



Important Changes to Your Insurance Coverage

Hello,

Thank you for choosing Intact Insurance to protect what matters to you and your business. Your policy includes the property product listed below:

- **The Koala Program:** this product extends your coverage with additional and exclusive extensions to give you an even greater protection.

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 Intact Insurance Team

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

The Koala Program

Consistent with other changes made to some of your property policy forms, the updated version of this wording further highlights that coverage is provided for “direct physical loss” and “direct physical damage” caused by an insured peril.

Coverage Modification

- The MARGIN CLAUSE extension now offers 2 options:
 - A 110% increase for **property of every description**, if the specified conditions are met.
 - A 120% increase for **buildings**, if the specified conditions are met.

- The following extensions of coverage are no longer eligible for the CATCH-ALL CLAUSE found in form 035.7 – Edge Complete 3.0:
 - Added Value
 - User’s property
 - Business interruption, extra expenses, loss of rent or rental value arising from negative publicity
 - Business interruption caused by lawsuit

- The USER’S PROPERTY extension no longer applies to daycare services of nine (9) children or less.

- The deductible applicable to extension 8. OFF-PREMISES SERVICE INTERRUPTION found in form 233.7e is reduced to 24 hours.

PROPERTY COVERAGE

THE KOALA PROGRAM

AMENDMENTS TO THE POLICY

AMENDMENT TO FORM 034.0e

Margin Clause

The amount of indemnity calculated in accordance with paragraph 1 of the INDEMNITY AGREEMENT may be increased, subject to the following conditions:

- a) with respect to the blanket coverage for **property of every description**: 110% of the stated values for each location affected by the loss, as shown on the latest statement of values on file with the Insurer, and then only if the following condition is met:
 - i) the Insured has accepted the increase in the limit of insurance each year as stipulated in paragraph 7. INFLATION PROTECTION of the SPECIAL PROVISIONS section.
- b) applicable to the **building** coverage only: 120% of the stated values for each location, as shown on the latest statement of values on file with the Insurer and only if the following conditions are met:
 - i) the stated values represent 100% of the amount of a professional evaluation that is dated less than five (5) years, at the inception date of this contract; and
 - ii) the insured has accepted the annual increase in the limit of insurance each year as stipulated in paragraph 7. INFLATION PROTECTION of the SPECIAL PROVISIONS section.

All Co-insurance Clauses provided in the present policy are deleted. However, if no statement of values is provided and on file with the Insurer within 30 days from the inception date of this contract, the Co-insurance Clauses will be reinstated and all values declared in the most recent statement of values on file with the Insurer will apply in the settlement of losses and the application of the Co-insurance Clauses.

Glass deductible

Notwithstanding what is provided in the Declaration Page(s) for Form 034.0e, Building and/or Contents – Broad Form, the deductible amount applicable to direct physical loss of or direct physical damage to glass, lettering, ornamentation, tapes and foils thereon caused by an insured peril, is reduced to \$50.

Furs and Jewellery

Exclusion 1.8, provided under item 1. **PROPERTY EXCLUDED** of the **EXCLUSIONS** section of Form 034.0e, is deleted and replaced by the following:

- 1.8. furs, fur garments, jewels 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 \$10,000 of any loss otherwise insured;

AMENDMENTS TO 026.0e SEWER BACKUP ENDORSEMENT CONCURRENT FLOOD DEDUCTIBLE

When Form 159.1e Flood Coverage is not present on the policy, Item 2. Deductible, provided under the Sewer Back Up Endorsement shown in the Declaration Page(s), is deleted in its entirety and replaced with the following:

2. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by **sewer back up** exceeds the amount of the deductible specified on the Declaration Page(s) for this endorsement in any one occurrence.

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

In the event that the **sewer back up** occurs concurrently or in any sequence to the occasioning of loss or damage caused by **flood**, as provided by the Flood Endorsement shown in the Declaration Page(s), the **sewer back up** deductible shall be increased to \$25,000.

AMENDMENTS TO FORM 035.7e, EDGE COMPLETE 3.0

1. The amount of insurance provided under paragraph 30.3. of Extension 30. **BUILDING BY-LAWS**, is increased to twenty-five percent (25%) of the limit of insurance stated on the Declaration Page(s) for the **Building**, subject to a maximum amount of \$1,000,000.
2. The amount of insurance provided under Extension of Coverage 54. **PROPERTY IN TRANSIT**, is increased to \$250,000.
3. Extension of coverage 56. **REMOVAL**, shall apply in addition to the amounts of insurance stated in the Declaration Pages for **Building** and/or **Contents**.
4. Extension 39. **CONSEQUENTIAL LOSS – OFF-PREMISES SERVICE INTERRUPTION** is deleted in its entirety and replaced as follows:

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 **property of every description** 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**.

- 5. The amount of insurance provided under Extension of Coverage **43. DEBRIS REMOVAL – ADDITIONAL EXPENSES**, is increased to 25% of the amount of insurance stated in the Declarations for the **building**, the **contents** or the **property of every description**, up to a maximum amount of \$ 1,000,000 in any one occurrence.
- 6. The amount of insurance provided under Extension of Coverage **45. EXTRA EXPENSES** is increased to \$250,000. In addition, Extension **45. EXTRA EXPENSE** is deleted in its entirety and replaced as follows:

45. EXTRA EXPENSES

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**, not exceeding twenty-four (24) months, to maintain, as much as possible, the **normal** activities of the business after an insured loss affecting the **buildings or 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-five (35) 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 expenses" 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 ending no later than twenty-four (24) months thereafter, 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.

