costs, defence expenses** or other liability, loss, injury, damage, damages, cost, expense or other sum based upon, arising out of, in relation to, directly or indirectly resulting from, caused by or otherwise in connection with:
  - 1.1.1. a communicable disease, including fear or threat of a communicable disease (whether actual or perceived); or
  - 1.1.2. any actual, alleged or threatened virus, bacterium or other micro-organism that induces or is capable of inducing a communicable disease.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **claim, bodily injury, injury, property damage, personal injury, advertising injury, loss, compensatory damages, damages, defence costs, defence expenses** or other liability, loss, injury, damage, damages, costs, expense or other sum.

- 1.2. The exclusion in paragraph 1.1. applies even if negligence or other wrongdoing is alleged against any **insured** in:
  - 1.2.1. supervising, hiring, employing, training or monitoring others who may be infected with and spread a communicable disease;
  - 1.2.2. testing or failure to test for a communicable disease, virus, bacterium or other micro-organism;
  - 1.2.3. the transmission, spread or failure to prevent the transmission or spread of a communicable disease, virus, bacterium or other micro-organism;
  - 1.2.4. the failure to report a communicable disease to authorities;
  - 1.2.5. any supervision, instructions, testing, reporting, recommendations, warnings or advice given, or which should have been given; or
  - 1.2.6. cleaning-up, removing, detoxifying or containing the virus, bacterium or other micro-organism.
- 1.3. Where this Communicable Disease Exclusion applies to a **claim**, any term, condition or provision contained in the policy relating to the allocation of **defence costs, defence expenses**, other **loss** or indemnity shall have no application.
- 1.4. This exclusion does not apply to:
  - 1.4.1. **bodily injury, property damage** or **personal injury** included in the **products-completed operations hazard** and arising directly from **fungi** or **spores**, but only if the policy includes the Commercial General Liability Max form or the Commercial Umbrella Coverage form and only to the extent such **bodily injury, property damage** or **personal injury** is insured under the applicable form(s); or
  - 1.4.2. **bodily injury** or physical injury to animals included in the **products-completed operations hazard** and arising directly from bacteria in **your product**, but only if **your product** is intended to be ingested by, or applied topically to, humans or animals and the policy includes the Commercial General Liability Max form; and only to the extent such **bodily injury** or physical injury to animals is otherwise insured under the Commercial General Liability Max form.

All other terms and conditions of the policy remain unchanged.

## COMMERCIAL GENERAL LIABILITY COVERAGE

### ABUSE LIMITATION ENDORSEMENT (PER OCCURRENCE BASIS)

This Endorsement Changes the Policy. Please Read It Carefully.

Other words and phrases that appear in bold have special meaning. Refer to SECTION IV – DEFINITIONS of the Commercial General Liability Max Form.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form, except as amended by this Endorsement.

Notwithstanding any contrary provisions contained under this Policy, the Commercial General Liability Max Form is amended as follows:

1. Except as provided by this Endorsement, this insurance does not apply to, nor shall we have any duty to defend claims or **actions** made against any Insured:

- 1.1. directly or indirectly arising out of, or on account of, resulting from or relating to any actual or threatened **abuse** committed, participated, sanctioned or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of **abuse**;
- 1.2. alleging knowledge by an Insured of the alleged **abuse**;
- 1.3. when you have failed to report the actual, suspected or alleged **abuse**, although you had a statutory or regulatory obligation to do so, to the police and/or to other appropriate authorities.

#### 2. LIMITED COVERAGE FOR LIABILITY ARISING OUT OF ABUSE

We will pay on your behalf those sums that you become legally obligated to pay for **compensatory damages** and Supplementary Payments because of **bodily injury, personal injury or advertising injury** arising out of, on account of, resulting from or relating to any actual or threatened **abuse**.

#### 3. SUPPLEMENTARY PAYMENTS

Paragraph 1. of the provisions applicable to Supplementary Payments under **SECTION I – COVERAGES**, is deleted and replaced by the following:

1. We will pay, with respect to any claim we investigate or settle, or any **action** against an Insured we defend:
  - 1.1. All expenses we incur;
  - 1.2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds;
  - 1.3. All costs to protect you against any levy of execution arising from a judgment;
  - 1.4. All reasonable expenses you incur at our request to assist us in the investigation or defence of the claim or **action**, including actual loss of earnings because of time off from work;
  - 1.5. All costs assessed or awarded against you in the **action**;
  - 1.6. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable Limit of Insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

If we are prevented by law or otherwise from defending the Insured, we will reimburse the Insured for defence costs and expenses that are incurred with our consent.

Except where this Policy is governed by the insurance laws of the Province of Québec, defence costs shall reduce the Limits of Insurance stated in the Declaration Page(s). In the Province of Québec, these Supplementary Payments will not reduce the Limits of Insurance.

#### 4. LIMIT OF INSURANCE AND DEDUCTIBLE

- 4.1. The Limit of Insurance shown in the Declarations Page(s) applicable to this Endorsement is the most we will pay for **compensatory damages** and Supplementary Payments (except where this Policy is governed by the insurance laws of the Province of Québec) in any one **policy period** under this Endorsement regardless of the number of Insureds, claims made or **actions** brought, or persons or organizations making claims or bringing **actions**.
- 4.2. For the purpose of determining whether coverage applies under this Endorsement and to determine limits, continuous or repeated actual or threatened **abuse** of the same person by the same Insured(s), will be deemed to be a single instance of **abuse** and will be deemed to have taken place on the date that **abuse** first occurred.
- 4.3. Deductible

We will pay ninety percent (90%) of those sums that you become legally obligated to pay as **compensatory damages** and Supplementary Payments (except where this Policy is governed by the insurance laws of the Province of Québec) incurred because of **bodily injury, personal injury or advertising injury** to which this Endorsement applies. You will be obligated to pay ten percent (10%) of all **compensatory damages** and Supplementary Payments incurred to which this Endorsement applies.

We may pay any part or all of the deductible amount to effect settlement of any claim or **action** and, upon notification of the action taken, you shall promptly reimburse us for such part of your participation as has been paid by us.

#### 5. ADDITIONAL CONDITIONS

##### 5.1. Coverage Territory

Notwithstanding the definition of **coverage territory** contained under the Commercial General Liability Max Form, this Endorsement applies in Canada only and does not apply anywhere else in the world.

5.2. Notice

Upon your becoming aware of any negligent act, allegation, error or omission which may give rise to any **abuse** covered in this Endorsement, written notice shall be given by you or on your behalf in accordance with General Condition "Notice" or "Notice of Claim or Suit" of the Statutory Conditions or General Conditions form attached to and forming part of this Policy.

**All other terms and conditions of the Policy remain unchanged.**



## PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS) EXCLUSION

This Endorsement Changes the Policy. Please Read It Carefully.

Words and phrases in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Endorsement. These titles have only been inserted for ease of reading.

This Endorsement is attached to and modifies each of the following liability coverage forms and endorsements specified in the Declaration Page(s) as forming part of this Policy:

COMMERCIAL GENERAL LIABILITY MAX;  
COMMERCIAL GENERAL LIABILITY POLICY CLAIMS MADE FORM;  
COMMERCIAL GENERAL LIABILITY FORM – CLAIMS MADE;  
OWNERS', LANDLORDS' & TENANTS' LIABILITY;  
FARM AND HOME LIABILITY;  
FARM LIABILITY;  
AGRICULTURAL BUSINESSES LIABILITY POLICY;  
COMMERCIAL UMBRELLA COVERAGE;  
COMMERCIAL EXCESS LIABILITY;  
FARM UMBRELLA LIABILITY;  
FARM UMBRELLA LIABILITY COVERAGE FORM;  
AGRICULTURAL BUSINESSES UMBRELLA LIABILITY POLICY;  
ANY EXTENSIONS, CLAUSES, OR ADDITIONS OF COVERAGE to the above base forms.

The following paragraphs are added to the Forms and apply to all coverage thereunder, including exceptions to exclusions:

1.1. This insurance does not apply to:

- 1.1.1. **Bodily injury, property damage, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or any other liability, loss, injury, damage, damages, cost, expense or other sum arising directly or indirectly, in whole or in part, out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any **PFAS** at any time; or
- 1.1.2. Any loss, cost or expense arising directly or indirectly, in whole or in part, out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, any **PFAS**, by any Insured or by any other person or organization.

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, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or other liability, loss, injury, damage, damages, cost, expense or other sum.

2.1. For the purposes of the exclusion in paragraph 1.1. above, **PFAS** refers to per- or polyfluoroalkyl substance and means any:

- 2.1.1. Fluorinated substance containing at least one fully fluorinated methyl or methylene carbon atom without any hydrogen, chlorine, bromine or iodine atom attached to it, including but not limited to:
  - 2.1.1.1. Perfluoroalkyl acids (PFAAs), such as perfluorooctanoic acid (PFOA) or perfluorooctane sulfonic acid (PFOS);
  - 2.1.1.2. Perfluoroalkane sulfonyl fluorides (PASFs);
  - 2.1.1.3. Perfluoroalkyl iodides (PFAIs);
  - 2.1.1.4. Fluorotelomer-based substances;
  - 2.1.1.5. Fluoropolymers;
  - 2.1.1.6. Side-chain fluorinated polymers;
  - 2.1.1.7. Per- and polyfluoroalkyl ethers (PFPEs); or
  - 2.1.1.8. Perfluoropolyethers (PFPEs);
- 2.1.2. Associated homologues, isomers, salts, esters, alcohols, acids, precursor chemicals, derivatives, and related degradation products or by-products of any substance described in paragraph 2.1.1. above; or
- 2.1.3. Good or product that consists of or contains any chemical or substance described in paragraphs 2.1.1. or 2.1.2. above, or any containers, materials, parts or equipment furnished in connection with such good or product.

All other terms and conditions of the Policy remain unchanged.

## CYBER LOSS AND ELECTRONIC DATA LIABILITY EXCLUSION

This Endorsement Changes the Policy. Please Read It Carefully.

Words and phrases in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Endorsement. These titles have only been inserted for ease of reading.

This Endorsement is attached to and modifies each of the following liability coverage forms and endorsements specified in the Declaration Page(s) as forming part of this Policy:

COMMERCIAL GENERAL LIABILITY MAX;  
 COMMERCIAL GENERAL LIABILITY POLICY CLAIMS MADE FORM;  
 COMMERCIAL GENERAL LIABILITY FORM – CLAIMS MADE;  
 OWNERS', LANDLORDS' & TENANTS' LIABILITY;  
 FARM AND HOME LIABILITY;  
 FARM LIABILITY;  
 AGRICULTURAL BUSINESSES LIABILITY POLICY;  
 COMMERCIAL UMBRELLA COVERAGE;  
 COMMERCIAL EXCESS LIABILITY;  
 FARM UMBRELLA LIABILITY;  
 FARM UMBRELLA LIABILITY COVERAGE FORM;  
 AGRICULTURAL BUSINESSES UMBRELLA LIABILITY POLICY;  
 ANY EXTENSIONS, CLAUSES, OR ADDITIONS OF COVERAGE to the above base forms, including exceptions to exclusions.

This Endorsement does not apply to the Privacy Breach Liability when such Form is attached to this Policy.

It is agreed that any Electronic Data exclusion (or any other exclusion of the same nature) that may be contained under one of the abovementioned Forms to which this Endorsement is attached, is deleted and replaced by the following exclusion. Otherwise, if the Form to which this Endorsement is attached does not contain an Electronic Data exclusion (or any other exclusion of the same nature), the following exclusion is added to such Form:

1. This insurance does not apply to **bodily injury, property damage, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or any other liability, loss, injury, damage, damages, cost, expense or other sum, incurred by you or others, arising out of the actual, alleged or threatened:
  - 1.1. **Cyber loss**;
  - 1.2. Loss of, loss of use of, damage to, misinterpretation of, misuse of, corruption of **electronic data**;
  - 1.3. The inability to access, process, store, transmit, intercept or manipulate **electronic data**.
2. For the purposes of this Endorsement, the following definitions are added to the **DEFINITIONS** section to which this Endorsement is attached:
  - 2.1. **Computer system** means any computer, hardware, software, electronic device, communication or control system (whether or not mobile or portable), including but not limited to any:
    - 2.1.1. Microcontroller or microprocessor;
    - 2.1.2. Server, cloud or networking equipment;
    - 2.1.3. Peripheral computer equipment, input, output or data storage device; or
    - 2.1.4. Application, program, process or code;
 owned, leased, rented, operated, or controlled by you or any other party.
  - 2.2. **Cyber act** means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.
  - 2.3. **Cyber incident** means:
    - 2.3.1. Any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or
    - 2.3.2. Any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**.
  - 2.4. **Cyber loss** means any **cyber act** or **cyber incident** including, but not limited to, any action taken or failure to be taken, in controlling, preventing, suppressing, mitigating or remediating any **cyber act** or **cyber incident**.
3. For the purposes of this Endorsement only, it is agreed that if a definition of "Electronic data" is contained under the Form to which this Endorsement is attached, such definition is deleted and replaced by definition 2.5. below. Otherwise, if the Form to which this Endorsement is attached does not contain an Electronic Data definition, the following definition is added to the Definitions section of such Form:
  - 2.5. **Electronic data** means information, facts, concepts, programs, software or code stored as or on, created or used on, or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

All other terms and conditions of the Policy remain unchanged.

**COMMERCIAL GENERAL LIABILITY COVERAGE****COVERAGE TERRITORY AMENDMENT – CANADA ONLY**

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

**SECTION IV – DEFINITIONS**, Definition 8. **Coverage Territory** is amended as follows:

8. **Coverage territory** means Canada only and only if the Insured's responsibility to pay **compensatory damages** is determined in an **action** on the merits in Canada. The insurance provided by this Form shall not apply to operations in or sales to the United States of America, its territories or possessions or anywhere else in the world.

All other terms and conditions of the Policy remain unchanged.

**This Endorsement Changes the Policy. Please Read It Carefully.**

Attached to and forming part of the General Conditions Form.

The Other Insurance clause under Section II – Liability Conditions of the General Conditions Form is amended by adding the following:

If this Policy and any other policy or coverage form issued to an Insured by Intact 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.

**All other terms and conditions of the Policy remain unchanged.**

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

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.**

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

The following exclusion is added to SECTION 1 – COVERAGE A, 2. EXCLUSIONS:

This insurance does not apply to **bodily injury** or **property damage** arising from or caused by stage rental, stage set-up or stage takedown operations.

This exclusion does not apply to liability arising out of the use or operation of a stage(s) rented by and for the Named Insured's sole use, provided that:

1. the stage rental company supplying such property has provided the Named Insured evidence of General Liability Insurance with Limits of Insurance no less than \$2,000,000; and
2. the Named Insured is an additional insured on the aforementioned insurance policy.

Our liability is limited as follows:

The Limit of Insurance applicable to this Endorsement is \$1,000,000 in the aggregate and is the most we will pay in any one **policy period**. This limit is part of, and not in addition to the Each Occurrence Limit shown in the Declaration Page(s).

In no event shall this policy insure against liability arising from rental of stages to others by or on behalf of the Insured.

**All other terms and conditions of the Policy remain unchanged.**

**WATERCRAFT EXCLUSION AMENDMENT**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form, except as amended by this Endorsement.

SECTION I, COVERAGE A, paragraph 2. EXCLUSIONS, Watercraft Exclusion 2.5 is deleted and replaced by the following:

**2.5. Watercraft**

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

**This exclusion does not apply to:**

- 2.5.2. A watercraft while ashore on premises that are owned by, rented to or controlled by you;
- 2.5.3. Sub-paragraph 2.5.1. does not apply to **bodily injury** sustained by any of your **employees** while acting on your behalf.
- 2.5.4. Watercraft that is:
- 2.5.4.1. A **non-motorized watercraft**, or
  - 2.5.4.2. A motorized watercraft used only for safety purposes during dragon boat training or races and that is no more than 16 feet in length, or
  - 2.5.4.3. A watercraft you do not own that is less than 16 metres long, except when sub-paragraph 2.5.4.2 or 2.5.4.1. applies; and
  - 2.5.4.4. Not being used to carry persons or property for a charge.

**Non-motorized watercraft** means non-motorized rowboats and canoes, including non-motorized dragon boats used in dragon boat fundraising races (including the training and preparation for such events) which are designed and/or modified to be used for that purpose.

**All other terms and conditions of the Policy remain unchanged.**

LIQUOR LIABILITY EXCLUSION

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

Notwithstanding any contrary provisions contained in this Policy, this insurance does not apply to **bodily injury, property damage or personal injury** for which any Insured may be held liable as a result of providing and/or serving or selling alcoholic beverages, except this exclusion shall not apply to rotary sponsored fund raising and/or rotary social events.

**All other terms and conditions of the Policy remain unchanged.**

**AMENDMENT TO ABUSE LIMITATION ENDORSEMENT L307N**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

This Endorsement is attached to the Abuse Limitation Endorsement and is subject to all terms, conditions, limitations and exclusions of such Form, except as amended by this Endorsement.

The deductible clause in sub-paragraph 4.3 of paragraph 4. **LIMIT OF INSURANCE AND DEDUCTIBLE** is deleted in its entirety.

**All other terms and conditions of the Policy remain unchanged.**



**TOBOGGANING EXCLUSION**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

Notwithstanding any contrary provisions contained in this Policy, this insurance does not apply to **bodily injury** or **property damage** directly or indirectly arising out of, aggravated by, alleged to have been caused by or resulting from any tobogganing activity.

**All other terms and conditions of the Policy remain unchanged.**

**FIREWORKS EXCLUSION**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such form, except as amended by this Endorsement.

Notwithstanding any contrary provisions contained in this Policy, the Commercial General Liability Max Form is amended by the addition of the following exclusion under section **2. EXCLUSIONS of SECTION 1 – COVERAGES. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

This insurance does not apply to:

**2.24 Fireworks**

**2.24.1. Bodily injury “or” property damage** caused directly or indirectly, by fireworks, pyrotechnics or any similar explosive material.

**All other terms and conditions of the Policy remain unchanged.**

**Designated Amusement Rides and Inflatables Exclusion**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.**

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such form, except as amended by this Endorsement.