- 7. The amount of insurance provided under Extension of Coverage **50. NEWLY ACQUIRED LOCATIONS**, is increased to: \$2,000,000 (Building) / \$1,000,000 (Contents) / (90 days).
- 8. The following Extensions of Coverage are added to section 3 of **FORM 035.7e, EDGE COMPLETE 3.0**, and, notwithstanding any provision to the contrary, Extension **31. CATCH ALL CLAUSE** does not apply to such extensions: **1. ADDED VALUE, 2. USERS' PROPERTY, 3. BUSINESS INTERRUPTION, EXTRA EXPENSES, LOSS OF RENT OR RENTAL VALUE ARISING FROM NEGATIVE PUBLICITY** and **4. BUSINESS INTERRUPTION CAUSED BY LAWSUIT**.

1. ADDED VALUE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover any extensions of coverage afforded under the Building and/or Contents Form forming part of the policy immediately preceding this policy and issued by another Insurer but not afforded by this policy or subject to different limits, provided:

- 1.1. such extensions of coverage are still afforded by the prior insurer at the time of loss;
- 1.2. such extensions of coverage have not been declined by the Insurer;
- 1.3. such extensions of coverage have not been refused by the Insured following conditions proposed by the Insurer;
- 1.4. the Insurer's liability shall not exceed the amounts of insurance specified for such extensions of coverage in the prior policy.

This Extension of Coverage is limited to a maximum recovery of \$100,000 in the aggregate during any one policy period.

2. USERS' PROPERTY

This extension of coverage does not apply to daycares with nine (9) children or less.

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to personal property of the users of the daycare operated by the Insured, while on the **premises**, caused by an insured peril, up to a maximum recovery of \$1,000 for any one user and \$5,000 per occurrence.

If other valid and collectible insurance is available to the user for loss or damage covered by this policy, this extension shall apply only to that part of such loss or damage which is in excess of the amount recoverable or recovered from such other insurance.

3. BUSINESS INTERRUPTION, EXTRA EXPENSES, LOSS OF RENT OR RENTAL VALUE ARISING FROM NEGATIVE PUBLICITY

For up to \$10,000 in the aggregate during any one period of insurance, loss due to business interruption, extra expenses necessarily incurred by the Insured, or loss of rent or rental value sustained by the Insured resulting from negative publicity, as a result of the occurrences described in paragraphs 3.1., 3.2. and 3.3., for a maximum of thirty (30) days from the date of the poisoning, murder, suicide or illegal use of a firearm. The coverage is extended to include the loss of business resulting from:

- 3.1. poisoning of a person as a direct result of consuming food or beverages:
 - 3.1.1. manufactured by the Insured;
 - 3.1.2. produced by the manufacturer of a product similar to the Insured's product;
- 3.2. murder or suicide occurring on the premises;
- 3.3. illegal use of a firearm on the premises, occurring during the policy period.

Coverage is not provided for loss or damage resulting directly or indirectly from one of the following, or to which one of the following has contributed, directly or indirectly, in whole or in part:

- 3.4. asbestos in whatever form or of whatever quality, **fungi** or **spores**, **terrorism**, war, **pollutants**, **nuclear risk**, contamination by radioactive material, pyrite or pyrrhotite;
- 3.5. any increase in costs incurred to comply with any by-law, regulation, ordinance or law, including but not limited to the cost of repairing, upgrading or reconditioning defective sanitation equipment or facilities;
- 3.6. loss, cost or expense arising from testing, supervision, cleanup, removal, safeguarding or treatment of poisoning as a result of consuming food or beverages, infestation of animals including but not limited to insects, birds or rodents, or unsanitary conditions;
- 3.7. any claim under form 092.9e, Commercial General Liability Policy - Extension Of Coverage – Product Recall Expenses Extension, for which the Insurer would otherwise be liable.

This extension of coverage shall apply only if the interruption exceeds 48 consecutive hours. The Insured shall then be entitled to an indemnity.

4. BUSINESS INTERRUPTION CAUSED BY LAWSUIT

This extension of coverage only applies to daycares with nine (9) children or less (Home childcare providers (HCP))

Subject to a maximum of \$25,000 in the aggregate during any one period of insurance, this insurance shall cover loss directly resulting from necessary interruption of the Insured's business caused by charges brought against the Insured in a criminal court, as defined in the Criminal Code of Canada, subject to the following conditions:

- 4.1. that the charges must be directly related to the Insured's activities as described in the Declarations Page;
- 4.2. that the Insured notifies the Insurer while this policy is in force that the Insured is the object of an inquiry or a charge and is compelled to make a court appearance; and
- 4.3. that at the conclusion of proceedings, the Insured is acquitted of all charges or all charges against the Insured are withdrawn.

The period for which indemnities are paid may extend beyond the policy expiry date but shall end no later than twelve (12) months after the period beginning with the occurrence of a peril insured against, during which the results of the business are affected in consequence of the destruction or damage by a peril insured against.

AMENDMENTS TO FORM 238.0e, BUSINESS INTERRUPTION INSURANCE – ACTUAL LOSS SUSTAINED

1. The twelve (12) month period provided under the **Indemnity Period** definition under Section 8. **DEFINITIONS**, is amended to twenty-four (24) months.

AMENDMENTS TO FORM 233.7e – BUSINESS INTERRUPTION EXTENSION 3.0

1. The amount of insurance provided under Extension of Coverage 3. **EXTRA EXPENSE** is increased to \$250,000.
2. The period provided under Extension of Coverage 5. **INTERRUPTION BY CIVIL AUTHORITY** is increased to thirty-five (35) days.
3. Extension of Coverage 8. **OFF-PREMISES SERVICE INTERRUPTION**, is deleted and replaced as follows:

This Form is extended to cover loss of business income arising from the interruption of business resulting from the direct physical loss of or direct physical damage to **property of every description** on the **premises** caused by:

- 8.1. a change of temperature; or
- 8.2. 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:

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

This Extension does not cover loss of business income during the first 24 consecutive hours of loss of services.

4. The period provided under Extension 9. **ORDINARY PAYROLL** is increased to 180 days.
5. The amount of insurance provided under Extension 11. **PROFESSIONAL FEES** is increased to \$100,000.

AMENDMENT TO FORM 168.1e EQUIPMENT BREAKDOWN MAX

Definition 19. **Indemnity Period** within the **DEFINITIONS** section is deleted and replaced as follows:

19. **Indemnity period** means the period beginning with the occurrence of the **breakdown** and ending no later than twenty-four (24) months thereafter, during which the results of the business shall be affected in consequence of the **breakdown**.

LIABILITY COVERAGE

AMENDMENTS TO FORM 091.0e, COMMERCIAL GENERAL LIABILITY MAX

1. **Amendment to SECTION II – WHO IS AN INSURED**

The following paragraph is added to Item 2:

2.9. Home childcare providers, their spouse, and the building's owner, but only while performing duties related to the conduct of your business.

However, this form does not cover **bodily injury** sustained by you or by any colleague, employee or **volunteer worker** while performing duties related to the conduct of your business.

2. **Amendment to SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLE**

The following clause is added:

10. NON-CUMULATION CLAUSE

Notwithstanding what is provided elsewhere within this policy, if a **loss** covered by this policy is also covered by another Commercial General Liability policy issued by a subsidiary of the parent company of the Insurer, the amount payable on account of such **loss** shall not exceed, in the aggregate, the highest limit of liability under any one policy. In no event shall the limits of liability under these policies be cumulative, unless one of the insurance policies is written as specific excess insurance over the limit of liability provided by this policy.

3. **Amendments to SECTION IV – DEFINITIONS:**

Sub-paragraphs 27.4. and 27.5. of the professional services definition are deleted.

The word "hairstyling" is deleted from sub-paragraph 27.6., which now reads as follows:

27.6. Any cosmetic, body piercing, massage, physiotherapy, chiropractic, hearing aid, optical or optometric services or treatments;

AMENDMENTS TO FORM 090.7e, LIABILITY EDGE 3.0

1. The "Per Offence Limit" of Insurance provided under extension 11. **PENAL DEFENCE COSTS COVERAGE** is increased to \$25,000.
2. The definition of 11.5.2 **legal costs** is deleted and replaced by the following:
 - 11.5.2. **Legal costs** means:
 - 11.5.2.1. Attorneys' fees;
 - 11.5.2.2. Extrajudicial costs;
 - 11.5.2.3. Experts' fees.
3. Extension coverage 8. **HOIST, ELEVATOR, ESCALATOR OR LIFT COLLISION COVERAGE** is amended as follows:
 - 3.1. The limit of insurance is amended to "included"
 - 3.2. Item 8.2, **LIMIT OF INSURANCE**, is deleted.
4. Notwithstanding any contrary provision contained under form 090.7e or under the Declaration Page(s), the extensions of coverage contained under such form 090.7e that are already subject to a deductible, shall be subject to the same deductible as the one stated under the Declaration Page(s) for form 091.0e, Commercial General Liability Max.

The following extensions of coverage are added:

14. **GOODS IN CUSTOMER'S CARS**

The Insurer agrees with the Insured to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay for damage (including burglary and theft) to property of the Insured's customers whilst contained within or upon automobiles when such automobiles are accepted for servicing or repair at the premises described in the Declaration Page(s).

There shall be deducted from each claim above, the sum of \$50.

15. **PROPERTY DAMAGE COVERAGE FOR EMPLOYEES OF THE INSURED**

We agree to pay, subject to a limit of \$2,500 for each **employee** and up to \$25,000 for each policy period, the amount that the Insured will be legally liable to pay in **compensatory damages** for all **property damage** sustained by an **employee** of the Insured in the performance of his duties that are related to the activities of the Insured's business.

CRIME COVERAGE

AMENDMENT TO FORM 111.2e, CRIME 2.0

1. The amount of insurance for item 4.1. **Professional Fees** is amended as follows: 25% of the amount of the claim or \$10,000 per claim, whichever is the lower amount.
2. Paragraph 8. under **DEFINITIONS** is deleted and replaced as follows:
 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;
 - 8.5. A general partnership, but only in the ordinary course of the Insured's business. This addition shall not create any benefit or entitlement:
 - 8.5.1. for a partner, if such partner is the author of, or an accomplice in, any **fraudulent or dishonest act**;
 - 8.5.2. for the other partners, in respect of the amounts owed by an Insured to the partner in question.
 - 8.6. Any person performing duties as a watchman or janitor for the Insured, inside the **premises**, who is employed by a personnel agency, but this insurance shall apply only in the absence of any other insurance against dishonesty, disappearance and destruction issued to the agency providing such personnel.
 - 8.7. any natural person on loan to or from another employer working for the Insured in the ordinary course of the Insured's business, during the policy period, that has been hired by another employer and that is remunerated by that same other employer.
 - Employee** does not mean:
 - 8.8. Any volunteer, agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in this Paragraph 8.;
 - 8.9. Any director or trustee, except while performing acts coming within the scope of the usual duties of an **employee**.