**SECTION I, COVERAGE A – 2. EXCLUSIONS of the Commercial General Liability Max Form is amended to include the following exclusion:**

**2.27. Designated Amusement Rides and Inflatables Exclusion**

- 2.27.1. arising out of activities involving **amusement rides and inflatables of any kind** that you engage in, organize, or sponsor.
- 2.27.2. arising out of the use of **amusement rides and inflatables of any kind**.

**All other terms and conditions of the Policy remain unchanged.**

**COMMERCIAL GENERAL LIABILITY COVERAGE****ADDITIONAL INSURED – ENDORSEMENT**

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

Paragraph 2. of **SECTION II – WHO IS AN INSURED**, of the Commercial General Liability Max Form, is amended to include the following:

**2. EACH OF THE FOLLOWING IS ALSO AN INSURED:**

- 2.9. Any person or organization identified as an additional insured on a certificate of insurance issued by or accepted by us but only with respect to liability arising out of your operations or premises, **your product**, or **your work**.

All other terms and conditions of the Policy remain unchanged.

# Non- Profit Organization Liability Insurance Policy



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

**PLEASE READ YOUR POLICY CAREFULLY.**

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

**Words and phrases in bold in this Policy have special meaning as defined in PART 9 – DEFINITIONS.**

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the Insurer shown in the Declarations (hereinafter called the "Insurer") including the statements made in the **Application** and its attachments which form part of this Policy, and subject to all the terms, conditions and limitations of this Policy, the Insurer agrees as follows:

## PART 1 – INSURING AGREEMENTS

### A – INSURED PERSON NON-INDEMNIFIABLE LIABILITY

The Insurer agrees to pay on behalf of the **Insured Person** all **Loss** for which the **Insured Person** are not indemnified by the **Insured Organization** and shall become legally obligated to pay on account of a **Claim** first made against them during the **Policy Period** because of a **Wrongful Act**.

### B – INSURED PERSON INDEMNIFIABLE LIABILITY

The Insurer agrees to pay on behalf of the **Insured Organization** all **Loss** which the **Insured Person** shall become legally obligated to pay on account of a **Claim** first made against them during the **Policy Period** because of a **Wrongful Act** and for which the **Insured Organization** provided indemnification.

### C – INSURED ORGANIZATION LIABILITY

The Insurer agrees to pay on behalf of the **Insured Organization** all **Loss** for which the **Insured Organization** shall become legally obligated to pay on account of a **Claim** first made against them during the **Policy Period** because of a **Wrongful Act**.

## PART 2 – EXTENSIONS OF COVERAGE

With the exception for Extension 1. **DEDICATED ADDITIONAL LIMIT OF LIABILITY FOR INSURED PERSON**, the following extensions are part of and included in the Aggregate Limit per **Policy Period**:

### 1. DEDICATED ADDITIONAL LIMIT OF LIABILITY FOR INSURED PERSON

The Insurer agrees to pay on behalf of the **Insured Person** all **Loss** for which an **Insured Person** shall become legally obligated to pay on account of a **Claim** first made against them during the **Policy Period** because of a **Wrongful Act** and provided such **Claim**:

- 1.1. is not indemnified by the **Insured Organization** or an **Outside Organization**; and
- 1.2. the current Policy's applicable Aggregate Limit per **Policy Period** is exhausted; and
- 1.3. any other valid insurance, including excess policies, is also exhausted.

The maximum Limit of Liability provided under this extension shall not exceed \$1,000,000 per **Policy Period**.

### 2. SPOUSE, DOMESTIC PARTNER AND ESTATE

The Insurer agrees to pay on behalf of the persons named hereinafter all **Loss** for which such person shall become obligated to pay on account of any **Claim** first made against them during the **Policy Period** because of an **Insured Person's Wrongful Act** where damages are being sought from:

- 2.1. the lawful spouse or domestic partner of such **Insured Person**, through the recovery from jointly held property or property transferred by the **Insured Person** to such person; or
- 2.2. the estate, heirs, legal representatives or assignees of such **Insured Person** who is deceased or who has become legally incompetent, insolvent or bankrupt;

provided that no coverage under this extension shall apply with respect to any **Wrongful Act** committed by such persons.

### 3. RETIRED EXECUTIVES

The Insurer agrees that, in the event an **Executive** of the **Insured Organization** retires and no longer serves in their capacity as such during the **Policy Period**, the coverage provided by **Insuring Agreement A – Insured Person Non-Indemnifiable Liability** shall be automatically extended for a maximum period of six (6) years from the official retirement date for any **Claim** against such **Executive** based on **Wrongful Acts** committed prior to the official retirement date. However, no coverage shall be provided by this automatic extension if either a replacement policy or **Extended Reporting Period** is obtained by the **Insured Organization** and in force during this period or if such retirement is due to or occurs during a Change in Control as outlined in Section 5. of **PART 8 – GENERAL CONDITIONS**.

### 4. WORKPLACE VIOLENCE EXPENSES

The Insurer agrees to reimburse the **Insured Organization** for **Workplace Violence Expenses** incurred by the **Insured Organization** during the **Policy Period**, resulting from any **Workplace Violence Incident** in an amount not to exceed \$250,000 per **Policy Period**.

### 5. CRISIS CONSULTING EXPENSES

The Insurer agrees to pay on behalf of the **Insured Organization** for **Crisis Consulting Expenses** incurred as a direct result of a **Claim** covered under this policy, in an amount not to exceed \$100,000 per **Policy Period**.

## 6. DERIVATIVE DEMAND EVALUATION EXPENSES

The Insurer agrees to pay on behalf of the **Insured Organization** for **Derivative Demand Evaluation Expenses** incurred on account of any derivative action first commenced during the **Policy Period**, alleging a **Wrongful Act** by an **Insured Person**. The Insurer shall pay such **Derivative Demand Evaluation Expenses** if prior written consent is given by the Insurer and in an amount not to exceed \$500,000 per **Policy Period**.

## 7. OUTSIDE DIRECTORSHIP LIABILITY

The Insurer agrees to pay on behalf of the **Insured** all **Loss** which the **Outside Organization Executive** shall become legally obligated to pay on account of a **Claim** first made against them during the **Policy Period** because of a **Wrongful Act**.

## PART 3 – EXTENDED REPORTING PERIOD

In the event this Policy is cancelled, non-renewed or terminated for any reason (including a Change in Control as set forth in Section 5. of **PART 8 – GENERAL CONDITIONS**) other than non-payment of a premium, the **Insured** shall have the right to an extension of the coverage granted by this Policy (but shall not include any **Expense Coverage**) for a period selected in the options below, with respect to any **Claim** first made against them during this **Extended Reporting Period**, but only with respect to any **Wrongful Act** committed prior to the effective date of termination of this Policy.

The additional premium for the **Extended Reporting Period** shall be calculated at a percentage of the last annual premium, according to the options as follows:

1. 50% for an **Extended Reporting Period** of 1 year;
2. 125% for an **Extended Reporting Period** of 3 years;
3. 150% for an **Extended Reporting Period** of 6 years;

The right to purchase the **Extended Reporting Period** shall lapse unless written notice together with payment of the additional premium (including any applicable taxes) is given by the **Insured** to the Insurer within sixty (60) days after the effective date of termination of this Policy. Such additional premium shall be fully earned at the issuance of the **Extended Reporting Period** endorsement.

The **Extended Reporting Period** is not intended, nor shall be construed to increase the Aggregate Limit per **Policy Period**.

## PART 4 – EXCLUSIONS

This Policy does not apply to:

### 1. PRIOR NOTICE

A **Claim Based Upon** any fact, situation, circumstance or event prior to the effective date of this Policy which has been the subject of any written notice accepted under any Policy of which this Policy is a direct or indirect renewal or replacement.

### 2. PRIOR OR PENDING PROCEEDINGS

A **Claim Based Upon** any civil, criminal, administrative or regulatory demand, suit, pending proceeding or investigation which the **Insured** has been given notice and was commenced, or order, decree, judgment or settlement pending on or prior to the **Prior and Pending Proceedings Date** or derived from, arising out of or resulting from or alleging the same or similar facts as those alleged in such pending or prior litigation.

### 3. PERSONAL CONDUCT

A **Claim Based Upon**:

- 3.1. intentional dishonest, fraudulent or criminal acts of any **Insured**;
- 3.2. any **Insured** gaining in fact any profit, remuneration or advantage to which such **Insured** was not legally entitled; or
- 3.3. the return of any remuneration paid to any **Insured Person** by the **Insured Organization**, if such remuneration was illegally paid.

However, this exclusion shall not apply until a final judgement or non-appealable adjudication establishes that such **Insured** (other than a declaratory proceeding or action brought by or against the Insurer) committed any such above noted acts in an underlying proceeding.

### 4. INSURED ORGANIZATION VS. INSURED PERSON

A **Claim** which is brought against an **Insured Person**, made directly or indirectly by or on behalf of the **Insured Organization**.

However, this exclusion does not apply to a **Claim**:

- 4.1. that is a derivative action brought without the solicitation, assistance or active participation of any **Insured** or with the solicitation, assistance or active participation of an **Insured Person** that benefits from "whistleblower" legal protection;
- 4.2. against an **Insured Person** that is 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 **Insured Organization**; or
- 4.3. against an **Insured Person** who was not serving the **Insured Organization** in such duties on the date a **Claim** is first made and where such **Claim** is brought without the solicitation, assistance or active participation of an **Insured Person**.
- 4.4. **Defence Costs**.

### 5. OUTSIDE ORGANIZATION VS. OUTSIDE ORGANIZATION EXECUTIVE

A **Claim** which is brought against an **Outside Organization Executive**, made directly or indirectly by or on behalf of the **Outside Organization**.

However, this exclusion does not apply to a **Claim**:

- 5.1. made directly or indirectly by or on behalf of the **Outside Organization**, where such **Claim** is a derivative action;
- 5.2. made by any director, officer, trustee, observer or equivalent executive position of the **Outside Organization**, where such **Claim** is for contribution or indemnity or where such **Claim** is for an **Employment Practices Wrongful Act**; or
- 5.3. made against an **Outside Organization Executive** that is brought or maintained by a trustee in **Bankruptcy**, liquidator, receiver or receiver-manager as defined in the *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 **Outside Organization**.

## 6. BODILY INJURY AND PROPERTY DAMAGE

A **Claim** for bodily injury, emotional distress, mental anguish, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use of such property.

However, this exclusion shall not apply to:

- 6.1. **Claims** for emotional distress or mental anguish, resulting directly from an **Employment Practice Wrongful Act**;
- 6.2. **Defence Costs** on account of a **Claim** that is a criminal proceeding, pursuant to section 217.1 of the *Criminal Code* of Canada (as amended by Bill C-45) or equivalent foreign corporate manslaughter legislation; or
- 6.3. **Defence Costs** on account of a **Claim** pursuant to *Part XX of the Canada Occupational Health and Safety Regulations* or similar provisions of any provincial, territorial, or local legislation or foreign equivalent (including the *Ontario Occupational Health and Safety Amendment Act (Violence and Harassment in the Workplace)* 2007).

## 7. CONTRACT

A **Claim** for any actual or alleged breach of any oral or written contract or agreement, or for liabilities of others assumed by the **Insured Organization** under such contract or agreement.

However, this exclusion shall not apply to:

- 7.1. the extent the **Insured Organization** would have been liable in the absence of such contract or agreement;
- 7.2. an **Employment Practices Wrongful Act**;
- 7.3. the liability assumed in accordance with the agreement or declaration of trust of the **Employee Benefit Plan**; or
- 7.4. **Defence Costs**.

## 8. OCCUPATIONAL HEALTH AND SAFETY, WORKERS' COMPENSATION, UNEMPLOYMENT INSURANCE, SOCIAL INSURANCE, SOCIAL SECURITY, DISABILITY BENEFITS

Solely with respect to an **Employment Practices Wrongful Act** or a **Fiduciary Wrongful Act**, a **Claim** for any actual or alleged violation of an obligation imposed by any act, or regulation related to pay equity, worker's compensation, industrial accidents and occupational disease, occupational health and safety, employment insurance, welfare and social welfare, social security or old age security, disability benefits, or by any similar act or regulation, including the *Canada Labour Code* and in particular its Parts II, III [Division XIII.1], the *Employment Insurance Act*, the *Old Age Security Act*, the *Canadian Human Rights Act*, or similar provisions of any provincial, territorial, or local legislation or foreign equivalent.

However, this exclusion does not apply to a **Claim** for any actual or alleged:

- 8.1. discrimination or employment-related harassment under Division XV.1 of Part III of the *Canada Labour Code* or under the *Canadian Human Rights Act*, under its rules or regulations and under its amendments, or similar provisions of any constitutional, federal, provincial, territorial or local statutory or, common law or civil law;
- 8.2. retaliatory treatment against the claimant by the **Insured** on account of the claimant's exercise of rights pursuant to any such laws; or
- 8.3. violation of the *Canadian Human Rights Act* section 11 or the *United States Equal Pay Act*, or similar provincial, territorial or local legislation or foreign equivalent.

## 9. PENSION AND EMPLOYMENT BENEFIT PLAN CONTRIBUTIONS

Solely with respect to a **Fiduciary Wrongful Act**, a **Claim Based Upon** the failure to collect the **Insured Organization's** contributions owed to the **Employee Benefit Plan**, unless the failure is due to a **Wrongful Act** of the **Insured**.

## 10. ASBESTOS

- 10.1. A **Claim Based Upon** the actual or alleged inhalation of, contact with, exposure to, use of, existence of, presence of, asbestos or any material containing asbestos in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or any material containing asbestos;
- 10.2. A **Claim** made by or on behalf of a governmental authority or arising out of any order or demand under any legislation or regulation that **Insured** or others perform or assume liability for the following:
  - 10.2.1. operations to evaluate or assess the presence or absence of asbestos, its effects or quantity;
  - 10.2.2. operations to test for, monitor, contain, treat, detoxify, neutralize, identify, clean up, sample, remove, abate, mitigate, or dispose of asbestos; or
  - 10.2.3. any other actions to respond to situations involving asbestos;
- 10.3. any supervision, instructions, recommendations, warnings, or advice given or that should have been given in connection with exclusions 10.1. or 10.2. above; or
- 10.4. any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in Exclusions 10.1., 10.2. or 10.3. above.

### SEVERABILITY OF EXCLUSIONS

With respect to the above exclusions of this Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**. Any **Wrongful Acts** of any past, present or future Chief Executive Officer, Chairman, or General Counsel of the **Insured Organization** shall be imputed to the **Insured Organization** to determine if coverage is available.

## PART 5 – LIMITS OF LIABILITY AND DEDUCTIBLES

### 1. LIMITS OF LIABILITY

- 1.1. The Limits stated in the Declarations Page for each Insuring Agreement and the limits stated for each Extensions of Coverage, where applicable, the most the Insurer will pay regardless of the number of:
  - 1.1.1. **Insureds**;
  - 1.1.2. persons or organizations making a **Claim**;
  - 1.1.3. **Claims** made; or
  - 1.1.4. events.

- 1.2. The Total Aggregate Limit per **Policy Period** is the most the Insurer will pay for all **Claims** made during the **Policy Period** under all Insuring Agreements and Extensions of Coverage, except for **EXTENSION 1 – DEDICATED ADDITIONAL LIMIT OF LIABILITY FOR INSURED PERSON**.
  - 1.3. Subject to the clause 1.2. above, the Limit of Liability stated in the Declarations Page for an Insuring Agreement is the most the Insurer will pay for all **Claims** made during the **Policy Period** under such Insuring Agreement. If no amount is stated, then no coverage shall be available for such Insuring Agreement.
- 2. APPLICABILITY OF THE LIMITS OF LIABILITY**
- The Limits of Liability shall apply separately to each **Policy Period**. If the **Policy Period** is extended for an additional period of less than twelve (12) months, the additional period shall be deemed part of the last preceding **Policy Period** for purposes of determining the Limits of Liability. In addition, **PART 3 – EXTENDED REPORTING PERIOD**, if exercised, shall be part of and not in addition to, the immediate preceding **Policy Period**, for the purposes of determining Limits of Liability.
- 3. RELATED CLAIMS**
- Claims** arising out of the same **Wrongful Act**, interrelated circumstances, transaction, or event shall be considered a single **Claim** (hereinafter called **Related Claims**). Such **Related Claims** shall have been deemed to have been first made during the **Policy Period** where the earliest **Claim** was first made against any **Insured**.
- 4. DEDUCTIBLES**
- 4.1. The obligation of the Insurer to pay on behalf of or to reimburse the **Insured** applies only to the amount of **Loss** in excess of any deductible amount stated in the Declarations Page as applicable to such coverages.
  - 4.2. In the event that a single **Loss**, including **Related Claims**, is covered in part under several Insuring Agreements, the deductible amounts stated in the Declarations Page shall be applied separately by each Insuring Agreement to that part of the **Loss**. The total deductible amount shall in no event exceed the highest deductible amount applicable to each **Loss**.
  - 4.3. No deductible shall apply to Part 1 – INSURING AGREEMENTS, Insuring Agreement A.
- 5. DEFENCE COSTS**
- Defence Costs** shall be in addition to the Limit of Liability stated in the Declarations Page. No deductible shall apply to **Defence Costs**.
- 6. INCREASE OF THE LIMITS OF LIABILITY**
- If the Insurer has agreed to increase the Limits of Liability under this Policy or any prior policy (if this Policy forms a part of a continuous series of renewals), such increase shall not apply to:
1. **Claim** first made against the **Insured** before the effective date of the increase;
  2. any fact, circumstance, situation or event known to the **Insured** on the effective date of the increase and likely to give rise to a **Claim**.
- 7. REDUCTION OF THE LIMITS OF LIABILITY**
- If the Limit of Liability has been reduced, the reduced Limit of Liability shall apply to a **Claim** first made against the **Insured** after the effective date of the reduction, whether or not the **Insured** has prior knowledge of the **Claim** or any fact, circumstance, situation or event likely to give rise to a **Claim**.