ADDITIONAL COVERAGE

3. Computerized Telephone Systems Fraud Coverage

For the purpose of this Policy, the Insurer will indemnify the Insured against **losses** resulting directly from the use of an **access code** or **system password** to gain access to a **computerized telephone system** and use it to make fraudulent long-distance telephone calls.

For purposes of this coverage, paragraphs 4., 6., 9. and 10. from the **EXCLUSIONS** section are deleted and replaced as follows:

4. ACT BY AN EMPLOYEE

to **loss** or damage due to any **fraudulent or dishonest act**, or criminal act, by an **employee**, director, trustee or authorized representative of any Insured, while performing services for the Insured or otherwise and whether acting alone or in collusion with others; this exclusion does not apply to this Coverage;

6. ACCOUNTING

under Coverage 2 and Computerized Telephone Systems Fraud Coverage to **loss** or damage due to:

- 6.1. the giving or surrendering of **property** in exchange or purchase;
- 6.2. accounting or arithmetical errors or omissions; or
- 6.3. theft, destruction or disappearance of manuscripts, books of account or records, microfilms, **data** or tapes, unless otherwise covered under this policy;
- 6.4. vandalism, unless otherwise covered under this policy;

9. FIRE

under Coverage 2, (other than to **money, securities**, a safe or a vault), and under Computerized Telephone Systems Fraud Coverage, to **loss** or damage by fire whether or not such fire is caused by, contributed to by, or arises out of the occurrence of a hazard insured against;

10. THREAT TO BODILY HARM OR DAMAGE

to **loss** due to the transfer or surrender of **property** to a person or place outside the premises or banking premises:

- 10.1. based on instructions which were purported to have been transmitted by a person or entity other than the Insured or an **employee** of the Insured, but were in fact fraudulently transmitted without the Insured's knowledge, consent, or authorization, unless otherwise covered under this policy; or
- 10.2. as a result of a threat to do bodily harm to any person, or damage to the **premises or property**, owned by the Insured or held by the Insured in any capacity.

However, paragraph 10.2. of this exclusion shall not apply to:

- Coverage 1 if coverage is afforded thereunder, or
- Coverage 2 if coverage is afforded thereunder, to **loss of property** while being conveyed by a **messenger** when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;

3.1. For purposes of this endorsement, the following exclusions are added to this policy:

19. to indirect or consequential **loss** of any kind, except as otherwise covered hereunder;
20. to **loss** sustained by one Insured to the advantage of any other Insured;
21. to any **loss** resulting directly or indirectly from any authorized or unauthorized trading of **property**, whether in the name of the Insured or otherwise, or in a genuine or fictitious account;
22. under Coverage 2 and under Computerized Telephone Systems Fraud Coverage, to **loss** due to any dishonest act used to induce an **employee** or authorized representative to part voluntarily with title to or possession of any **property**;
23. to **loss** or damage resulting directly or indirectly and howsoever arising, of intangible **property** of any kind including but not limited to, **data, computer programs**, proprietary and non-proprietary information such as trade secrets, patents, copyrights, trademarks, confidential processing methods, client lists, credit card information, or any other confidential information of any kind.

3.2. For purposes of this coverage, the **DEFINITIONS** section is amended by the addition of the following definitions:

Access Code means, as applied to a **computerized telephone system**, a confidential and secured string of characters that identifies or authenticates a person and allows that person to access the **computerized telephone system** in order to make long-distance telephone calls or use voice mail or other authorized functions.

Computerized Telephone System means a **computer system** installed on the Insured's **premises**, or owned or rented by the Insured, which offers the following or similar functions: private branch exchange (PBX), VoIP telephone router, voice mail processing system or automated attendant, when this system is used to distribute or transfer telephone calls or voice mail messages in a voice communication network secured by:

1. an **Access Code** for each user; and
2. an automatic call disconnect feature activated when a caller makes more than three unsuccessful attempts to input an **access code** into the **computerized telephone system**.

Loss (either in the singular or plural) means:

1. actual direct financial loss sustained, and where applicable, the permanent reduction in value of any **other property** which is owned by the Insured, held by the Insured in any capacity, or for which the Insured is legally liable;
2. loss arising from long-distance telephone calling charges incurred during a period of no more than thirty (30) days including the date on which charges for the first such call were incurred.

Property means **money, securities** or **other property**.

Service Provider means a person, partnership or corporation authorized by way of written agreement to perform **data** processing services on the Insured's behalf using a **computer system**, including businesses providing computer based services over a network.

System Administration means, as applied to a **computerized telephone system**, the performance of security functions including, but not limited to, selecting and authorizing individuals to have access to the **computerized telephone system** and to administer **access codes** and/or **system passwords**; controlling or cancelling **computerized telephone system** options that route telephone calls or modify telephone lines or Voice over Internet Protocol (VoIP) settings, or options allowing similar actions as permitted by the hardware or software of the **computerized telephone system**.

System Maintenance means, as applied to a **computerized telephone system**, the performance of installation, diagnostic and corrective work on hardware and software, and other similar functions, for the purpose of setting up or maintaining basic operational functionality of the **computerized telephone system**.

System Password means, as applied to a **computerized telephone system**, a confidential and secured string of characters that identifies or authenticates a person and allows that person to access the **computerized telephone system** or any part of such system for purposes of **system administration** or **system maintenance**.

4. Notwithstanding anything to the contrary under the attached policy, the coverage afforded by this endorsement applies only to "**loss**" sustained in its entirety and discovered by the Insured from the date this endorsement takes effect and during the period this endorsement is in force.

5. The limits of liability and deductible amounts applicable to the **Computerized Telephone Systems Fraud Coverage** are as follows:

Limit of Liability: \$5,000 in any one **occurrence** Deductible: \$250

DIRECTORS' AND OFFICERS' LIABILITY

MODIFICATIONS TO FORM 350.2e, NON-PROFIT ORGANIZATION LIABILITY INSURANCE POLICY

1. Coverage offered under **PART 3 – EXTENDED REPORTING PERIOD** is deleted and replaced by the following:
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. CHANGE OF CONTROL** 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 with respect to any **Claim** (but shall not include any **Claim** relating to **Expense Coverage**) first made against them during this **Extended Reporting Period** of 36 months granted automatically and without additional costs, but only with respect to any **Wrongful Act** committed prior to the effective date of termination of this Policy.
The **Extended Reporting Period** is not intended, nor shall be construed to increase the Aggregate Limit per **Policy Period**.
2. The following exclusion is added to **PART 4 – EXCLUSIONS**:
This policy does not apply to:
 11. **Claims or facts known to the Insured**
 - 11.1. **claims**, whether disclosed in the application or not, in any way known to any **Insured** prior to the effective date of this policy (or of the initial policy issued by the Insurer if this policy forms part of a continuous series of renewals);
 - 11.2. any fact or circumstance that may reasonably give rise to a **claim**, whether disclosed in the application or not, in any way known to any **Insured** prior to the effective date of this policy (or of the initial policy issued by the Insurer if this policy forms part of a continuous series of renewals, or of the initial non-profit organization directors' and officers' liability policy issued.

AMENDMENT TO FORM 375.8e, DIRECTORS AND OFFICERS COVERAGE AMENDATORY ENDORSEMENT

1. Paragraph 1. of form 375.8e is deleted and replaced as follows:
 1. The following words or terms when referenced and appearing in Form 350.2e, attached to and forming part of this Policy, shall mean:
 - 1.1. "Policy" shall mean the immediate coverage per the terms and conditions provided in Form 350.2e only;
 - 1.2. **Parent Organization** shall mean the not for profit or for profit entity listed as an **Insured** in the Declarations Page and given the meaning afforded under Form 350.2e.

LEGAL ASSISTANCE, INFO-HEALTH ASSISTANCE, MORAL ASSISTANCE, HUMAN RESOURCES MANAGEMENT ASSISTANCE, BUILDING MAINTENANCE ASSISTANCE AND SUPPORT FOLLOWING TRAUMATIC EVENTS – These extensions of coverage only apply to day cares of more than nine (9) children.

As shown in the brochures attached to your Policy.

All other terms and conditions of the policy remain unchanged.

Policy Number:

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 Intact 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 landslip.

- 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 BF02/034 – 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 <i>EDGE Complete</i> 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
----------------------	---------------	---------------
- *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

TABLE OF CONTENTS

pages

INDEMNITY AGREEMENT.....3
INSURED PROPERTY.....3
INSURED PERILS.....3
EXCLUSIONS.....3
EXCLUDED PROPERTY.....3
EXCLUDED PERILS.....4
EXTENSIONS OF COVERAGE.....6
REMOVAL.....6
DEBRIS REMOVAL.....6
PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES.....6
BUILDING DAMAGE BY THEFT.....6
GROWING PLANTS, TREES, SHRUBS OR FLOWERS OUTSIDE THE BUILDING.....6
NEWLY ACQUIRED LOCATION.....6
SPECIAL PROVISIONS.....6
DEDUCTIBLE.....6
CO-INSURANCE.....6
PROPERTY PROTECTION SYSTEMS.....7
PREMIUM ADJUSTMENT.....7
BASIS OF VALUATION.....7
LIBERALISATION CLAUSE.....7
INFLATION PROTECTION.....7
SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUMS.....7
DEFINITIONS.....8
BUILDING.....8
CASH CARDS.....8
CLEAN UP.....8
COMMUNICATION SERVICE.....8
CONDOMINIUM CORPORATION.....8
CONTENTS.....8
DATA.....8
DATA PROBLEM.....8
EQUIPMENT.....8
FIRE PROTECTIVE EQUIPMENT.....8
FUNGI.....8
LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT.....8
MALICIOUS ACTS.....8
NAMED PERILS.....8
POLLUTANTS.....9
PREMISES.....9

PROPERTY OF EVERY DESCRIPTION.....9
SPORES.....9
STOCK.....9
SURFACE WATER.....9
TERRORISM.....9
UNIT.....9
WATERMAIN.....9

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 the suspension 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 taxied 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 3.0