## PART 6 – DEFENCE AND SETTLEMENT

### 1. RIGHT AND DUTY TO DEFEND

The Insurer shall have the right and duty to defend any **Claim** covered under this Policy, even if the **Claim** is groundless, false or fraudulent.

### 2. INSURER'S CONSENT

The **Insured** shall not, except at their own cost, admit any liability, settle or attempt to settle a **Claim**, pay any **Loss**, incur any **Defence Costs** or assume any contractual obligation without the Insurer's consent.

### 3. 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**.

### 4. TERMINATION OF THE RIGHT AND DUTY TO DEFEND

Notwithstanding Section 5. **DEFENCE COSTS** contained under **PART 5 – LIMITS OF LIABILITY AND DEDUCTIBLES**, the Insurer's right and duty to defend a **Claim** shall end when the applicable Limit of Liability is exhausted by payment of **Loss**.

### 5. ALLOCATION

If the **Insured** incur both **Loss** which is covered by this Policy and also **Loss** which is not covered by this Policy, either because a **Claim** includes both covered and uncovered matters, or because a **Claim** is made against both covered and uncovered parties, then coverage shall apply as follows:

- 5.1. one hundred percent (100%) of **Defence Costs** will be allocated to covered **Loss**;
- 5.2. all **Loss** other than **Defence Costs**, will be allocated between covered **Loss** and uncovered **Loss** based on an assessment of the relative legal and economic exposures of the **Insured** in connection with the covered and uncovered matters and/or covered and uncovered parties.

If the Insurer and the **Insured** cannot agree on any allocation, no presumption as to allocation shall exist in any arbitration, suit or other proceeding. The Insurer, if requested by the **Insured**, shall submit the allocation dispute to a binding arbitration in accordance with the principles set forth under Section 16. **ARBITRATION CLAUSE, PART 8 – GENERAL CONDITIONS** of the Policy.

### 6. PRIORITY OF PAYMENTS

6.1. In the event of a **Loss** arising from a **Claim** whose settlement exceeds the available Limits of Liability, the Insurer agrees, up to the Aggregate Limit of the Policy for each **Policy Period**:

- 6.1.1. first, to commence by settling the **Losses** presented against **Insured Person** which are non-indemnified by the **Insured Organizations**; then
- 6.1.2. to settle, up to any applicable balance, all other **Losses** for the benefit of other **Insured Persons**; then



- 6.1.3. to settle, up to any applicable balance, all other **Losses**.
- 6.2. In determination of the amounts allocated to the Insuring Agreements in the event of a shared judgment or settlement, the Limits of Liability will be allocated in priority to the settlement of such **Claims** in the order provided for in paragraphs 6.1.1., 6.1.2. and 6.1.3. above, unless a judge has instructed otherwise.
- 6.3. This clause applies even if the Insurer receives a formal notice of the **Insured Organization's Insolvency**.
- 6.4. The **Insured** designated in 6.1.1., like those designated in 6.1.2. and 6.1.3. and within their respective orders of priority, each have the same rights.

## PART 7 – NOTICE OF CLAIMS/ NOTICE OF FACTS & CIRCUMSTANCES

### 1. NOTICE OF CLAIMS

The **Insured** shall, as a condition precedent to their rights under this Policy, give written notice of a **Claim** to the Insurer as soon as practicable after the Chief Executive Officer, Chairman, or General Counsel of the **Insured Organization** (or equivalent positions) first become aware of such **Claim**, but no later than:

- 1.1. Ninety (90) days after expiry or termination of this Policy (hereinafter called the **Reporting Window**), if no renewal or **Extended Reporting Period** is purchased;
- 1.2. Expiry of the **Extended Reporting Period**, if purchased.

Any interested person may give such notice.

In the event of a **Claim**, the **Insured** must immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **Claim**, authorize the Insurer to obtain records and other information, cooperate with the Insurer in the investigation, settlement or defense of the **Claim** and 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**.

### 2. NOTICE OF FACTS & CIRCUMSTANCES

If, during the **Policy Period**, the **Insured** becomes aware of facts or circumstances which may reasonably be expected to give rise to a **Claim** and if the **Insured** gives written notice thereof to the Insurer before the expiry of the **Reporting Window** or the expiry of the **Extended Reporting Period**, then any **Claim** which may subsequently arise out of such facts or circumstances shall be considered to have been made during the **Policy Period** in which they were first reported to the Insurer. The **Insured** shall give the Insurer such information as it may require regarding such facts or circumstances.

### 3. WORKPLACE VIOLENCE EXPENSE REPORTING

Notwithstanding the foregoing, the reporting with respect to the **Workplace Violence Expense** coverage requires the following:

- 3.1. a **Workplace Violence Incident** shall be sustained or communicated by or to an **Insured**; and
- 3.2. the **Insured Organization** must file a detailed proof of the loss, duly sworn to, with the Insurer within six (6) months after such incident is communicated or sustained.

Loss under the **Workplace Violence Expense** coverage shall have been deemed to be sustained immediately upon payment by the **Insured Organization** of the **Workplace Violence Expense** incurred by the **Insured**.

## PART 8 – GENERAL CONDITIONS

### 1. POLICY CHANGES

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

### 2. DECLARATIONS, REPRESENTATIONS AND SEVERABILITY

- 2.1. By acceptance of this Policy, the person who signed the **Application** agrees; that the statements in the **Application** and the Declarations Page are accurate and complete, and are based upon those statements shall constitute representations they made to the Insurer; and that this Policy has been issued in reliance upon such representations. Except with respect to the Limits of Liability and any rights or duties specifically assigned to the **Insured**, this insurance shall apply in the same manner and to the same extent as if a separate policy had been issued to each **Insured**.
- 2.2. With respect to the Exclusions and to the representations contained in the **Application**, to determine if the coverage provided by this Policy applies:
  - 2.2.1. no statements, declarations made or information detained by an **Insured Person** will be imputed to another **Insured Person**;
  - 2.2.2. statements, declarations made or information held by Chief Executive Officer, Chairman, or General Counsel of the **Insured Organization** (or equivalent positions) will be imputed to the **Insured Organization**.
- 2.3. If the representations contained in the **Application** were not accurate and/or completed such that the Insurer would not have accepted to issue a policy, no coverage shall be available to the **Insured** who had knowledge of such inaccurate and/or incomplete representations.
- 2.4. If the representations contained in the **Application** were not accurate and/or completed such that the Insurer would still have accepted to issue a policy, coverage shall be available to the proportion of the premium the Insurer collected to the premium it should have collected if the representations were accurate and complete.

### 3. NON-RESCINDABILITY

The coverage afforded under this Policy shall be non-rescindable by the Insurer.

### 4. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer unless the Insurer gives its consent in writing to such assignment.

### 5. CHANGE OF CONTROL

In the event the **Insured Organization** ceases its operations, merges into or consolidates with another organization, or if another organization, person, group of organizations or persons acquires more than 50% of the voting rights or management control of the **Insured Organization**, then coverage under this Policy will continue until its expiry, but only with respect to a **Claim** for a **Wrongful Act** committed or any **Expense**

**Coverage** incurred prior to such cessation of operations, merger, consolidation or acquisition. The **Insured Organization** will give written notice of the cessation of its operations, merger, consolidation or acquisition to the Insurer as soon as practicable together with such information as the Insurer may request.

## 6. NOTICE OF NON-RENEWAL

If the Insurer elects not to renew the Policy, the Insurer will provide the **Insured** written notice of non-renewal, at least ninety (90) days prior to the expiry of the Policy. Renewal terms which differ in any manner from the terms, conditions and premium of the expiring Policy shall not constitute a refusal to renew.

## 7. CANCELLATION

- 7.1. The **Parent Organization** may cancel this Policy by mailing or delivering to the Insurer written notice stating when the cancellation will be effective. If no date is specified, cancellation is effective upon receipt of the notice.
- 7.2. The Insurer may only cancel this Policy because of non-payment of premium by giving the **Parent Organization** at the last mailing address known to it, written notice of cancellation by registered mail or personally delivered at least fifteen (15) days before the effective date of such cancellation.
- 7.3. Except in Québec, if notice is mailed, cancellation takes effect fifteen (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 fifteen (15) days after receipt of the notice at the last known address of the **Parent Organization**.
- 7.4. If this Policy is canceled by the **Parent Organization**, the Insurer will send the **Parent Organization** any premium refund due, such refund will be computed pro rata. The cancellation is effective even if the Insurer has not made or offered a refund.
- 7.5. If the Insurer cancels for non-payment of premium, the Insurer shall have the right to require payment for the pro-rated amount owed by the **Parent Organization**.

## 8. PAYMENT OF PREMIUM

The **Parent Organization** is responsible for the payment of all premiums and will be the payee for any return premiums payable by the Insurer.

## 9. NOTICE

- 9.1. Notices by the **Insured** to the Insurer will be mailed to the Insurer's address shown in the Declarations Page.
- 9.2. Notices by the Insurer to the **Insured Person** or the **Insured Organization** will be mailed to the **Parent Organization** named in the Declarations Page at the address shown therein or any other address notified in writing to the Insurer.
- 9.3. Notice by the **Parent Organization** as provided hereunder shall constitute notice by the **Insured**. The **Insured** agree that the **Parent 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.

## 10. OTHER INSURANCE

- 10.1. If the **Insured** has other valid and collectible insurance against **Loss** covered by this Policy, other than another insurance policy issued by the Insurer, then this Policy will be excess over such other insurance and will not contribute, unless such other insurance is written only as specific excess insurance, in which case this Policy shall be primary.
- 10.2. If the **Insured** has other valid and collectible insurance against **Loss** covered by this Policy, under another policy issued by 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.
- 10.3. In the event of a **Claim** against an **Outside Organization Executive**, coverage shall apply as excess over any valid or collectible insurance or indemnification provided by the **Outside Organization** or by any other source other than the **Insured Organization**. However, in no event shall the Insurer's liability for any one **Loss** exceed the highest Limit of Liability applicable to the **Loss** under all policies.

## 11. SUBROGATION

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

## 12. CURRENCY

All Limits of Liability, premiums, deductibles and other amounts as expressed in this Policy are in Canadian currency. With respect to the payment of premium, if a 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 at the noon rate of the exchange set by the Bank of Canada on the date upon which the final judgment is rendered, date of billing or settlement agreed upon, respectively.

## 13. BANKRUPTCY AND INSOLVENCY

**Bankruptcy** or **Insolvency** of the **Insured 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 a condition precedent thereto, there shall have been full compliance by the **Insured** with all the terms of this Policy.

## 15. STATUTORY CONFORMITY

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

## 16. ARBITRATION CLAUSE

Any dispute between the **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 **Insured Organization** and relating to arbitration, including rules, orders, orders in council or regulation promulgated under such law and its amendments or, upon the agreement of both the Insurer and the **Insured** unless the **Insured** 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.

## 17. TERRITORY

This insurance shall apply anywhere in the world.

## 18. LIBERALISATION CLAUSE

If during the **Policy Period**, the Insurer creates a succeeding version of this form that broadens the coverage, then the succeeding version of this form shall immediately apply to this Policy.

Nothing herein shall be construed, in any manner, to increase or change the Limits of Liability afforded under this Policy as stated in the Declarations Page or change the applicability of the attached endorsements. The Limits of Liability and deductible amounts stated in the Declarations Page, as well as the terms and conditions of this current Policy shall apply to such **Claims**.

## PART 9 – DEFINITIONS

### 1. Administration means:

- 1.1. giving counsel to **Employees**, members and beneficiaries with respect to the **Employment Benefit Plans**;
- 1.2. interpreting the **Employment Benefit Plans**;
- 1.3. handling the records in connection with the **Employment Benefit Plans**;
- 1.4. enrollment, termination or cancellation of **Employees** under the **Employment Benefit Plan**.

### 2. Antipollution Measures means the testing for, remediation, monitoring, removal, containment, treatment, detoxification, decontamination, stabilization or neutralization of **Pollutants** and also means corrective measures, decontamination or clean up operations with respect to **Pollutants**.

### 3. Application means all application forms or portions of thereof, including any attachments, addendums, annexes and other information and material provided to the Insurer in connection to the underwriting of this Policy or for any renewal or replacement of this Policy. All such information shall be deemed attached to and incorporated as a part of this Policy.

### 4. Bankruptcy means the state of the **Insured Organization** which occurs at the time or date of the granting of a receiving order against the **Insured Organization**, the filing of an assignment of property by or in respect of the **Insured Organization** or the event that causes an assignment by the **Insured Organization** to be deemed. **Bankruptcy** shall also include any similar position of the **Insured Organization** under similar legislation of any other country.

### 5. Based upon means based upon, arising out of, in relation to, directly or indirectly resulting from.

### 6. Benefits means perquisites, fringe benefits and other payments in connection with 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.

### 7. Claim means:

- 7.1. any written demand or allegations seeking monetary or non-monetary relief, including injunctive relief;
  - 7.2. any civil proceeding commenced by the filing of a complaint, demand letter, notice of claim or similar pleading;
  - 7.3. any penal or criminal proceeding against an **Insured** commenced by notice of charges, statement of allegations, laying of information, the return of an indictment or similar document;
  - 7.4. any civil, criminal, administrative or regulatory investigation commenced by the service upon or other receipt by the **Insured** of a written notice from the investigating authority specifically identifying the **Insured** against whom formal charges may be commenced;
  - 7.5. **Extradition Expenses** that are related directly to a formal request, claim, arrest warrant or other proceedings pursuant to the *Extradition Act* of Canada (including its amendments and regulations) or pursuant to the similar legislation of other jurisdictions;
  - 7.6. any arbitration or mediation proceeding commenced by receipt of notice to appoint an arbitrator or mediator, an arbitration or mediation petition or similar document;
- against any **Insured** for a **Wrongful Act**, including an appeal therefrom;
- 7.7. any written request received by an **Insured** to toll or waive a limitation period, relating to any matter outlined in items 7.1. to 7.6. above.

### 8. Crisis Consulting Expenses means the reasonable costs, charges, fees and expenses, incurred by the **Insured Organization** during the **Policy Period** with prior consent of the Insurer, for an independent public relations consultant, crisis management consultant or law firm to make public communication or prevent or minimize business disruption and adverse publicity.

### 9. Defence Costs means reasonable costs, charges, fees (including but not limited to lawyers', accountants' and experts' fees) and expenses (other than regular overtime wages, salaries, fees, and benefit expenses of any **Insured Person**) incurred in defending or investigating **Claims** and shall not include **Derivative Demand Evaluation Expenses**.

The term **Defence Costs** shall also include:

- 9.1. all premiums on bonds to release attachments for an amount not in excess of the Limit of Liability, but without any obligation to apply for or furnish such bonds;
- 9.2. all reasonable expenses (other than loss of earnings) incurred by the **Insured** at the Insurer's request in assisting the Insurer in the investigation or defence of any **Claim** or suit;
- 9.3. all 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

### 10. Derivative Demand Evaluation Expenses means reasonable costs and necessary legal accounting, audit or investigating expenses incurred by the **Insured Organization**, its Board of Directors or any of the committees of the Board of Directors, in connection with a derivative demand (excluding salaries, wages or fees of the members of the board, the **Executives** or the **Employees** of the **Insured Organization**) strictly with regards to an evaluation required to determine if its in the best interests of the **Insured Organization** to prosecute the allegations in the derivative demand, and prior to any **Claim** first made that results from or for such derivative demand. **Derivative Demand Evaluation Expenses** do not include any costs, fees or expenses incurred in a **Claim** or any damages.

### 11. Employee means any person whose labour of service was, is or will be directed by the **Insured Organization**. This includes any full-time, part-time, seasonal, temporary worker, volunteer or dependent contractor that works solely for the **Insured Organization** and does not include an independent contractor.

**12. Employee Benefit Plan** means:

- 12.1. any employee benefit plan as outlined in the *Pension Benefits Standards Act*, R.S.C. 1985, c.32 (2nd Supp.) for any plan constituted within the territorial limits and jurisdictions of Canada, or as defined by the *Employee Retirement Income Security Act of 1974* of the United States of America for any plan constituted within the territorial limits and jurisdiction of the United States of America, which is operated solely by the **Insured Organization**, or jointly by the **Insured Organization** and labour organization, for the benefit of any **Employee** or **Executive** of the **Insured Organization**.
- 12.2. any government mandated insurance program for workers compensation, employment, unemployment, social security or disability benefits for any **Employee**.
- 12.3. any other employee benefit plan sponsored solely by the **Insured Organization** for the benefit of any **Employee** or **Executive** of the **Insured Organization**.

**13. Employed Lawyer** means any **Employee** who is admitted to practice law within the jurisdiction in which they are providing such services and in good standing with its professional order or association and who was, now is or will be, at the time of the alleged **Employed Lawyers Wrongful Act**, employed as a lawyer for and salaried by the **Insured Organization**.

**14. Employed Lawyers Wrongful Act** means any error, omission, negligence, breach of duty, misstatement, misleading statement, or any other act, actually or allegedly committed during the performance of legal services by the **Employed Lawyer** on behalf of any **Insured**. **Employed Lawyers Wrongful Act** does not include legal services:

- 14.1. not rendered on behalf of the **Insured** at the **Insured Organization's** request;
- 14.2. performed by the **Employed Lawyers** for others for a fee;
- 14.3. arising out of the actual or alleged infringement of copyright, a patent, a trademark, a trade secret, the presentation of a product, a slogan or prejudice to any other intellectual property right;
- 14.4. attributed by an **Employed Lawyer** in their capacity as an owner, principal, partner, director, officer, member, manager, employee or any equivalent position of an entity that is not the **Insured Organization**; or
- 14.5. in connection with a trust or estate when such **Employed Lawyer** is also a beneficiary of such trust or estate.

**15. Employment Practices Wrongful Act** means any of the following acts related to employment or the application of employment:

- 15.1. wrongful dismissal, discharge or termination of employment, whether actual or constructive;
- 15.2. breach of any oral or written employment contract;
- 15.3. violation of any law concerning discrimination;
- 15.4. employment-related harassment, including sexual harassment or other harassment in the workplace;
- 15.5. wrongful deprivation of employment or wrongful deprivation of promotion (including failure to hire and wrongful demotion);
- 15.6. retaliation;
- 15.7. wrongful discipline;
- 15.8. failure to grant tenure;
- 15.9. negligent evaluation, supervision or training;
- 15.10. invasion of privacy;
- 15.11. defamation, libel, slander or humiliation;
- 15.12. wrongful infliction of emotional distress, humiliation, mental anguish or mental distress; or
- 15.13. misrepresentation.

However, **Employment Practices Wrongful Act** shall not include any actual or alleged labour or grievance dispute, negotiation, arbitration, violation or other proceeding pursuant to a collective bargaining agreement.

**16. Executive** means any person who was, now is or will be a duly elected, appointed, deemed or "de facto" director, officer, trustee, observer, member of the board of managers or member of any duly constituted committee or an in house General Counsel, Risk Manager or foreign equivalent of the **Insured Organization**.

**17. Executive Wrongful Act** means any error, omission, negligence, breach of duty, misstatement, misleading statement or any other act actually or allegedly committed by:

- 17.1. any **Insured Person** in the discharge of their duties, or any other matter claimed against an **Insured Person** solely by reason of their being an **Insured Person**;
- 17.2. the **Insured Organization**.

**18. Expense Coverage** means expenses and costs afforded under **Workplace Violence Expense Coverage**, **Crisis Consulting Expense Coverage** and **Derivative Demand Evaluation Expenses**.

**19. Extended Reporting Period** means the period selected from **PART 3 – EXTENDED REPORTING PERIOD** from the termination of the Policy until the expiry date shown on the endorsement issued after exercise of such clause.

**20. Extradition Expenses** means, in direct relation to an order for the extradition of an **Insured Person** the reasonable and necessary legal fees, costs and expenses that are incurred (with the Insurer's approval and consent beforehand) by an **Insured Person** to obtain legal advice or to initiate, appeal or defend proceedings including such proceedings that are by way of judicial review or other challenge.

**21. Fiduciary** means any person who was, now is or will be a member of any pension committee or board of trustee of the **Employee Benefit Plan**.

**22. Fiduciary Wrongful Act** means any error, omission, negligence or misleading statement actually or allegedly committed by the **Insured**, while engaged in the discharge of his duties:

- 22.1. in the **Administration** of the **Employee Benefit Plan**;
- 22.2. for any breach of responsibilities, obligations or duties imposed upon the **Insured** with respect to an **Employee Benefit Plan**, by the *Pensions Benefits Standards Act*, 1985, R.S. (1985), c.32 (2nd Supp.), as amended, or similar provisions of any federal, provincial, territorial or local legislation or foreign equivalent;
- 22.3. by an **Insured Person**, pension committee or board of trustees, in their capacity as a settlor of the **Employee Benefit Plan**;
- 22.4. against an **Insured** solely because of the **Insured** status as a **Fiduciary** with respect to an **Employee Benefit Plan**.

- 23. Insolvency** means:
- 23.1. the financial position of the **Insured Organization** or **Outside Organization** as a debtor as that term is defined and used in Canada within the provisions of the *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 **Insured Organization** or **Outside Organization**;
  - 23.2. a reorganization proceeding of the **Insured Organization** or **Outside Organization** under the *Companies' Creditors Arrangement Act*, R.C.S., 1985, c. C-36;
  - 23.3. the **Insured Organization** or **Outside Organization** becoming a debtor in possession under Chapter 11 of the *United States Bankruptcy Code*;
  - 23.4. the **Insured Organization** or **Outside Organization** being unable to meet its obligations under the **Employee Benefit Plan**; or
  - 23.5. any similar position of the **Insured Organization** or **Outside Organization** under similar legislation of any other country.
- 24. Insured** means:
- 24.1. the **Insured Organization**;
  - 24.2. the **Insured Person**;
  - 24.3. the **Employee Benefit Plan**.
- 25. Insured Organization** means:
- 25.1. **Parent Organization**;
  - 25.2. any **Subsidiary**.
- 26. Insured Person** either in the singular or the plural, means any person who was, now is or will be an **Executive, Employed Lawyer, Fiduciary, Employee** or volunteer of the **Insured Organization** and includes an **Outside Organization Executive** serving an **Outside Organization**.
- 27. Loss** means:
- 27.1. compensatory, punitive, exemplary or multiplied damages, judgments (including pre-judgment and post judgment interest) or settlement arising from a **Claim**, within the limits of the Insurer's liability;
  - 27.2. civil fines or civil penalties assessed against an **Insured Person**, including *Corruption of Foreign Public Officials Act*, S.C. 1998, c. 34 *Canadian Anti-Spam Act*, S.C. 2010, c. 23 or any foreign equivalent;
  - 27.3. all costs assessed against the **Insureds** in any civil action defended by the Insurer and any interest accruing after entry of all judgment upon that part of the judgment which is within the applicable Limit of Liability and before the Insurer has paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit of Liability;
  - 27.4. **Defense Costs**.
- Loss** shall not include:
- 27.5. fines or penalties against the **Insured Organization**;
  - 27.6. any taxes the **Insured Organization** or the **Outside Organization** owe, or have failed to pay, other than those taxes for which an **Insured Person** (including those serving an **Outside Organization**) becomes personally liable under statutory law;
  - 27.7. with respect to a **Claim** for an **Employment Practices Wrongful Act**, salaries, wages or commissions payable to a claimant for services performed for an **Insured Organization** while employed with the **Insured Organization**;
  - 27.8. with respect to a **Claim** for an **Employment Practices Wrongful Act** against an **Outside Organization Executive**, salaries, wages or commissions payable to a claimant for services performed for an **Outside Organization** while employed with the **Outside Organization**;
  - 27.9. cost of compliance with any order for, grant of or agreement to provide injunctive or non-monetary relief;
  - 27.10. the salary, wages, commissions or **Benefits** of a claimant;
    - 27.10.1. who has been or shall be hired, promoted or reinstated to employment;
    - 27.10.2. whose employment has been or shall be continued;
    - 27.10.3. whose salary or Benefits have been increased pursuant to a settlement, order or other resolution;
    - 27.10.4. which constitutes a statutory mandated notice period with respect to an **Employment Practices Wrongful Act**.
  - 27.11. any costs incurred in connection with cleaning up, removing, eliminating, abating, remediating, containing, treating, detoxifying, decontaminating, neutralizing **Pollutants** or implementation of any **Antipollution Measures**;
  - 27.12. matters uninsurable by law under which this Policy is construed.
- 28. Outside Organization** means any not for profit organization having no share capital other than any **Insured Organization**.
- 29. Outside Organization Executive** 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 **Insured Organization**.
- 30. Parent Organization** means the entity named on the Policy Declarations Page.
- 31. Personal Injury Wrongful Act** means libel, slander or defamation of character other than such libel, slander or defamation that is employment-related or that arises from an **Insured** in the business of publishing, advertising or broadcasting.
- 32. Policy Period** means the period from the effective date of this Policy to the Policy expiration date as set forth in the Declarations Page, or its earlier cancellation in accordance with Section 6. **NOTICE OF NON-RENEWAL** or Section 7. **CANCELLATION** of **PART 8 – GENERAL CONDITIONS**. Policy Period shall also include the **Extended Reporting Period** if exercised.
- 33. Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalies, chemicals and waste including materials to be recycled, reconditioned or reclaimed.
- 34. Premises** means the buildings, facilities or properties occupied by the **Insured Organization** in conducting its business.
- 35. Prior and Pending Proceedings Date** means the effective date of this policy (or the first policy issued by the Insurer if this policy forms part of a continuous series of renewals).
- 36. Publishers Wrongful Act** means any infringement of copyright, trademark, unauthorized use of title, plagiarism or misappropriation of ideas by the **Insured**.

37. **Stalking Threat** means any conduct by a person who is subject of a temporary restraining order, injunction or similar court order that demonstrates intent to harm an **Employee** or the **Insured Organization**.
38. **Subsidiary** means any non-profit association or organization in which more than 50% of the control or voting rights that is owned by the **Parent Organization** named in the Declarations Page or by one or more of its subsidiaries, including any similar non-profit association or organization which was created or acquired by the **Parent Organization** after the inception date of the policy.
39. **Third Party Employment Practices Wrongful Act** means any **Claim** brought and maintained by or on behalf of a customer, patient, service provider or other business invitee of the **Insured Organization** against any **Insured** for any actual or alleged violation of any law concerning the discrimination or harassment of such customer, patient, service provider or other business invitee, and while such **Insured** is acting within the capacity of their duties for the **Insured Organization**.
40. **Workplace Violence Expenses** means the reasonable and necessary fees and expenses, or cost of:
- 40.1. an independent security consultation for ninety (90) days following the date the **Workplace Violence Incident** occurs;
  - 40.2. an independent public relations consultant for ninety (90) days following the date the **Workplace Violence Incident** occurs;
  - 40.3. a counseling seminar for all **Employees** conducted by an independent consultant following a **Workplace Violence Incident** occurs;
  - 40.4. an independent security guard services for fifteen (15) days following the date a **Workplace Violence Incident** occurs;
  - 40.5. an independent forensic analyst;
  - 40.6. an independent security consultant to assess the **Stalking Threat**.
41. **Workplace Violence Incident** means any intentional and unlawful act:
- 41.1. of deadly force involving the use of a lethal weapon; or
  - 41.2. the threat of deadly force involving the display of a deadly weapon; or
  - 41.3. of a **Stalking Threat**.
- which occurs on or in the **Premises** and which did or could result in the bodily injury or death to an **Insured Person**.
- Workplace Violence Incident** shall not include:
- 41.4. any use of, threat of force, or violence occurring on the **Premises** of the **Insured Organization** for the purpose of a robbery or demanding money, securities or property; or
  - 41.5. **Claims Based Upon** any civil or foreign war, invasion, hostilities (whether declared or not), act of foreign enemy, rebellion, insurrection, revolution, military or usurped power, marital law or confiscation by order of any government or any public authority.
42. **Wrongful Act** means including, but not limited to:
- 42.1. any **Executive Wrongful Act**;
  - 42.2. any **Employment Practices Wrongful Act**;
  - 42.3. any **Third Party Employment Practices Wrongful Act**;
  - 42.4. any **Fiduciary Wrongful Act**;
  - 42.5. any **Personal Injury Wrongful Act**;
  - 42.6. any **Publishers Liability Wrongful Act**
  - 42.7. any **Employed Lawyers Wrongful Act**;

## Abuse Exclusion

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**This Endorsement changes the policy. Please read it carefully.**

It is agreed that the following exclusion is added to **PART 4 – EXCLUSIONS** of this Policy.

### **ABUSE**

Except with respect to **Claims** for **Employment Practices Wrongful Acts**, this policy shall not apply to **Claims Based Upon**:

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. The actual or alleged knowledge or the failure to report by the **Insured**, the alleged **Abuse** to the appropriate authorities.

It is also agreed that the following definition is added to **PART 9 – DEFINITIONS**:

**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 terms of this policy shall remain unchanged except as otherwise provided in this Endorsement.**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

This Endorsement is attached to the Non-Profit Organization Liability Insurance Policy and is subject to all terms, conditions, limitations and exclusions of such Form, except as amended by this Endorsement .

The definition of **Insured Organization** under item 25. and **Parent Organization** under item 30. in Part 9 – DEFINITIONS is deleted and replaced by the following:

25. **Insured Organization** means the **Parent Organization** and any **subsidiary**, trust(s), foundation(s) which are part of the Rotary District named on the Policy Declarations Page, provided that an Individual Certificate of Insurance has been issued in the **Parent Organization's** name and coverage is included on the Individual Certificate of Insurance.
30. **Parent Organization** means the Rotary Club(s) part of the Rotary District named on the Policy Declarations Page.

**All other terms and conditions of the Policy remain unchanged.**



## Legal Expense Insurance

### 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 "Insured" and the legal representatives of "Insured" 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 defence 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"** is the Named Insured(s) 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 defence 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 defence 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" excluding the "Insured" residing in the province of Quebec:
  - (i) 30 days' written notice of termination by registered mail at his or her last known address;
  - (ii) 5 days' written notice of termination personally delivered;
  - (iii) 15 days' written notice of termination by registered mail at his or her last known address when cancelling for non-payment of premium;
- (2) By the Insurer giving to the "Insured" residing in the province of Quebec:
  - (i) 30 days' written notice of termination by registered mail at his or her last known address;
  - (ii) 15 days' written notice of termination by registered mail at his or her last known address when cancelling for non-payment of premium;
- (3) By the "Insured" upon written notice. The cancellation takes effect upon receipt of the notice by the Insurer.

#### **7. Notice of "Claim"**

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.

#### **8. Subrogation**

In the event of any payment under this form, the Insurer shall be subrogated to all the "Insured's" rights of recovery therefore 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 "Insured", excluding the "Insured" residing in the province of Quebec, 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".

In the case of death of the "Insured" residing in the province of Quebec, bankruptcy or assignment of insurance between the persons co-insured, the insurance coverage will be passed on to the heir, to the trustee or to the remaining persons insured.

#### **10. Action against "Insurer"**

No suit shall be brought by the "Insured" living in the Territorial Limits excluding Quebec under this form until ninety days after proof of loss as required herein has been furnished nor at all unless commenced within two (2) years from the date upon which the loss was discovered by the "Insured".

No suit shall be brought by the "Insured" living in the province of Quebec under this form until ninety days after proof of loss as required herein has been furnished nor at all unless commenced within three (3) 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.

## Declaration of Emergency Endorsement - Extension of Termination or Expiry Date



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.**

## VIRUS AND BACTERIA EXCLUSION ENDORSEMENT

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Words and phrases in bold font or quotation marks have special meaning as defined below or in the Form to which this endorsement is attached.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this endorsement. These titles have only been inserted for ease of reading.**

This endorsement is attached to and modifies all commercial property coverage forms and endorsements in the policy, including but not limited to any of the following:

PROPERTY COVERAGE, including but not limited to Building and/or Contents Broad Form, Commercial Building and Contents Named Perils Form, Farm Outbuildings and Contents Broad Form and Farm Outbuildings and Contents Named Perils Form, as specified in the Declaration Page(s) for each Location;

BUSINESS INTERRUPTION COVERAGE, including but not limited to Profits, Profits Actual Loss Sustained, Gross Earnings, Gross Rentals, Rental Income and Contingent Business Interruption, as specified in the Declaration Page(s) for each Location;

BUILDERS RISK COVERAGE, as specified in the Declaration Page(s) for each Location;

EQUIPMENT BREAKDOWN COVERAGE, as specified in the Declaration Page(s) for each Location;

MISCELLANEOUS OR OTHER PROPERTY COVERAGE, including but not limited to Contractors Equipment Actual Cash Value Form and Farm Equipment Broad Form, as specified in the Declaration Page(s);

ANY EXTENSIONS, CLAUSES OR ADDITIONS OF COVERAGE to such a base Property, Business Interruption, Builders Risk, Equipment Breakdown, Miscellaneous Form or other form, including exceptions to exclusions.

The following paragraphs are added to the Forms:

- 1.1. This Form does not insure against loss or damage caused directly or indirectly, in whole or in part, by any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease. 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.
- 1.2. The exclusion in paragraph 1.1. does not apply to loss or damage caused directly or indirectly, in whole or in part, by **fungi** or **spores** directly caused by an insured peril not otherwise excluded under the policy, but only to the extent such loss or damage is insured under another Form in the policy.
- 1.3. With respect to any loss or damage subject to the exclusion in paragraph 1.1., such exclusion supersedes any exclusion relating to pollution, **pollutants** or **hazardous substance**.
- 1.4. The terms of the exclusion in paragraph 1.1., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage that would not otherwise be included under the policy.

**All other terms and conditions of this policy remain unchanged.**

## CYBER INCIDENT EXCLUSION

This Endorsement Changes the Policy. Please Read It Carefully.

Words and phrases in bold font or quotation marks have special meaning as defined below or in the Form to which this endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this endorsement. These titles have only been inserted for ease of reading.

This endorsement is attached to and modifies commercial property coverage forms and endorsements in the policy, including but not limited to any of the following:

PROPERTY COVERAGE, including but not limited to Building and/or Contents Broad Form, Commercial Building and Contents Named Perils Form, Farm Outbuildings and Contents Broad Form and Farm Outbuildings and Contents Named Perils Form, as specified in the Declaration Page(s) for each Location;

BUSINESS INTERRUPTION COVERAGE, including but not limited to Profits, Profits Actual Loss Sustained, Gross Earnings, Gross Rentals, Rental Income and Contingent Business Interruption, as specified in the Declaration Page(s) for each Location;

BUILDERS RISK COVERAGE, as specified in the Declaration Page(s) for each Location;

EQUIPMENT BREAKDOWN COVERAGE, as specified in the Declaration Page(s) for each Location;

MISCELLANEOUS OR OTHER PROPERTY COVERAGE, including but not limited to Contractors Equipment Actual Cash Value Form and Farm Equipment Broad Form, as specified in the Declaration Page(s);

EXTENSIONS, CLAUSES OR ADDITIONS OF COVERAGE to such a base Property, Business Interruption, Builders Risk, Equipment Breakdown, Miscellaneous Form or other form, including exceptions to exclusions.

The following exclusion is added to the EXCLUSIONS Section of the Forms:

### 1. EXCLUSION

This Form does not insure against loss or damage caused directly or indirectly by a **cyber incident**.

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

### 2. EXCEPTIONS AND LIMITATIONS

#### 2.1. Fire or Explosion

If a **cyber incident** results in fire or explosion, the Insurer will pay for the loss or damage to insured property caused by that resulting fire or explosion.

#### 2.2. Privacy Breach Expense Endorsement

Paragraph 1. does not apply to the Privacy Breach Expense Endorsement when such Endorsement is attached to the policy.

### 3. VANDALISM AND MALICIOUS ACTS

For purposes of this endorsement, vandalism and **malicious acts** do not include a **cyber incident**.

### 4. DEFINITIONS

For purposes of this endorsement, the following definitions are added to the Definitions Sections:

4.1. **Computer System** means any computer, hardware, media, electronic or digital **data**, software, communications or networking system, electronic device (including but not limited to smart phones, laptops, tablets, wearable devices), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **data** storage device, networking equipment or back-up facility.