TABLE OF CONTENTS

	pages
SUMMARY OF COVERAGES	3
SECTION 1 – BLANKET EXTENSIONS.....	3
SECTION 2 – BLANKET EXTENSIONS.....	3
SECTION 3 – INDIVIDUAL EXTENSIONS.....	4
SPECIAL PROVISIONS.....	5
PROPERTY COVERAGE	5
EXTENSIONS OF COVERAGE	5
SECTION 1 – BLANKET EXTENSIONS.....	5
ACCOUNTS RECEIVABLE.....	5
BRANDS AND LABELS.....	6
BUILDING DAMAGE BY THEFT.....	6
ENVIRONMENTAL (GREEN) UPGRADE.....	6
EXPEDITING EXPENSES.....	6
FIRE OR POLICE DEPARTMENT SERVICE CHARGES.....	6
FIRE SUPPRESSION RECHARGE EXPENSE.....	6
PERSONAL PROPERTY OF OFFICERS, EMPLOYEES AND VOLUNTEERS.....	6
PROFESSIONAL FEES.....	6
PROOF OF LOSS AND INVENTORY PREPARATION EXPENSE.....	6
REPLACEMENT OF LOCKS AND KEYS.....	7
TENANT LEASEHOLD INTEREST - RENTS.....	7
VALUABLE PAPERS AND RECORDS, COMPUTER DATA.....	7
SECTION 2 – BLANKET EXTENSIONS.....	7
ACCRUED STORAGE CHARGES.....	7
ARSON AND THEFT REWARD.....	7
CONTENTS AT INSURED'S RESIDENCE OR INSURED'S EMPLOYEE'S RESIDENCE.....	7
CONTENTS AT OTHER THAN SPECIFIED LOCATIONS.....	7
CONTENTS TEMPORARILY AWAY FROM THE LOCATION(S).....	7
DEFERRED PAYMENT PLAN STOCK.....	7
EXHIBITION FLOATER.....	7
FINE ARTS.....	7
FINES, DAMAGES OR PENALTIES FOR BREACH OF CONTRACT.....	8
INSTALLATION FLOATER.....	8
MOBILE INVENTORY MANAGEMENT EQUIPMENT.....	8
MORTGAGE RATE GUARANTEE.....	8
MOULDS AND PATTERNS.....	8
PROPERTY IN CUSTODY OF SALES REPRESENTATIVES.....	8
SECTION 3 – INDIVIDUAL EXTENSIONS.....	8
BAILEE'S CUSTOMER.....	8
BREAKDOWN OF REFRIGERATION OR HEATING EQUIPMENT ON VEHICLE.....	9
BUILDING BY-LAWS.....	9
CATCH ALL CLAUSE.....	9
COMPUTER SYSTEMS, MEDIA AND DATA BREAKDOWN.....	9
CONDOMINIUMS – COMMON ELEMENTS CONTENTS OR COMMON AREA CONTENTS.....	10
CONDOMINIUMS – COMMON EXPENSE.....	10
CONDOMINIUMS – TRUSTEES FEES.....	10
CONDOMINIUMS – PROPERTY IN CUSTODY.....	10

CONDOMINIUMS – UNIT OWNERS' ADDITIONAL COVERAGES.....	10
CONFISCATION OR SEIZURE OF PROPERTY.....	10
CONSEQUENTIAL LOSS – OFF-PREMISES SERVICE INTERRUPTION.....	10
CONSEQUENTIAL LOSS – ON PREMISES.....	10
CONSTRUCTION OF ADDITIONS, EXTENSIONS, ALTERATIONS AND REPAIRS.....	10
CRANE OPERATOR'S INSURANCE.....	11
DEBRIS REMOVAL - ADDITIONAL EXPENSES.....	11
EQUIPMENT UPGRADE.....	11
EXTRA EXPENSE.....	11
GROWING PLANTS, TREES, SHRUBS, LAWNS OR FLOWERS.....	11
LAND AND WATER POLLUTANT CLEAN UP EXPENSES.....	11
MONEY AND SECURITIES.....	12
NEWLY ACQUIRED CONTENTS.....	12
NEWLY ACQUIRED LOCATION.....	12
OFFICE CONTENTS.....	12
PEAK SEASON INCREASE.....	12
PRECIOUS METALS.....	12
PROPERTY IN TRANSIT.....	12
PROPERTY LEASED, RENTED OR LOANED.....	12
REMOVAL.....	13
ROADWAYS, WALKWAYS AND PARKING LOTS.....	13
SYSTEM SOFTWARE ERASURE.....	13
UNSCHEDULED TOOL FLOATER.....	13
WAREHOUSEMAN'S LEGAL LIABILITY.....	13
SPECIAL PROVISIONS.....	13
BASIS OF VALUATION - REPLACEMENT COST.....	13
NOTICE OF CANCELLATION/TERMINATION AMENDMENT.....	14
TERRITORIAL LIMITS.....	14
WAIVER OF DEDUCTIBLE FOR A MAJOR LOSS.....	14

SUMMARY OF COVERAGES

SECTION 1

SECTION 1 – BLANKET EXTENSIONS		
Item	Extensions of Coverage	Total Combined Amount of Insurance per occurrence
1.	Accounts Receivable	\$750,000
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		
Item	Extensions of Coverage	Total Combined Amount of Insurance per occurrence
14.	Accrued Storage Charges	\$250,000
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	\$30,000
29.	Breakdown of Refrigeration or Heating Equipment on Vehicle	\$50,000
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	\$50,000
32.	Computer Systems	\$100,000
	Computer Media	\$50,000
	Computer Data	\$50,000
33.	Condominiums – Common Elements Contents or Common Area Contents	\$100,000
34.	Condominiums – Common Expense	Included
35.	Condominiums – Trustees Fees	2% / \$100,000
36.	Condominiums – Property in Custody	\$7,500 per unit owner / \$75,000 per occurrence
37.	Condominiums – Unit Owners' Additional Coverages	
37.1.	Contingent Condominium Unit Coverage	\$350,000
37.2.	Special Loss Assessment	\$350,000
37.3.	Betterments and Improvements	\$50,000
38.	Confiscation or Seizure of Property	\$25,000
39.	Consequential Loss – Off-premises Service Interruption	\$50,000
40.	Consequential Loss – On Premises	Included
41.	Construction of Additions, Extensions, Alterations and Repairs	\$150,000
42.	Crane Operator's Insurance	\$25,000
43.	Debris Removal – Additional Expenses	Included + 10% / \$1,000,000
44.	Equipment Upgrade	\$50,000
45.	Extra Expense	\$100,000
46.	Growing Plants, Trees, Shrubs, Lawns or Flowers	\$50,000
47.	Land and Water Pollutant Clean Up Expenses	\$100,000 aggregate per policy period
48.	Money and Securities	\$5,000
49.	Newly Acquired Contents	\$500,000 (Equipment) / \$25,000 (Stock) / (30 days)
50.	Newly Acquired Location	\$2,000,000 (Building) / \$500,000 (Contents) / (90 days)
51.	Office Contents	\$50,000
52.	Peak Season Increase	25%
53.	Precious Metals	\$25,000
54.	Property in Transit	\$50,000
55.	Property Leased, Rented or Loaned	\$100,000
56.	Removal	Included (60 days)
57.	Roadways, Walkways and Parking Lots	\$100,000
58.	System Software Erasure	\$30,000 aggregate per policy period
59.	Unscheduled Tool Floater	\$10,000
60.	Warehouseman's Legal Liability	\$100,000