4.2. **Cyber Incident** means:

4.2.1. Unauthorized access to or use of any **computer system**;

4.2.2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any **computer system** and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any **computer system** or otherwise disrupt its normal functioning or operation; or

4.2.3. Denial of service attack which disrupts, prevents or restricts access to or use of any **computer system**, or otherwise disrupts its normal functioning or operation.

All other terms, conditions and limitations of the policy shall remain unchanged.

## Standard Mortgage Clause

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 HIS KNOWLEDGE; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

**2. RIGHT OF SUBROGATION** – Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that – as to the Mortgagor or Owner – no liability 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.

### 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: \_\_\_\_\_



## GENERAL CONDITIONS – ONTARIO – ATLANTIC REGION

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Throughout this Form the word “Insured” refers to the Named Insured shown in the Declaration Page(s). The word “Insurer” refers to the company providing this insurance.

Other words and phrases that appear in bold have special meaning. Refer to either this Form or to the DEFINITIONS of Liability Coverage forms or the Property Coverage forms attached to this Policy.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

The following Conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy under a Property Coverage form (including fire) or a Liability Coverage. 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.

The following General Conditions are only applicable to the provinces of Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

## SECTION I – PROPERTY COVERAGE STATUTORY CONDITIONS

### 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 and Insolvency Act* (Canada) or change of title by succession, by operation of law, or by death.

### 4. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured 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 (15) 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

5.1. This contract may be terminated,

5.1.1. by the Insurer giving to the Insured written notice of termination at least:

5.1.1.1. five (5) days before the effective date of termination if personally delivered;

5.1.1.2. fifteen (15) days before the effective date of termination if the contract is terminated by registered mail for nonpayment of premium; or

5.1.1.3. thirty (30) days before the effective date of termination if the contract is terminated by registered mail for any other reason.

5.1.2. by the Insured at any time on request.

5.2. When this contract is terminated by the Insurer,

5.2.1. 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

5.2.2. 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.

5.3. 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.

5.4. The refund may be made by money, postal or express company money order or cheque payable at par.

5.5. The fifteen (15) and thirty (30) days mentioned in clauses 5.1.1.2. and 5.1.1.3. 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.

#### Special condition applicable to Condominium Corporations:

In those jurisdictions where provincial legislation under which the **Condominium Corporation** is constituted prescribes different policy termination conditions from those contained in the Statutory Conditions or General Conditions of this Policy as the case may be, such prescribed conditions shall apply.

### 6. REQUIREMENTS AFTER LOSS

6.1. 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,

6.1.1. immediately give notice of the loss or damage in writing to the Insurer;

6.1.2. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,

6.1.2.1. 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,

6.1.2.2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,

6.1.2.3. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,

6.1.2.4. showing the amount of other insurances and the names of other Insurers,

6.1.2.5. 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,

6.1.2.6. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,

- 6.1.2.7. showing the place where the insured property was located at the time of loss or damage;
- 6.1.3. if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
- 6.1.4. 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.
- 6.2. The evidence furnished under clauses 6.1.3. and 6.1.4. 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**
- 9.1. 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.
- 9.2. 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 9.1. 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 (60) days after completion of the proof of loss, unless the contract provides for a shorter period.
- 13. REPLACEMENT**
- 13.1. 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 (30) days after receipt of the proof of loss.
- 13.2. In that event, the Insurer shall commence to repair, rebuild, or replace the property within forty-five (45) 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 (1) year after the loss or damage occurs.
- 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.

## ADDITIONAL CONDITIONS (Property Coverage)

- 1. NOTICE TO AUTHORITIES**
- Where the loss is due to malicious mischief, burglary, robbery, theft, or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.
- 2. 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.
- 3. 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.
- 4. 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.
- Special condition applicable to Condominium Corporations**
- Except with respect to criminal act or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:
- the **Condominium Corporation**, its Directors, Property Managers, agents and employees; and
  - the owner of a unit and, if residents of the household of the owner of a unit, his or her **spouse**, the relatives of either and any other person under the age of 21 in the care of an owner of a unit or his or her spouse. **Spouse** means a person who is married to or has entered into a civil union with another person of the opposite or the same sex and is living with that person for at least three years or for at least one year if a child was born or adopted of their union.
- Independent contractors shall not be considered agents or employees of the **Condominium Corporation**, its Directors, Property Managers, or of the unit owners.
- 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.

#### 5. EXAMINATION UNDER OATH

In the event of loss or damage to the insured property, the Insured shall submit to examination under oath or warrant to the truth and shall produce all documents required by the Insurer and shall permit copies thereof to be made.

#### 6. CANADIAN CURRENCY CLAUSE

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

#### 7. 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.

#### 8. 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.

#### 9. BREACH OF CONDITION

9.1. 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.

9.2. Special condition applicable to Condominium Corporations:

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Policy, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition.

It is further agreed that this insurance shall not be prejudiced by:

9.2.1. any act or neglect of any occupants or owners of the **building** or any part thereof when such act or neglect is not within the control of the **Condominium Corporation**, or

9.2.2. failure of the **Condominium Corporation** to comply with any warranty or condition herein with regard to any portion of the **premises** over which the **Condominium Corporation** has no control.

#### 10. REINSTATEMENT

Unless specified otherwise in this Policy, losses hereunder shall not reduce the amount of insurance of this Policy.

#### 11. LOSS PAYABLE

Special clause applicable to Condominium Corporations

Loss, if any, shall be payable in accordance with the provisions of the provincial legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, loss, if any, shall be payable as stated on the Declaration Page(s).

#### 12. PROPERTY OF OTHERS – CONDOMINIUMS

Special condition applicable to Condominium Corporations

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.

## 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.

# STANDARD MORTGAGE CLAUSE

## (Approved by The Insurance Bureau of Canada)

It is hereby provided and agreed that:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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

### (Approuvée par le Bureau d'Assurance du Canada)

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

Signature de l'Assuré: \_\_\_\_\_

## SECTION II – LIABILITY CONDITIONS

If similar liability conditions are contained in the liability forms forming part of this Policy, those conditions prevail over the following provisions.

### 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

This Policy contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. The first Named Insured shown in the Declaration Page(s) 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

- 4.1. 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:
  - 4.1.1. How, when and where the **occurrence** or offence took place;
  - 4.1.2. The names and addresses of any injured persons and witnesses; and
  - 4.1.3. The nature and location of any injury or damage arising out of the **occurrence** or offence.
- 4.2. If a claim is made or **action** is brought against any Insured, the Named Insured must:
  - 4.2.1. Immediately record the specifics of the claim or **action** and the date received; and
  - 4.2.2. 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.
- 4.3. The Named Insured and any other involved Insured must:
  - 4.3.1. Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or **action**;
  - 4.3.2. Authorize the Insurer to obtain records and other information;
  - 4.3.3. Cooperate with the Insurer in the investigation or settlement of the claim or defence against the **action**; and
  - 4.3.4. 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.
- 4.4. 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 (3) years afterward.

### 6. INSPECTIONS AND SURVEYS

- 6.1. The Insurer has the right to:
  - 6.1.1. Make inspections and surveys at any time;
  - 6.1.2. Give the Named Insured reports on the conditions the Insurer finds; and
  - 6.1.3. Recommend changes.
- 6.2. 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:
  - 6.2.1. Are safe or healthful; or
  - 6.2.2. Comply with laws, regulations, codes or standards.
- 6.3. Sub-paragraphs 6.1. and 6.2. 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.
- 6.4. Sub-paragraph 6.2. 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, by-laws or regulations, of boilers, pressure vessels or elevators.

### 7. LEGAL ACTION AGAINST THE INSURER

No person or organization has a right under this Policy:

- 7.1. To join the Insurer as a party or otherwise bring the Insurer into an **action** asking for **compensatory damages** from an Insured; or
- 7.2. 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

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:

- 8.1. Primary Insurance  
This insurance is primary except when sub-paragraph 8.2. 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 sub-paragraph 8.3. below.
- 8.2. Excess Insurance  
This insurance is excess over:
  - 8.2.1. any of the other insurance, whether primary, excess, contingent or on any other basis:
    - 8.2.1.1. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for **your work**;
    - 8.2.1.2. that is Fire insurance for premises rented to the Named Insured or temporarily occupied by the Named Insured with permission of the owner;
    - 8.2.1.3. If the loss arises out of the maintenance or use of watercraft or **automobile** not otherwise excluded under this Policy.

8.2.2. 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 hazard** for which the Named Insured has been added as an additional insured by attachment of an Endorsement.

8.2.3. 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 Declaration Page(s) 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:

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

8.2.5. 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 Declaration Page(s) of this Policy.

8.3. 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

9.1. The Insurer will compute all premiums for this Policy in accordance with the Insurer's rules and rates.

9.2. 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 Declaration Page(s) of this Policy.

9.3. 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 Declaration Page(s):

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

10.2. Will be the payee for any return premiums the Insurer pays.

11. REPRESENTATIONS

By accepting this Policy, the Named Insured agrees:

11.1. The statements in the Declaration Page(s) are accurate and complete;

11.2. Those statements are based upon representations the Named Insured made to the Insurer; and

11.3. 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:

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

12.2. Separately to each Insured against whom claim is made or **action** is brought.

13. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE INSURER

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

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.

16. TERMINATION

16.1. The first Named Insured shown in the Declaration Page(s) may terminate this Policy by mailing or delivering to the Insurer advance written notice of termination.

16.2. The Insurer may terminate this Policy by mailing or delivering to the first Named Insured written notice of termination at least:

16.2.1. Five (5) days before the effective date of termination if personally delivered;

16.2.2. Fifteen (15) days before the effective date of termination if the Insurer terminates for non-payment of premium; or

16.2.3. Thirty (30) days before the effective date of termination if the Insurer terminates for any other reason.

16.3. The Insurer will mail or deliver the notice to the first Named Insured's last mailing address known to the Insurer.

16.4. The policy period will end on the date termination takes effect.

16.5. 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 Paragraph 15. **PROVISIONAL PREMIUM.**



## ADDITIONAL CONDITIONS APPLICABLE ONLY TO THE COMMERCIAL UMBRELLA LIABILITY POLICY AND COMMERCIAL EXCESS LIABILITY POLICY

### 1. ASSIGNMENT

Assignment of interest under this Form will not bind the Insurer until its consent is evidenced by an endorsement to this Form. If, however, the Named Insured will die or be adjudged bankrupt or insolvent, this insurance, unless cancelled, will cover the Insured's legal representative as the Named Insured for the unexpired portion of such period, but only while acting within the scope of his or her duties as such.

### 2. SUBROGATION

- 2.1. In as much as insurance under this Form is excess coverage, an Insured's right of recovery against any person or other entity cannot be exclusively subrogated to the Insurer. In case of any payment hereunder, the Insurer will act in concert with all other interests (including the Insured) concerned, in the exercise of such rights of recovery.
- 2.2. The apportioning of any amounts which may be so recovered will follow the principle that any interests (including the Insured) that will have paid any amount over and above any payment hereunder, will first be reimbursed up to the amount paid by them; the Insurer is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests (including the Insured) of whom this coverage is in excess are entitled to claim the residue, if any, but a different apportionment may be made to effect settlement of a claim by agreement signed by all interests.
- 2.3. Expenses necessary to the recovery of any such amounts will be apportioned between the interests (including the Insured) concerned, in the ratio of their respective recoveries as finally settled.

## ADDITIONAL CONDITION APPLICABLE TO BOTH LIABILITY AND PROPERTY

### 1. TRADE AND ECONOMIC SANCTIONS

The Insurer shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any **Prohibition**.

For the purposes of this Clause:

1. **Prohibition** means any prohibition or restriction imposed by law or regulation including but not limited to:

- 1.1. trade and/or economic sanctions laws and/or regulations of Canada, the United Kingdom, or any other jurisdiction or authority relevant to the parties; and
- 1.2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the Insurer has approved the provision of insurance for the activity.

All other terms and conditions of the Policy remain unchanged.

# GENERAL CONDITIONS

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This policy is subject to the Civil Code of the Province of Quebec.

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

By accepting this policy, the Insured agrees that:

- The statements in the Declarations are accurate and complete and correspond to those statements made to the Insurer; and
- The policy was issued in reliance upon those statements.

For all coverages except where inapplicable. If the conditions contained in this form are also found in the wording to which it is attached, the latter take precedence.

## STATEMENTS

### 1. REPRESENTATION OF RISK (Article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

### 2. MATERIAL CHANGE IN RISK (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within 30 days of the proposal, the policy ceases to be in force.

### 3. MISREPRESENTATION OR CONCEALMENT (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1 and in the first paragraph of section 2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

### 4. WARRANTIES (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

## GENERAL PROVISIONS

### 5. INSURABLE INTEREST (Articles 2481 and 2484)

(applicable only to property insurance)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

### 6. CHANGES (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

### 7. ASSIGNMENT (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

### 8. BOOKS AND RECORDS

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

### 9. INSPECTION

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

### 10. CURRENCY

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

### 11. AUTOMATIC REINSTATEMENT

(applicable only to property insurance)

Unless specified otherwise in this policy, losses hereunder shall not reduce the amount of insurance of this policy.

### 12. PREMIUM AUDIT

The Insurer will compute all premiums for this policy in accordance with his rules and rates.

Where the premium shown in this policy is a deposit premium, the Insurer will compute the earned premium for that period at the close of each audit period. Audit premiums are due and payable on notice to the first Named Insured.

If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum premium shown in the Declarations of this policy.

### 13. TRADE AND ECONOMIC SANCTIONS

The Insurer shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any **Prohibition**.

For the purposes of this Clause:

13.1. **Insurer** means the company providing this insurance.

13.2. **Prohibition** means any prohibition or restriction imposed by law or regulation including but not limited to:

13.2.1. trade and/or economic sanctions laws and/or regulations of Canada, the United Kingdom, or any other jurisdiction or authority relevant to the parties; and

13.2.2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the **Insurer** has approved the provision of insurance for the activity.

# LOSS OR DAMAGE

## 14. DUTIES OF THE INSURED IN THE EVENT OF LOSS OR DAMAGE (Articles 2470, 2471, 2495 and 2504)

### 14.1. Notice of loss or damage

The Insured shall notify the Insurer of any loss or damage which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

### 14.2. In the event of loss or damage to the insured property, the Insured:

14.2.1. shall inform the Insurer as soon as possible of all the circumstances surrounding the loss or damage, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third persons, and any concurrent insurance;

14.2.2. must promptly give notice to the police of any loss or damage caused by vandalism, theft or attempted theft or other criminal act;

14.2.3. at the expense of the Insurer, must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable. The Insured may not abandon the damaged property if there is no agreement to that effect;

14.2.4. shall facilitate the salvage and inspection of the insured property by the Insurer. He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property;

14.2.5. shall submit to examination under oath or warrant to the truth and shall produce all documents required by the Insurer and shall permit copies thereof to be made;

14.2.6. shall furnish the Insurer with vouchers and swear or warrant to the truth of the information and that the loss or damage did not occur through his wilful act or neglect or his connivance.

### 14.3. In the event of loss or damage to third parties, the Insured shall:

14.3.1. inform the Insurer as soon as possible of all the circumstances involving loss or damage to third parties, and of any claim resulting therefrom, including the probable cause of the loss or damage, the nature and extent of the damage, and any concurrent insurance;

14.3.2. forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim;

14.3.3. not admit any liability nor settle or attempt to settle any claim, except at his own cost. No transaction made without the consent of the Insurer may be set up against him;

14.3.4. cooperate with the Insurer in the processing of all claims;

### 14.4. Insured's incapacity

Where, for a serious reason, the Insured is unable to fulfil the obligations stated in sections 14.2. and 14.3., he is entitled to a reasonable time in which to do so.

If the Insured fails to fulfil the said obligations, any interested person may do so on his behalf.

### 14.5. Separation of Insureds, cross liability (applicable to liability insurance only)

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:

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

14.5.2. Separately to each Insured against whom claim is made or **action** is brought.

## 15. FALSE REPRESENTATION (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

## 16. INTENTIONAL FAULT (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

## 17. RIGHT OF ACTION (Article 2502)

(applicable to liability insurance only)

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

# COMPENSATION AND SETTLEMENT

## 18. BASIS OF SETTLEMENT (Articles 2490, 2491 and 2493)

(applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property, the Insurer is released by paying the amount of insurance in the event of total loss or a proportional indemnity in the event of partial loss.

## 19. PAIR AND SET

(applicable to property insurance only)

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

## 20. PARTS

(applicable to property insurance only)

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

## **21. RIGHT OF THE INSURER TO REPAIR OR REPLACE (Article 2494)**

(applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

## **22. TIME OF PAYMENT (Articles 2469 and 2473)**

The Insurer shall pay the indemnity within 60 days after receiving the notice of loss or, at his request, all relevant information and vouchers.

Any outstanding premium may be deducted from the indemnity payable.

## **23. PROPERTY OF OTHERS**

(applicable to property insurance only)

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner, in which event the Insurer's obligation to the Insured hereunder shall be fully met.

The Insured must notify the Insurer of any claim or suit for loss or damage to property of others and the Insurer may, at his option, direct the Insured's defense.

## **24. WAIVER**

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

## **25. LIMITATION OF ACTIONS (Article 2925)**

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

## **26. SUBROGATION (Article 2474)**

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to all rights of recovery of the Insured against third parties except corporations, firms, individuals or other interests with respect to which insurance is provided by this policy. The Insured must do nothing after loss to impair those rights to us and help us enforce them. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

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

### **Additional provisions applicable to condominiums**

Except with respect to criminal act or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:

- the **Condominium Corporation**, its Directors, Property Managers, agents and employees; and
- the owner of a **unit** and, if residents of the household of the owner of a **unit**, his or her spouse, the relatives of either and any other person under the age of 21 in the care of an owner of a **unit** or his or her spouse. Spouse means a person who is married to or has entered into a civil union with another person of the opposite or the same sex and is living with that person for at least three years or for at least one year if a child was born or adopted of their union.

Independent contractors shall not be considered agents or employees of the **Condominium Corporation**, its Directors, Property Managers, or of the **unit** owners.

# **OTHER INSURANCE**

## **27. PROPERTY INSURANCE (Article 2496)**

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

## **28. LIABILITY INSURANCE**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A, B or D of this policy, our obligations are limited as follows:

### **28.1. Primary Insurance**

This insurance is primary except when 27.2. and 27.3. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 27.4. below.

### **28.2. Excess Insurance (Occurrence Form)**

This insurance is excess over:

28.2.1. Any of the other insurance, whether primary, excess, contingent or on any other basis:

28.2.1.1. That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for your work;

28.2.1.2. That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

28.2.1.3. If the loss arises out of the maintenance or use of watercraft or automobile to the extent not subject to either Exclusion 2.5. or 2.6. of Section I - Coverage A - Bodily Injury and Property Damage Liability.

28.2.2. Any other primary insurance available to you covering liability for compensatory damages arising out of the premises or operations or products-completed operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A, B or D to defend the insured against any action if any other insurer has a duty to defend the insured against that action. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- The total of all deductible and self-insured amounts under all that other insurance.

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

### **28.3. 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 personal injury or property damage on other than a claims-made basis.

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

28.4. Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

## CANCELLATION (Articles 83, 2477 and 2479)

**29. THIS POLICY MAY BE CANCELLED AT ANY TIME:**

- 29.1. By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- 29.2. By the Insurer giving written notice to each of the Named Insured, at their last known address, at least 15 days before the effective date of cancellation by reason of non payment of premium or 30 days before the effective date of cancellation by any other reason. Cancellation takes effect 15 or 30 days after receipt of the written notice, depending upon the reason for cancellation. The Named Insured is entitled to a refund of the excess premium actually paid over the prorata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where there are more than one Named Insured and exclusively in respect of the receipt of the notices sent by the Insurer as provided by this condition, it is understood and agreed that all and each of the Named Insureds elect domicile at the address of the Named Insured whose name is shown first in the Declarations.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph 28.1 or 28.2 above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words "premium actually paid" mean the premium actually paid by the 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.

**Special provisions applicable to condominiums**

The time period for notice of termination by the Insurer is extended to 60 days except when the termination is for:

- Non-payment of, or any part of, the premium due under the contract or of any charge due under any agreement ancillary to the contract; or
- False description of the risk, misrepresentation or fraudulent omission to communicate any circumstances that is material to be made known to the Insurer; or
- Change material to the risk;

In those jurisdictions where statute prescribes different policy termination conditions, such prescribed conditions shall apply.

## NOTICE

**30. NOTICE**

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address. It is incumbent upon the sender to prove that such notice was received.

## ADDITIONAL CONDITIONS (Property insurance)

**31. FIRES OR EXPLOSIONS CAUSED BY VOLCANIC ERUPTION, EARTHQUAKE OR OTHER CATAclysm (Article 2486)**

Where coverage provided by this policy insures property against the perils of fire or explosion, it is understood and agreed that, notwithstanding the provisions of article 2486 of the Civil Code of the Province of Québec, the Insurer is liable for damage due to fires or explosions caused by volcanic eruption, earthquake or any other natural disaster.

**32. PERMISSIONS**

The Insurer grants permission:

- 32.1. to make alterations, additions or repairs to the buildings; the Insured shall notify the Insurer at the beginning of the work if the risk is protected by automatic sprinklers;
- 32.2. 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;
- 32.3. for other insurance concurrent with this form.

**33. BREACH OF CONDITIONS**

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

**Special provisions applicable to condominiums**

If the **Condominium Corporation** 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 **Condominium Corporation** proves that the non-compliance neither caused nor worsened the loss or damage.

Coverage will not be affected:

- if the **Condominium Corporation** fails to comply with a condition in part of the **premises** over which the **Condominium Corporation** has no control, or
- if the breach is committed by an owner of a **unit** or occupant without the knowledge or consent of the **Condominium Corporation**.

**34. PROPERTY PROTECTION SYSTEMS**

It is a condition of this insurance 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:

- 34.1. sprinkler or other fire extinguishing system; or
- 34.2. fire detection system; or
- 34.3. 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.

## DEFINITIONS

1. **CONDOMINIUM CORPORATION** means:

a corporation constituted under provincial legislation relating to condominiums or co-ownership by declaration. It refers to a syndicate in Québec.

2. **PREMISES** means:

2.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:

2.1.1. areas under adjoining sidewalks and driveways;

2.1.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 2.1;

2.2. in the open within 305 metres (1000 feet) of such property lines described in 2.1.

3. **UNIT** means:

the unit as defined in the declaration, description or bylaws of the **Condominium Corporation** or provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a private portion in Quebec.



# COMMERCIAL POLICY CONDITIONS AND STATUTORY CONDITIONS

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Throughout this Form the word "Insured" refers to the Named Insured shown in the Declaration Page(s). The word "Insurer" refers to the company providing this insurance.

The following Statutory Conditions and supplementary Additional Conditions apply to all coverages insured by this Policy (including fire), except where indicated.

**Other words and phrases that appear in bold font have special meaning, as defined either in the Definitions Section of this Form or in the Liability or Property Coverage forms attached to this Policy.**

For British Columbia, Alberta and Manitoba, Statutory Conditions 1., 6., 7., 8., 9., 10., 11., 12. and 13. apply only to property insurance.

For Northwest Territories, Nunavut, Saskatchewan and Yukon, Statutory Conditions 2., 6., 7., 8., 9., 10., 11., 12., 13. and 14. apply only to property insurance.

## SECTION I – STATUTORY CONDITIONS (BRITISH COLUMBIA, ALBERTA AND MANITOBA)

### 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

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless:

- 2.1. otherwise specifically stated in the contract; or
- 2.2. the interest of the Insured in that 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 and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

### 4. MATERIAL CHANGE IN RISK

- 4.1. The Insured must promptly give notice in writing to the Insurer or its agent of a change that is:
  - 4.1.1. material to the risk; and
  - 4.1.2. within the control and knowledge of the Insured.
- 4.2. If an Insurer or its agent is not promptly notified of a change under sub-paragraph 4.1. of this condition, the contract is void as to the part affected by the change.
- 4.3. If an Insurer or its agent is notified of a change under sub-paragraph 4.1. of this condition, the Insurer may:
  - 4.3.1. terminate the contract in accordance with Statutory Condition 5; or
  - 4.3.2. notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen (15) days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.
- 4.4. If the Insured fails to pay an additional premium when required to do so under sub-paragraph 4.3.2. of this condition, the contract is terminated at that time and Statutory Condition 5.2.1. applies in respect of the unearned portion of the premium.

### 5. TERMINATION OF INSURANCE

- 5.1. The contract may be terminated
  - 5.1.1. by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or 5 days' written notice of termination personally delivered; or
  - 5.1.2. by the Insured at any time on request.
- 5.2. If the contract is terminated by the Insurer,
  - 5.2.1. the Insurer must refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract; and
  - 5.2.2. the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- 5.3. If the contract is terminated by the Insured, the Insurer must refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- 5.4. The fifteen (15) day period referred to in sub-paragraph 5.1.1. of this condition starts to run on the day the registered letter or notification of it is delivered to the Insured's postal address.

### 6. REQUIREMENTS AFTER LOSS

- 6.1. On the happening of any loss or damage to insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
  - 6.1.1. immediately give notice in writing to the Insurer;
  - 6.1.2. deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration;
    - 6.1.2.1. giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed;
    - 6.1.2.2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
    - 6.1.2.3. stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured;
    - 6.1.2.4. stating the amount of other insurances and the names of other Insurers;
    - 6.1.2.5. stating the interest of the Insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property;
    - 6.1.2.6. stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued; and
    - 6.1.2.7. stating the place where the insured property was at the time of loss.
  - 6.1.3. if required by the Insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property; and
  - 6.1.4. if required by the Insurer and if practicable;
    - 6.1.4.1. produce books of account and inventory lists;
    - 6.1.4.2. furnish invoices and other vouchers verified by statutory declaration; and

6.1.4.3. furnish a copy of the written portion of any other relevant contract.

6.2. The evidence given, produced or furnished under sub-paragraph 6.1.3. and 6.1.4. of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

#### **7. FRAUD**

Any fraud or willfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

#### **8. WHO MAY GIVE NOTICE AND PROOF**

Notice of loss under Statutory Condition 6.1.1. may be given and the proof of loss under Statutory Condition 6.1.2. may be made:

- 8.1. by the agent of the Insured; if
  - 8.1.1. the Insured is absent or unable to give the notice or make the proof; and
  - 8.1.2. the absence or inability is satisfactorily accounted for; or
- 8.2. by a person to whom any part of the insurance money is payable, if the Insured refuses to do so or in the circumstances described in clause 8.1. of this condition.

#### **9. SALVAGE**

- 9.1. In the event of loss or damage to insured property, the Insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- 9.2. The Insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the Insured under sub-paragraph 9.1. of this condition.

#### **10. ENTRY, CONTROL, ABANDONMENT**

After loss or damage to insured property, the Insurer has:

- 10.1. an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage; and
- 10.2. after the Insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage; but
  - 10.2.1. without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property; and
  - 10.2.2. without the Insurer's consent, there can be no abandonment to it of the insured property.

#### **11. IN CASE OF DISAGREEMENT**

- 11.1. In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the Insured's right to recover under the contract is disputed, and independently of all other questions.
- 11.2. There is no right to a dispute resolution process under this condition until:
  - 11.2.1. a specific demand is made for it in writing; and
  - 11.2.2. the proof of loss has been delivered to the Insurer.

#### **12. WHEN LOSS PAYABLE**

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the Insurer.

#### **13. REPAIR OR REPLACEMENT**

- 13.1. Unless a dispute resolution process has been initiated, the Insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- 13.2. If the Insurer gives notice under sub-paragraph 13.1. of this condition, the Insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

#### **14. NOTICE**

- 14.1. Written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province.
- 14.2. Written notice to the Insured may be personally delivered at, or sent by registered mail addressed to, the Insured's last known address as provided to the Insurer by the Insured.

## **SECTION II – STATUTORY CONDITIONS (NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)**

#### **1. MISREPRESENTATION**

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

#### **2. PROPERTY OF OTHERS**

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

#### **3. CHANGE OF INTEREST**

The Insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy Act*\* or change of title by succession, by operation of law, or by death.

\* *Bankruptcy and Insolvency Act* (Canada) applies to Saskatchewan.

#### **4. MATERIAL CHANGE**

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen (15) days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such a payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

#### **5. TERMINATION**

- 5.1. This contract may be terminated:
  - 5.1.1. by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or five (5) days' written notice of termination personally delivered;
  - 5.1.2. by the Insured at any time on request.

5.2. Where this contract is terminated by the Insurer:

5.2.1. the Insurer shall refund the excess of premium actually paid by the Insured over pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and

5.2.2. 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.

5.3. 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.

5.4. The refund may be made by money, postal or express company money order or cheque payable at par.

5.5. The fifteen (15) days mentioned in clause 5.1.1. 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.

## **6. REQUIREMENTS AFTER LOSS**

6.1. 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:

6.1.1. forthwith give notice thereof in writing to the Insurer;

6.1.2. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:

6.1.2.1. giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;

6.1.2.2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;

6.1.2.3. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;

6.1.2.4. showing the amount of other insurances and the names of other Insurers;

6.1.2.5. showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;

6.1.2.6. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;

6.1.2.7. showing the place where the property insured was at the time of loss;

6.1.3. if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;

6.1.4. if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.

6.2. The evidence furnished under clauses 6.1.3. and 6.1.4. of sub-paragraph 6.1. of the 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 declarations.

## **8. WHO MAY GIVE NOTICE AND PROOF**

Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

## **9. SALVAGE**

9.1. The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.

9.2. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph 9.1. of this condition according to the respective interests of the parties.

## **10. ENTRY, CONTROL, ABANDONMENT**

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

## **11. APPRAISAL**

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

## **12. WHEN LOSS PAYABLE**

The loss is payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

## **13. REPLACEMENT**

13.1. The Insurer, instead of making payment, may repair, rebuild or replace the property damaged or lost, giving written notice of its intention so to do within thirty (30) days after receipt of the proofs of loss.

13.2. In the event the Insurer shall commence to so repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss and shall thereafter proceed with all due diligence to the completion thereof.

## **14. ACTION\*\***

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year\*\*\* next after the loss or damage occurs.

\*\* 14. Action is not applicable in Saskatchewan

\*\*\* Two years in Yukon Territory.

## 15. NOTICE

Any written notice to the Insurer may be delivered at, or sent by registered mail to the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression **registered** means registered in or outside Canada.

# SECTION III – ADDITIONAL CONDITIONS (APPLICABLE ONLY TO PROPERTY INSURANCE UNLESS NOTED OTHERWISE)

## 1. NOTICE TO AUTHORITIES

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

## 2. NO BENEFIT TO BAILEE

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

## 3. PAIR AND SET

In the case of loss of or damage to any article(s), whether scheduled or unscheduled, which is (are) a part of a set, the measure of loss of or damage to such article(s) shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

## 4. PARTS

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

## 5. SUE AND LABOUR

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

## 6. BASIS OF SETTLEMENT

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

## 7. SUBROGATION (ALL LINES OF INSURANCE)

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. The Insurer shall have the right to control such subrogation.

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.

**Refer to Special Provisions applying to Condominium Corporations which follows.**

## 8. ACTION (EXCLUDING NORTHWEST TERRITORIES, NUNAVUT, AND YUKON)

An action or proceeding against an Insurer in relation to a contract must be commenced, where required under legislation:

- 8.1. in the case of loss or damage to insured property, not later than two years after the date the Insured knew or ought to have known the loss or damage occurred; and
- 8.2. in any other case, not later than two years after the date the cause of action against the Insurer arose.

## 9. BREACH OF CONDITIONS

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.

**Refer to Special Provision applying to Condominium Corporations which follows.**

## 10. OTHER INSURANCE

The Insurer is not liable:

- 10.1. for more than the portion of any loss, destruction or damage covered by this Policy which the applicable limit of this Policy bears to the total amount of insurance covering against the peril of fire irrespective of whether or not such other insurance gives insurance in respect of the perils covered by this Policy, whether by endorsement thereto or otherwise;
- 10.2. where such other insurance does not insure against loss, destruction or damage by fire, for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if this insurance had not been effected.

**Refer to Special Provision applying to Condominium Corporations which follows.**

## 11. 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.

## 12. REINSTATEMENT

With the exception of losses that are subject to annual aggregate limits, any loss under this Form shall not reduce the limits of insurance.

## 13. 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.

## 14. EXAMINATION UNDER OATH

In the event of loss or damage to the insured property, the Insured shall submit to examination under oath or warrant to the truth and shall produce all documents required by the Insurer and shall permit copies thereof to be made.

## 15. CANADIAN CURRENCY CLAUSE (ALL LINES OF INSURANCE)

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

## SECTION IV – SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUMS

### 1. SUBROGATION

This clause replaces **Additional Conditions 7.** above.

Subrogation shall be in accordance with the provisions of the provincial or territorial legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, subrogation is as stated in this clause.

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 in the name of the Insured to enforce such rights. The Insurer shall have the right to control such subrogation.

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.

Except with respect to criminal or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:

- 1.1. the **Condominium Corporation**, its Directors, Property Managers, agents and employees; and
- 1.2. the owner of a **unit** and, if residents of a the household of the owner of a **unit**, his or her **spouse**, the relatives of either and any other person under the age of 21 in the care of an owner of a **unit** or his or her **spouse**.

Independent contractors shall not be considered agents or employees of the **Condominium Corporation**, its Directors, Property Managers, or of the **unit** owners.

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

### 2. LOSS PAYABLE

Loss, if any, shall be payable in accordance with the provisions of the legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, loss, if any, shall be payable as stated on the Declaration Page(s).

### 3. BREACH OF CONDITION

This clause replaces **Additional Conditions 9.** above:

If the **Condominium Corporation** 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 **Condominium Corporation** proves that the non-compliance neither caused nor worsened the loss or damage.

Coverage will not be affected:

- 3.1. if the **Condominium Corporation** fails to comply with a condition in part of the **premises** over which the **Condominium Corporation** has no control; or
- 3.2. if the breach is committed by an owner of a **unit** or occupant without the knowledge or consent of the **Condominium Corporation**.

### 4. WAIVER OF INSURER'S OPTION TO REPAIR

Where, after a loss, a valid determination is made in accordance with provincial or territorial legislation not to repair or rebuild and any relevant statutory requirements in connection with such determination have been complied with, or where, by virtue of such legislation, the court has made an order directing the application of insurance monies, the Insurer waives its option to repair and settlement of the loss shall be on an actual cash value basis.

### 5. TERMINATION

In those jurisdictions where provincial or territorial legislation under which the **Condominium Corporation** is constituted prescribes different policy termination conditions from those contained in the Statutory Conditions or Special Provisions of this Policy, such prescribed provincial or territorial conditions shall apply.

### 6. OTHER INSURANCE

This clause replaces **Additional Conditions 10.** above:

If at the time of the loss there is other insurance in the name of the **Condominium Corporation** insuring the property described in this Form (whether collectible or not), the Insurer shall be liable for no greater proportion of any loss than the amount of insurance under this Form bears to the whole amount of insurance covering such property or as in accordance with provincial or territorial legislation applicable to Other Insurance.

## SECTION V – GENERAL LIABILITY CONDITIONS

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

### 1. NOTICE OF CLAIM OR SUIT

Upon the happening of an accident or **occurrence** that may give rise to a claim under this Policy, the Insured shall give notice of such accident or **occurrence** to the Insurer as soon as practicable after notice has been received by an officer of the Insured.

Such notice shall contain all available information pertaining to such accident or **occurrence** that is obtainable at the time.

If a claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or the Insured's representatives.

### 2. ASSISTANCE AND COOPERATION

The Insured shall cooperate with the Insurer and, upon the Insurer's request, assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this Policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

### 3. ASSUMPTION OF LIABILITY

The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for first aid to others at the time of accident.