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 habitational 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.

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 or War Exclusion. Except to the extent of coverage under this Endorsement, the terms of such Data or War 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.

18. War, State-Sponsored Activity, Hostile Cyber Activity, Economic Sanctions

Loss, damage, expenses or increased costs arising out of or in any way involving any means, methods or techniques of engaging in:

- 18.1. War, including cyber warfare, hybrid warfare, undeclared war or civil war;
- 18.2. Warlike action, including action in hindering or defending against an actual or expected attack, either directly or indirectly performed, ordered or sponsored by any:
 - 18.2.1. government, sovereign or other authority;
 - 18.2.2. agent, branch, subdivision or entity of any government, sovereign or other authority; or
 - 18.2.3. other person or organization acting on behalf of any government, sovereign or other authority;
- 18.3. Espionage, illegal activity or vandalism either directly or indirectly performed, ordered or sponsored by any:
 - 18.3.1. government, sovereign or other authority;
 - 18.3.2. agent, branch, subdivision or entity of any government, sovereign or other authority; or
 - 18.3.3. other person or organization acting on behalf of any government, sovereign or other authority;
- 18.4. **Hostile cyber activity** either directly or indirectly performed, ordered or sponsored by any:
 - 18.4.1. government, sovereign or other authority;
 - 18.4.2. agent, branch, subdivision or entity of any government, sovereign or other authority; or
 - 18.4.3. other person or organization acting on behalf of any government, sovereign or other authority;
- 18.5. Economic sanctions by any:
 - 18.5.1. government, sovereign or other authority;
 - 18.5.2. agent, branch, subdivision or entity of any government, sovereign or other authority; or
 - 18.5.3. other person or organization acting on behalf of any government, sovereign or other authority; or
- 18.6. Insurrection, rebellion, revolution or usurped power

including but not limited to means, methods or techniques that: (a) are physical, kinetic, cyber or economic; (b) are offensive or defensive; or (c) impact a government, sovereign or other authority, or impact individual persons, individual organizations or any group(s) of persons or organizations.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to such loss, damage, expenses or increased costs.

With respect to Insuring Agreement B, in addition to the exclusions above, insurance granted by this Endorsement shall not apply to:

19. 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. **Hostile cyber activity** means any actual or attempted:
 - 5.1. Access or use of any computer, computer system or network by unauthorized persons or organizations (including access or use by persons or organizations in a manner that exceeds their authority), regardless of whether such access affects the functionality of such computer, system or network or alters, deletes, corrupts or denies access to any data stored therein; or
 - 5.2. Operations directed at any computer, computer system, or network to:
 - 5.2.1. Alter, delete, corrupt, or deny access to any computer, computer system or network or to any data stored therein;
 - 5.2.2. Partially or totally disrupt or disable the functioning of any computer, computer system, or network or any related physical infrastructure; or
 - 5.2.3. Cause:
 - 5.2.3.1. Bodily injury;
 - 5.2.3.2. Physical injury to tangible property; or
 - 5.2.3.3. Loss of use of tangible property regardless of whether such property is physically injured; outside of any computer, computer system, or network.
6. **Named Insured** means the entity named in the Declaration Page(s).
7. **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.
8. **Remediation expenses** means reasonable and necessary expenses that are required by law or that have received the Insurer's consent and approval beforehand, incurred by the **Named Insured** for:
 - 8.1. 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**;
 - 8.2. **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**;
 - 8.3. 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**;
 - 8.4. 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 8.1. 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 this Endorsement or in the Privacy Breach Expense Endorsement.

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

1. 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.
2. 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

1. Insurance as provided by this coverage extension does not apply to the payment of indemnification or compensation of any kind.
2. Insurance as provided by this coverage extension does not apply to **legal fees or defence expense**:
 - 2.1. related to a dispute or an action of any kind between the **Named Insured** and the Insurer;
 - 2.2. 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**;
 - 2.3. in regard to the **Named Insured** as a plaintiff;
 - 2.4. in regard to the review or appeal of any decision;
 - 2.5. in regard to any regulatory or disciplinary action related to the **Named Insured's** profession.

LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limit of Insurance for this coverage extension:
 - 1.1. is specified in the Declaration Page(s); and
 - 1.2. 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**.
2. 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

1. If a Condition is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.
2. 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.
3. 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.
4. This coverage is excess over any other insurance, whether primary, excess, contingent or on any other basis.
5. This coverage extension shall apply exclusively to **civil proceedings** or claims arising in Canada.
6. 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

1. **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:
 - 1.1. an arbitration proceeding; or
 - 1.2. 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.