### 4. ACTION AGAINST INSURER

No action shall lie against the Insurer unless, as a condition precedent, to such action there shall have been full compliance with all of the terms of this Policy. In addition, no action shall lie against the Insurer until the amount of the Insured's obligation to pay shall have been finally determined either by judgement against the Insured after actual trial, or by written agreement of the Insured, the claimant and the Insurer. The Insurer shall 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.

Unless another time limit is specified to the contrary in any Canadian province's Insurance Act governing this Policy, every action or proceeding against the Insurer shall be commenced within one year of the date of such judgement or written agreement and not afterwards. The sole venue for coverage legal action related to this Policy shall be a Superior Court in Canada.

Nothing contained in this Policy shall give any person or organization any right to join the Insurer as a co-defendant in any action against the Insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations under this Policy.

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.

## 5. PREMIUM AND ADJUSTMENT OF PREMIUMS

- 5.1. Unless indicated as "Flat rate premium", the premium stated in the Declaration Page(s) for this Form is an estimated deposit premium only. Adjustment of premium shall be made at least annually and for this purpose the premium basis and rates shown in the Declaration Page(s) for this Form as "Basis of premium adjustment" shall be used in ascertaining the earned premium.
- 5.2. In the case of any hazards existing and covered under coverage rider(s) attached but not specified in the Declaration Page(s), or in any endorsement, the earned premium shall be computed in accordance with the Insurer's rules, rates, rating plans and minimum premiums applicable to such hazards.
- 5.3. Subject to the retention by the Insurer of the amount stated in the Declaration Page(s) for this Form as "Minimum annual premium", if the earned premium for this Policy thus computed exceeds the estimated deposit premium paid, the Insured shall pay such excess to the Insurer; on the other hand, if the estimated deposit premium exceeds the earned premium, the Insurer shall return to the Named Insured such excess.
- 5.4. The Named Insured shall maintain for each hazard insured against, a record of the information necessary for premium computation on the basis stated and shall submit such record to the Insurer at the end of the Policy Period and at such other times during the Policy Period as the Insurer may direct.

## 6. INSPECTION AND AUDIT

- 6.1. The Insurer shall be permitted, but is not obligated, to inspect the Insured's property and operations. Neither the Insurer's right to inspect nor reporting based on such inspections shall constitute an undertaking on behalf of or for the benefit of the Insured or others to determine or warrant that such property or operations are safe.
- 6.2. The Insurer may examine and audit the Insured's books and records at any time during the Policy Period and extensions of the Policy Period and within three years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

## 7. OTHER INSURANCE

The Insurer shall not be liable if at the time of an accident or **occurrence** covered by this Policy there is any other insurance that would have attached if this insurance had not been effected, and this insurance shall specifically exclude losses covered by such other valid insurance. This insurance shall apply only as excess insurance and in no event as contributing insurance and then only after all such other insurance has been exhausted.

The Insurer acknowledges the existence of any Policies arranged to apply in excess of the insurance provided by this Policy and it is agreed that notwithstanding anything contained in this Condition the insurance provided by such excess Policies shall be considered as excess and non-contributing insurance insofar as the insurance provided under this Policy is concerned and shall be held to attach and cover only after the insurance under this Policy has been exhausted.

## 8. SUBROGATION

### 8.1. Applicable to underlying insurance

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery against any third party except where the amount of settlement exceeds the amount provided in aggregate by this Policy and any other valid and collectible insurance in which case the Insured shall be entitled to all recovery until such excess has been made good to the Insured. The Insured shall execute all papers required and shall do everything necessary within his power to secure such rights.

### 8.2. Applicable to umbrella insurance

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this insurance shall be applied as if recovered or received prior to such settlement. All necessary adjustments shall be made between the Insured and the Insurer, provided always that nothing in this clause shall be construed to mean that losses under this insurance are not recoverable until the Insured's **ultimate net loss** has been finally ascertained. In as much as this Policy is umbrella-type excess coverage, the Insured's right of recovery against any person or other entity cannot always be exclusively subrogated to the Insurer. It is therefore understood and agreed that, in case of any payment under this Policy, the Insurer shall act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. The apportioning of any amounts that may be so recovered shall follow the principle that any other insurer or the Insured that shall have paid an amount over and above any payment under this Policy shall first be reimbursed up to the amount paid by them. The Insurer shall then be reimbursed of out of any balance then remaining up to the amount paid under this Policy. Lastly, the interests of any insurer and the Insured of which this coverage is excess are entitled to claim the residue, if any. Expense necessary to the recovery of any such amounts shall be apportioned between the insurers and the Insured concerned, in the ratio of their respective recoveries as finally settled.

## 9. CANCELLATION - TERMINATION

- 9.1. This Policy may be cancelled at any time at the request of the Named Insured, and the Insurer shall, upon surrender of the Policy, refund the excess of paid premium above the earned premium computed in accordance with the customary short rate table and procedure for the time the Policy has been in force.
- 9.2. This Policy may be cancelled or terminated:
  - 9.2.1. In the event of cancellation for non-payment of premium, this Policy may be cancelled by the Insurer giving to the Insured fifteen (15) days notice in writing of cancellation by registered post, or five (5) days notice in writing of cancellation personally delivered;
  - 9.2.2. In the event of cancellation for any reason other than non-payment of premium, at any time by the Insurer giving to the Named Insured thirty (30) days notice in writing of cancellation by registered post, and refunding the excess of paid premium beyond the earned premium computed pro rata for the expired time. Repayment of excess premiums may be made by money, post office order, postal note or cheque. Such payment shall accompany the notice;
- 9.3. This Policy may be cancelled or terminated by the Named Insured at any time on written request.
- 9.4. Where the Policy is terminated by the Insurer:
  - 9.4.1. and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the Policy has been in force, calculated pro rata; or
  - 9.4.2. where the premium is developed on an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.
- 9.5. Where the Policy is terminated by the Named Insured:
  - 9.5.1. and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, subject to the retention of any minimum retained premium, provided by the Policy; or
  - 9.5.2. where the premium is developed on an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, subject to the retention of any minimum retained premium, provided by the Policy.
- 9.6. Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
- 9.7. The thirty (30) days and fifteen (15) days notice of cancellation by registered post referred to in sub-paragraphs 9.2.1. and 9.2.2. commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- 9.8. Premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.
- 9.9. In this condition the expression "paid premium" means premium actually paid by the Insured to the Insurer and does not include any premium or part thereof paid to the Insurer by an Agent unless actually paid to the Agent by the Insured.



#### 10. WAIVER

No notice to any Agent or knowledge possessed by any Agent or by any other person shall be held to effect a waiver or change in any part of this Policy. The terms of this Policy shall not be waived or changed except by endorsement issued to form a part of this Policy.

#### 11. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer until their consent is endorsed on this Policy, except through change of title by succession, death or proceedings under any bankruptcy act.

#### 12. SPECIAL STATUTES

If any condition of this Policy, relating to limitation of time for notice of accident or for instituting legal proceedings, is at variance with any specific statutory provision in the province in which the accident occurs such statutory provision shall be substituted for such condition.

#### 13. CROSS LIABILITY AND SEPARATION OF INSURED

The insurance as is afforded by this Policy shall apply in respect to any claim or **action** brought against any one Insured by any other Insured. The coverage shall apply in the same manner and to the same extent as though a separate Policy had been issued to each Insured.

The inclusion under this Policy of more than one Insured shall not operate to increase the Limit of Liability under this Policy.

Any breach of a condition of this Policy by any Insured shall not affect the protection given by this Policy to any other Insured who is not, or was not, a party to such breach of condition.

#### 14. DEDUCTIBLE CLAUSE

##### COVERAGE A

The Insured shall pay the amount stated in the Declaration Page(s) for this Form as Deductible or Deductible - U.S. Claims for each and every claim related to **property damage** under paragraph 1. **INSURING AGREEMENT of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** of the Commercial General Liability Max Form. If more than one claim arises or results from a single **occurrence**, the deductible amount shall only apply once.

#### 15. REIMBURSEMENT CLAUSE

Applicable to COVERAGE A and to **personal injury** under COVERAGE B

In the event a claim payment is made by the Insurer, the Insured shall reimburse the Insurer with respect to all claims, legal fees and adjusting expenses combined in any one accident or **occurrence**, up to the Deductible amount stated in the Declaration Page(s) for this Form as **Reimbursement or Reimbursement - US Claims**, and the Insurer shall only be liable for loss, damage or expense in excess of that amount.

The terms of the Policy, including those with respect to notice of accident or **occurrence** and the Insurer's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the reimbursement.

## SECTION VI – DEFINITIONS

1. **Condominium Corporation** means a Corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia.
2. **Premises** means:
  - 2.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:
    - 2.1.1. areas under adjoining sidewalks and driveways;
    - 2.1.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 2.1.;
  - 2.2. in the open within 305 metres (1000 feet) of such property lines described in 2.1.
3. **Spouse** means a person:
  - 3.1. who is married to or has entered a civil union with another person and is living with that person;
  - 3.2. who has been living with another person of the opposite or of the same sex and has been publicly represented as that person's spouse for at least three years: or in the following cases, for at least one year if:
    - 3.2.1. a child has been born or is to be born of their union;
    - 3.2.2. they have adopted a child together.
4. **Unit** means the unit as defined in the declaration, description or bylaws of the **Condominium Corporation** or provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a strata lot in British Columbia.

## SECTION VII – ADDITIONAL CONDITIONS (APPLICABLE ONLY TO BRITISH COLUMBIA, ALBERTA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)

#### Property Insured on a Blanket Basis

The following additional condition applies to the Building and/or Contents - Broad Form (BF02):

Item 1. of the BF02 Indemnity Agreement is deleted and is replaced by the following:

1. 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 for the actual amount of direct loss or damage so caused, to an amount not exceeding whichever is the least of:
  - 1.1. the value of the lost or damaged property as determined in SPECIAL PROVISIONS- Item 5. - Basis of Valuation, or if the Declaration Page(s) specifies that this Policy is endorsed with a Form that contains a Replacement Cost clause applicable to this Form, by the valuation determined in the replacement cost clause;
  - 1.2. the interest of the Insured in the property;
  - 1.3. the amount of insurance specified on the Declaration Page(s) for the lost or damaged property;
  - 1.4. in the case of property insured on a blanket basis, 115% of the total value(s) for each insured location subject to the schedule of property declared in a current Statement of Values that is filed with the Insurer within 90 days of the most recent renewal preceding insured loss or damage; less applicable deductibles.

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

# SECTION VIII – ADDITIONAL CONDITION APPLICABLE TO BOTH LIABILITY AND PROPERTY (APPLICABLE TO BRITISH COLUMBIA, ALBERTA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)

## 1. TRADE AND ECONOMIC SANCTIONS

The Insurer shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any **Prohibition**.

For the purposes of this Clause:

1. **Prohibition** means any prohibition or restriction imposed by law or regulation including but not limited to:

- 1.1. trade and/or economic sanctions laws and/or regulations of Canada, the United Kingdom, or any other jurisdiction or authority relevant to the parties; and
- 1.2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the Insurer has approved the provision of insurance for the activity.

## SECTION IX – SHORT RATE CANCELLATION TABLE

As per Statutory Condition 5, if this Policy is cancelled by the Insured, it will be subject to a short-rate cancellation formula as outlined in the following table. The minimum retained premium is the amount that is stated in the Declaration Page(s) for all parts of the Policy.

Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor
0	0.925	53	0.787	106	0.649	159	0.511	212	0.373	265	0.235	318	0.097
1	0.922	54	0.784	107	0.647	160	0.509	213	0.371	266	0.233	319	0.095
2	0.920	55	0.782	108	0.644	161	0.506	214	0.368	267	0.230	320	0.092
3	0.917	56	0.779	109	0.641	162	0.503	215	0.365	268	0.227	321	0.090
4	0.915	57	0.777	110	0.639	163	0.501	216	0.363	269	0.225	322	0.087
5	0.912	58	0.774	111	0.636	164	0.498	217	0.360	270	0.222	323	0.084
6	0.909	59	0.771	112	0.633	165	0.496	218	0.358	271	0.220	324	0.082
7	0.907	60	0.769	113	0.631	166	0.493	219	0.355	272	0.217	325	0.079
8	0.904	61	0.766	114	0.628	167	0.490	220	0.352	273	0.214	326	0.077
9	0.902	62	0.764	115	0.626	168	0.488	221	0.350	274	0.212	327	0.074
10	0.899	63	0.761	116	0.623	169	0.485	222	0.347	275	0.209	328	0.071
11	0.896	64	0.758	117	0.620	170	0.483	223	0.345	276	0.207	329	0.069
12	0.894	65	0.756	118	0.618	171	0.480	224	0.342	277	0.204	330	0.066
13	0.891	66	0.753	119	0.615	172	0.477	225	0.339	278	0.201	331	0.063
14	0.889	67	0.751	120	0.613	173	0.475	226	0.337	279	0.199	332	0.061
15	0.886	68	0.748	121	0.610	174	0.472	227	0.334	280	0.196	333	0.058
16	0.883	69	0.745	122	0.607	175	0.470	228	0.332	281	0.194	334	0.056
17	0.881	70	0.743	123	0.605	176	0.467	229	0.329	282	0.191	335	0.053
18	0.878	71	0.740	124	0.602	177	0.464	230	0.326	283	0.188	336	0.050
19	0.876	72	0.738	125	0.600	178	0.462	231	0.324	284	0.186	337	0.048
20	0.873	73	0.735	126	0.597	179	0.459	232	0.321	285	0.183	338	0.045
21	0.870	74	0.732	127	0.594	180	0.457	233	0.319	286	0.181	339	0.043
22	0.868	75	0.730	128	0.592	181	0.454	234	0.316	287	0.178	340	0.040
23	0.865	76	0.727	129	0.589	182	0.451	235	0.313	288	0.175	341	0.037
24	0.863	77	0.725	130	0.587	183	0.449	236	0.311	289	0.173	342	0.035
25	0.860	78	0.722	131	0.584	184	0.446	237	0.308	290	0.170	343	0.032
26	0.857	79	0.719	132	0.581	185	0.443	238	0.306	291	0.168	344	0.030
27	0.855	80	0.717	133	0.579	186	0.441	239	0.303	292	0.165	345	0.027
28	0.852	81	0.714	134	0.576	187	0.438	240	0.300	293	0.162	346	0.024
29	0.850	82	0.712	135	0.574	188	0.436	241	0.298	294	0.160	347	0.022
30	0.847	83	0.709	136	0.571	189	0.433	242	0.295	295	0.157	348	0.019
31	0.844	84	0.706	137	0.568	190	0.430	243	0.293	296	0.155	349	0.017
32	0.842	85	0.704	138	0.566	191	0.428	244	0.290	297	0.152	350	0.014
33	0.839	86	0.701	139	0.563	192	0.425	245	0.287	298	0.149	351	0.011
34	0.837	87	0.699	140	0.561	193	0.423	246	0.285	299	0.147	352	0.009
35	0.834	88	0.696	141	0.558	194	0.420	247	0.282	300	0.144	353	0.006
36	0.831	89	0.693	142	0.555	195	0.417	248	0.280	301	0.142	354	-
37	0.829	90	0.691	143	0.553	196	0.415	249	0.277	302	0.139	355	-
38	0.826	91	0.688	144	0.550	197	0.412	250	0.274	303	0.136	356	-
39	0.823	92	0.686	145	0.548	198	0.410	251	0.272	304	0.134	357	-
40	0.821	93	0.683	146	0.545	199	0.407	252	0.269	305	0.131	358	-
41	0.818	94	0.680	147	0.542	200	0.404	253	0.267	306	0.129	359	-
42	0.816	95	0.678	148	0.540	201	0.402	254	0.264	307	0.126	360	-
43	0.813	96	0.675	149	0.537	202	0.399	255	0.261	308	0.123	361	-
44	0.810	97	0.673	150	0.535	203	0.397	256	0.259	309	0.121	362	-
45	0.808	98	0.670	151	0.532	204	0.394	257	0.256	310	0.118	363	-
46	0.805	99	0.667	152	0.529	205	0.391	258	0.253	311	0.116	364	-
47	0.803	100	0.665	153	0.527	206	0.389	259	0.251	312	0.113	365	-
48	0.800	101	0.662	154	0.524	207	0.386	260	0.248	313	0.110	366	-
49	0.797	102	0.660	155	0.522	208	0.384	261	0.246	314	0.108		
50	0.795	103	0.657	156	0.519	209	0.381	262	0.243	315	0.105		
51	0.792	104	0.654	157	0.516	210	0.378	263	0.240	316	0.103		
52	0.790	105	0.652	158	0.514	211	0.376	264	0.238	317	0.100		

## Privacy Breach Expense Endorsement

### INSURING AGREEMENT A – PRIVACY BREACH EXPENSES and INSURING AGREEMENT B – BUSINESS INTERRUPTION

This Endorsement changes the policy. Please read it carefully.

Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS section.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Endorsement. These titles have only been inserted for ease of reading.

This Endorsement applies to all locations insured under the property section of the policy and is subject to the terms, conditions, limitations and exclusions that are applicable to the commercial property insurance form to which this Endorsement is attached.

Coverage as extended by each Insuring Agreement of this Endorsement may also be provided elsewhere in the policy or by another policy issued to the **Named Insured** by the Insurer. In the event of any such coverage duplication or overlap, only the coverage as extended by this Endorsement will apply.

This Endorsement applies regardless of anything contained to the contrary in a policy Data Exclusion. Except to the extent of coverage under this Endorsement, the terms of such Data Exclusion remain in full force and effect.

#### Amounts of Insurance:

The amounts of insurance for coverage as extended by this Endorsement under Insuring Agreements A and B are specified in the Declaration Page(s).

The maximum amount of insurance under this Endorsement during any one policy period shall not exceed in the aggregate, the amounts of insurance specified in the Declaration Page(s) for this Endorsement, regardless of the number of occurrences or claims, the number of breaches or the number of **Named Insureds**.

Multiple claims that arise from the same **privacy breach** will be regarded as one claim provided that occurrences giving rise to such multiple claims are discovered at the same time. An occurrence(s) giving rise to a claim and discovered at a later time within the policy period of this Endorsement, whether arising from the same cause or not, will be considered a separate claim.

#### Deductible – Insuring Agreement A:

Each claim shall be adjusted separately and the deductible amount shown in the Declaration Page(s) shall be deducted from the amount of each such adjusted claim.

**Waiting Period Deductible – Insuring Agreement B:** The twenty-four (24) hour waiting period specified for **business interruption loss** (if any such insured loss occurs) shall apply with respect to each claim. Each such claim for **business interruption loss** shall be adjusted separately.

Coverage under the following Insuring Agreements applies to **remediation expenses** and **business interruption loss**, due to **privacy breach** that:

1. first takes place, or is first activated, during the policy period of this Endorsement; and
2. is discovered by the **Named Insured** or by an employee or volunteer worker of the **Named Insured**, during the policy period of this Endorsement.

### INSURING AGREEMENT A - PRIVACY BREACH EXPENSES COVERAGE

The Insurer will reimburse the **Named Insured** for **remediation expenses** that are incurred by the **Named Insured** in relation to the **Named Insured's** business activities. The amount of coverage for such expenses is included within (and is not in addition to) the Amount of Insurance that is specified in the Declaration Page(s).

### INSURING AGREEMENT B - BUSINESS INTERRUPTION COVERAGE

1. Coverage under this Endorsement applies, subject to Additional Condition B, to **business interruption loss** that is:
  - 1.1. related directly to and caused by a **privacy breach** to which coverage under Insuring Agreement A applies; and
  - 1.2. incurred no sooner than twenty-four (24) consecutive hours after such a **privacy breach** is first discovered.
2. Business interruption coverage includes, without increasing the amount of insurance for Insuring Agreement B, necessary extra expenses (excluding **remediation expenses** other than **computer forensic services**) for which the Insurer shall reimburse the **Named Insured** and that are required for the reduction of actual loss of net income when such extra expenses:
  - 2.1. are in excess of the **Named Insured's** normal operating expenses; and
  - 2.2. would not have been required had no **privacy breach** occurred; and
  - 2.3. are not otherwise excluded under this Endorsement.
3. The Insurer's liability for such necessary extra expenses shall not exceed the amount of said reduction. Such necessary extra expenses are not subject to the waiting period deductible that is specified above for Insuring Agreement B provided that such actual loss sustained of net income exceeds the specified twenty-four (24) hour waiting period.
4. The duration of coverage for **business interruption loss** ends at the earliest of the following times:
  - 4.1. after sixty (60) consecutive days beginning on the day that a **privacy breach** to which coverage under Insuring Agreement A applies is first discovered; or
  - 4.2. at the time that the **Named Insured's** declared business operations are returned to the same state or the same level of operation that existed immediately before the **privacy breach**.
5. The **Named Insured** shall with due diligence do, and shall agree to do and give permission to do all things that are reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.

### EXCLUSIONS (applicable to Insuring Agreements A and B unless otherwise specified)

Insurance granted by this Endorsement shall not apply to:

#### 1. Prior Knowledge

Expenses or other loss arising from any fact or circumstance known to the **Named Insured** or to any Insured (or about which the **Named Insured** or any Insured should reasonably have known) prior to the effective date of this Endorsement.

2. **Employees' Own Computers**  
Expenses or other loss arising from unauthorized use of, unauthorized access to, loss of or damage to **data** or information on a personal mobile device or any other computer equipment owned by an employee, volunteer or authorized representative of the **Named Insured**, except to the extent specified in EXTENSIONS OF COVERAGE section, item 2.
3. **Unexplained Loss**  
Unexplained deletion, disappearance, loss or diminution of **data** or of non-computer data.
4. **Fines and Penalties**  
Fines, penalties, sanctions, taxes, levies or assessments of any nature, including:
  - 4.1. fines, fees or damages for breach of contract or for late or non-completion of orders or payments; or
  - 4.2. levies or assessments that are related to payment cards or to Payment Card Industry Standards.
5. **Wear and Tear, Latent Defect, Inherent Vice**  
Wear and tear, gradual deterioration, hidden or latent defect or any quality in **data**, in computer media or in non-computer data that causes it to damage or destroy itself.
6. **Information Technology Security**
  - 6.1. A **privacy breach**, except for theft of non-computer data, arising from failure of the **Named Insured** (or of an employee, volunteer or authorized representative of the **Named Insured**) to diligently deploy updated functional security software including anti-malware software, anti-ransomware software, security patches, smart phone operating system and software updates and including a functional hardware firewall and, for each computer, a functional software firewall. Such deployment should be completed in accordance with a standard of care that at least meets, at the time of such breach, current standards and best practices for computer and **data** security;
  - 6.2. For the purposes of the Exclusion 6.1. above, available security patches (available as patches in response to computer security threats as recognized and specified by any CERT entity, or available otherwise) or available smart phone operating system and software updates that are not applied automatically or semi-automatically must be applied by the **Named Insured** as soon as practicable following the **Named Insured's** discovery of a **privacy breach** related to a computer or **data** security vulnerability that is addressed by such a patch or by such an operating system or software update. In any event, such application should occur no later than thirty (30) days following a security patch or a smart phone operating system update being made available by a software developer, a software supplier, smart phone operating system provider or by a computer security specialist.
7. **Programming Errors**  
Expenses or other loss arising from errors in the programming or configuration of computer equipment or from errors in the configuration of **data** or of computer media.
8. **Dishonest Acts**  
Criminal, fraudulent or dishonest acts of any **Named Insured** or criminal or penal proceedings against any **Named Insured** (in any event, including any employee, volunteer or authorized representative of the **Named Insured**, whether acting alone or in collusion with others).
9. **Third Party Liability**  
Loss, damage, expense or costs, including judgements against the **Named Insured**, arising out of liability to a third party.
10. **Legal Expenses**  
Legal fees or other defence expenses.
11. **Illegal Gain**  
Any gain, profit, remuneration or advantage to which the **Named Insured** is not legally entitled.
12. **Contractual Liability**  
Liability assumed by the **Named Insured** under any contract or agreement except to the extent that the **Named Insured** would have been liable in the absence of such a contract or such an agreement.
13. **Consequential Loss**  
Loss, damage, expenses or increased costs due to delay, loss of use, loss of market, loss of occupancy or, except to the extent of coverage under Insuring Agreement B, other interruption of business.
14. **Mechanical Breakdown and Service Interruption**  
Loss, damage, expenses or increased costs due to mechanical failure, breakdown, short circuit or other electrical disturbance, or interruption of internet service or of electrical power supply.
15. **Betterment**  
Any cost or expenses incurred to update, upgrade or otherwise improve **data**, non-computer data, computer media or computing equipment.
16. **Cyber Extortion**  
Payments, including ransom, extortion or blackmail payments, made by the **Named Insured** in response to **cyber extortion** or otherwise complying with or responding to **cyber extortion**, except to the extent specified in EXTENSIONS OF COVERAGE section, item 3.
17. **Computer Forensic Services**  
The following expenses as such expenses may arise in regard to **computer forensic services** or otherwise:
  - 17.1. computer and device hardware or software costs, including the cost of acquiring, leasing, purchasing, altering, updating, replacing or repairing computer or device hardware or software;
  - 17.2. the **Named Insured's** payments that are part of any service or maintenance contract; or
  - 17.3. the remuneration of any employee, volunteer or authorized representative of the **Named Insured**, unless such expense is approved in writing by the Insurer beforehand.

**With respect to Insuring Agreement B, in addition to the exclusions above, insurance granted by this Endorsement shall not apply to:**

18. **Business Interruption**  
**Business interruption loss** arising out of unauthorized use of, unauthorized access to, loss of, or damage to unlicensed software or to copyrighted software that has been copied or that is being used without authorization.

## **EXTENSIONS OF COVERAGE (subject to all other terms, conditions, limitations and exclusions of this Endorsement)**

The following EXTENSIONS OF COVERAGE shall not increase the amounts of insurance that apply under this Endorsement and stated in the Declaration Page(s).

The following EXTENSIONS OF COVERAGE apply only with respect to a **privacy breach** that arises in regard to business activities of the **Named Insured** or of an employee, volunteer or authorized representative of the **Named Insured** while acting on behalf of the **Named Insured** in that capacity and that are activities related directly to the **Named Insured's** business operations.

#### COVERAGE IS EXTENDED TO:

1. Locations anywhere in the world if the **privacy breach** arises from the business activities of an employee, volunteer or authorized representative of the **Named Insured** who is away from Canada on the business of the **Named Insured** for a period not exceeding sixty (60) consecutive days. Coverage under this Endorsement does not apply in any country against which the Government of Canada has imposed economic or trade sanctions.
2. Computers, including tablets or smart phones that are personally owned by an employee, volunteer or authorized representative of the **Named Insured**, provided that any such computer, tablet or smart phone, at the time of a **privacy breach**, is being used with permission of the **Named Insured** on the **Named Insured's** business premises including offices in the homes of employees and while in transit to or from such offices and the **Named Insured's** business premises.
3.
  - 3.1. **Computer forensic services**, irrespective of an actual **privacy breach**, that are necessary to prevent or to mitigate **cyber extortion**, if such **computer forensic services** are approved in writing by the Insurer beforehand;
  - 3.2. Other **remediation expenses** due directly to **cyber extortion**;
  - 3.3. **Business Interruption loss** arising directly from a **privacy breach** that is due to **cyber extortion**.

#### ADDITIONAL CONDITIONS

- A. **Notice to Insurer** - Applicable to Insuring Agreements A and B and the EXTENSIONS OF COVERAGE: As a condition of insurance under this Endorsement, the **Named Insured** shall give written notice to the Insurer as soon as practicable of a **privacy breach** or of **cyber extortion**. Such written notice to the Insurer must be given no later than thirty (30) consecutive days from the **Named Insured's** discovery of a **privacy breach** or of **cyber extortion**.
- B. **Data Backup Requirement - Reasonable Precautions** - Applicable to Insuring Agreement B and to the extent that coverage is provided for **business interruption loss** under the EXTENSIONS OF COVERAGE: As a condition of insurance under Insuring Agreement B of this Endorsement, with respect to insured **business interruption loss**, the **Named Insured** will have diligently instituted and deployed a backup strategy and procedures for the **Named Insured's** business-critical or sensitive **data**. Such strategy and procedures must include, as the minimum requirements, regular backups (daily, weekly or monthly), backup archiving and backup testing. Failure of the **Named Insured** to fulfill this requirement will void coverage under Insuring Agreement B with respect to **business interruption loss** due to a **privacy breach**. This condition B does not apply to the theft of non-computer data.

#### DEFINITIONS

##### For the purpose of this Endorsement:

1. **Business interruption loss** means actual loss sustained of net income, before taxes, excluding interest and after depreciation, from the **Named Insured's** declared business operations in Canada provided that such loss would not have been incurred had no **privacy breach** taken place.
2. **Computer forensic services** means investigation and analysis of, and documentation for, computer or computing equipment by a certified individual or organization from outside the **Named Insured** entity.
3. **Cyber extortion** means a demand that originates from outside the **Named Insured** entity, made to the **Named Insured** for money, currency or something else of value in exchange for not carrying out a threat to commit **privacy breach**. **Cyber extortion** also means a threat to disseminate, without authorization, **data** that are non-public and personal information as established by law, or to deny, to impede, to make unavailable or to otherwise disrupt access to such **data**.
4. **Data** means:
  - 4.1. representations of information or concepts in any form and residing in or on the **Named Insured's** computer equipment except for and excluding programmable manufacturing machines or programmable controllers for industrial use. Computer equipment includes smart phones to the extent that coverage in regard to such devices is provided by this Endorsement.
  - 4.2. **Data** does not:
    - 4.2.1. include money, currency, funds, bonds or instruments of debt, credit or equity;
    - 4.2.2. include deeds, accounts, bills, records, abstracts, manuscripts or other documents except as they have been converted to computer **data** and then only in that converted form;
    - 4.2.3. mean such property already sold or that is held for sale or for distribution.
5. **Named Insured** means the entity named in the Declaration Page(s).
6. **Privacy breach** means failure to prevent unauthorized use of or unauthorized access to **data** (excluding such unauthorized use, unauthorized collection or unauthorized access by the **Named Insured** or from within the **Named Insured** entity by a person or persons affiliated with the **Named Insured** entity) that are possessed, managed, entrusted to, or held by the **Named Insured** and that are non-public and personal information as established by Canadian law. **Privacy breach** also means theft of non-computer data (excluding theft by the **Named Insured** or from within the **Named Insured** entity by a person or persons affiliated with the **Named Insured** entity) that are possessed, managed, entrusted to, or held by the **Named Insured** and that are non-public and personal information as established by Canadian law. **Privacy breach** does not include theft of, or failure to prevent unauthorized use of or unauthorized access to, intellectual property or trade secrets of any kind.
7. **Remediation expenses** means reasonable and necessary expenses that are required by law or that have received the Insurer's consent and approval beforehand, incurred by the **Named Insured** for:
  - 7.1. notification to existing, prospective or former customers, or existing or former employees or members of the **Named Insured**, provided that the need for such notification arises directly from a **privacy breach**;
  - 7.2. **computer forensic services**, provided that such services are retained with the Insurer's written consent beforehand and provided that the need for such services arises directly from a **privacy breach** or from the need to prevent a **privacy breach**;
  - 7.3. public relations services, provided that such services are retained with the Insurer's consent beforehand and provided that the need for such services arises directly from a **privacy breach**;
  - 7.4. required notification of a **privacy breach** to a governmental entity with authority to regulate the privacy of non-public and personal information of Canadians.

**Remediation expenses** also means, with respect to a **privacy breach**, the **Named Insured's** expenditures that may be incurred for services for credit monitoring or for fraud monitoring and pertaining directly to existing, prospective or former customers, or existing or former employees or members of the **Named Insured**, such individuals notified in accordance with item 7.1. above, for a period not exceeding fifty-two (52) consecutive weeks from the date that the actual **privacy breach** is first discovered.

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

## Privacy Breach Legal Expense Endorsement

This Endorsement changes the policy. Please read it carefully.

Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS section.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Endorsement. These titles have only been inserted for ease of reading.

This coverage extension supplements insurance provided under the Privacy Breach Expense Endorsement attached to this policy. Notwithstanding Exclusion 10. **Legal Expenses**, contained under the Privacy Breach Expense Endorsement form or any other contrary provision, this coverage extension is subject to all terms, conditions, exclusions and limitations provided under said Privacy Breach Expense Endorsement form.

### INSURING AGREEMENT - PRIVACY BREACH LEGAL EXPENSE COVERAGE

- Insurance granted by this coverage extension shall apply to **legal fees or defence expense** that is necessarily incurred by the **Named Insured** with the Insurer's prior written consent and that arise directly or indirectly from, and are made necessary by a **civil proceeding** in regard to a **privacy breach** to which coverage as extended by Privacy Breach Expense Endorsement applies. No other fees, costs or expenses are within the scope of this coverage extension.
- The **privacy breach**, which gives rise to the reimbursement of **legal fees or defence expense**, must take place and must be discovered for the first time while coverage under this extension is in effect.

### ADDITIONAL EXCLUSIONS

- Insurance as provided by this coverage extension does not apply to the payment of indemnification or compensation of any kind.
- Insurance as provided by this coverage extension does not apply to **legal fees or defence expense**:
  - related to a dispute or an action of any kind between the **Named Insured** and the Insurer;
  - related to any criminal or penal proceeding or to an intentional or criminal act of the **Named Insured** or any employee, volunteer or authorized representative of the **Named Insured**;
  - in regard to the **Named Insured** as a plaintiff;
  - in regard to the review or appeal of any decision;
  - in regard to any regulatory or disciplinary action related to the **Named Insured's** profession.

### LIMITS OF INSURANCE AND DEDUCTIBLE

- The Limit of Insurance for this coverage extension:
  - is specified in the Declaration Page(s); and
  - is an aggregate limit and is the most the Insurer will pay in a policy period regardless of the number of occurrences or claims, the number of **privacy breaches**, the number or types of fees or expenses or the number of **Named Insureds**.
- The Insurer is liable for the amount by which the claim exceeds the sum (if any) stated, as the deductible, in the Declaration Page(s).

### ADDITIONAL CONDITIONS

- If a Condition is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.
- The **Named Insured** or its legal representative must take all reasonable steps to recover all costs and expenses on the Insurer's behalf and to preserve and to not prejudice the Insurer's rights to recover costs or expenses.
- This coverage extension shall be interpreted and construed in accordance with the laws of the Canadian Province or Territory in which the policy was issued.
- This coverage is excess over any other insurance, whether primary, excess, contingent or on any other basis.
- This coverage extension shall apply exclusively to **civil proceedings** or claims arising in Canada.
- The Insurer, at its sole discretion, may reimburse the **legal fees or defence expense** either directly to the **Named Insured** or pay the **legal fees or defence expense** invoice to another entity on the **Named Insured's** behalf.

### ADDITIONAL DEFINITIONS

- Civil proceeding** means a non-statutory civil action or a claim in which a third party is seeking damages arising from a **privacy breach** and includes:
  - an arbitration proceeding; or
  - any other alternative dispute resolution proceeding;
 In which such damages are claimed and to which the **Named Insured** must submit or does submit with the Insurer's consent.
- Legal fees or defence expense** means the reasonable and necessary expenses (other than **remediation expenses**) that the Insurer shall pay with respect only to the **Named Insured** for:
  - fees of the **Named Insured's** attorney;
  - experts' fees;
  - judicial costs including but not limited to judicial stamps and fees for bailiffs, stenography and translation;
  - loss of salary for an employee of the **Named Insured**, up to a maximum of \$500 per day, and due directly to attendance at a **civil proceeding** when such attendance is at the Insurer's request or is in response to a formal summons;
  - other necessary costs that are incurred by the **Named Insured** at the Insurer's request or with the Insurer's prior consent, including court costs of a plaintiff that are ordered payable by the **Named Insured** following a **civil proceeding** to which this coverage extension applies.

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