2. **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:
- 2.1. fees of the **Named Insured's** attorney;
 - 2.2. experts' fees;
 - 2.3. judicial costs including but not limited to judicial stamps and fees for bailiffs, stenography and translation;
 - 2.4. 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;
 - 2.5. 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.

COMMON EXCLUSIONS

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.

APPLICABLE TO ALL COVERAGES UNLESS OTHERWISE STATED

If the exclusions contained in this form are also found elsewhere in this policy, the latter take precedence.

DATA PROBLEM

1. EXCLUSIONS

- 1.1. This policy does not insure **data**;
- 1.2. This policy does not insure loss or damage caused directly or indirectly by a **data problem**, notably the business interruption. This exclusion (1.2.) does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from fire protective equipment, unless otherwise excluded elsewhere in this policy.

2. LIMITATION

For Business Interruption coverages, with respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic **data** processing or electronically controlled equipment, including **data** thereon, by the perils insured against, the length of time for which the Insurer shall be liable hereunder shall not exceed 30 consecutive calendar days or the length of time that would be required to rebuild, repair or replace such other property herein specified as has been damaged or destroyed, whichever in the greater length of time.

3. BASIS OF SETTLEMENT

The liability of the Insurer for loss or damage to media, **data** storage devices, and programme devices for electronic and electro-mechanical **data** processing or electronically controlled equipment, except in presence of a specific coverage, shall not exceed the cost of reproducing such media, **data** storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or **data** for such reproduction.

4. DEFINITIONS

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

Data Problem means:

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

FUNGI AND SPORES

1. EXCLUSIONS

This policy does not insure:

- 1.1. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any **fungi** or **spores**. This exclusion does not apply:
 - 1.1.1. if the **fungi** or **spores** are directly caused by a peril not otherwise excluded by this policy; or
 - 1.1.2. to loss or damage caused directly by a resultant peril not otherwise excluded by this policy;
- 1.2. the cost or expense for any testing, monitoring, evaluating or assessing of **fungi** or **spores**.

2. DEFINITIONS

Fungi includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any **fungi** or **spores** or resultant mycotoxins, allergens, or pathogens.

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

TERRORISM

1. EXCLUSION

This policy 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.

2. DEFINITION

Terrorism means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(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.

ONLY APPLICABLE TO PROPERTY COVERAGES

The exclusions described below in this endorsement are attached to and modify 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.

VIRUS AND BACTERIA EXCLUSION

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.

CYBER INCIDENT EXCLUSION

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.

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:
 - 1.1. the Insured, the insured site or insured property located in the declared emergency area; or
 - 1.2. the operations of the Insurer or its agent/broker located in the declared emergency area.
2. 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:
 - 2.1. 30 days; or
 - 2.2. the number of days equal to the total time the **emergency** order was in effect.
3. If this policy is due to expire during an **emergency**, it will continue in force until the **emergency** is terminated plus the lesser of:
 - 3.1. 30 days; or
 - 3.2. the number of days equal to the total time the **emergency** order was in effect.
4. In no event shall the total term of this extension exceed 120 consecutive days.
5. 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.

DEFINITION

1. **Emergency** means the first statutory declaration of an emergency:
 - 1.1. 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
 - 1.2. as provided for by the relevant governing legislation if different from 1.1. above.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.

GENERAL CONDITIONS

TABLE OF CONTENTS

	pages
STATEMENTS.....	3
REPRESENTATION OF RISK (Article 2408).....	3
MATERIAL CHANGE IN RISK (Articles 2466 and 2467).....	3
MISREPRESENTATION OR CONCEALMENT (Articles 2410, 2411 and 2466).....	3
WARRANTIES (Article 2412).....	3
GENERAL PROVISIONS.....	3
INSURABLE INTEREST (Articles 2481 and 2484).....	3
CHANGES (Article 2405).....	3
ASSIGNMENT (Articles 2475 and 2476).....	3
BOOKS AND RECORDS.....	3
INSPECTION.....	3
CURRENCY.....	3
AUTOMATIC REINSTATEMENT.....	3
PREMIUM AUDIT.....	3
TRADE AND ECONOMIC SANCTIONS.....	3
LOSS OR DAMAGE.....	4
DUTIES OF THE INSURED IN THE EVENT OF LOSS OR DAMAGE (Articles 2470, 2471, 2495 and 2504).....	4
FALSE REPRESENTATION (Article 2472).....	4
INTENTIONAL FAULT (Article 2464).....	4
RIGHT OF ACTION (Article 2502).....	4
COMPENSATION AND SETTLEMENT.....	4
BASIS OF SETTLEMENT (Articles 2490, 2491 and 2493).....	4
PAIR AND SET.....	4
PARTS.....	4
RIGHT OF THE INSURER TO REPAIR OR REPLACE (Article 2494).....	5
TIME OF PAYMENT (Articles 2469 and 2473).....	5
PROPERTY OF OTHERS.....	5
WAIVER.....	5
LIMITATION OF ACTIONS (Article 2925).....	5
SUBROGATION (Article 2474).....	5
OTHER INSURANCE.....	5
PROPERTY INSURANCE (Article 2496).....	5
LIABILITY INSURANCE.....	5
CANCELLATION (Articles 83, 2477 and 2479).....	6
NOTICE.....	6
ADDITIONAL CONDITIONS (Property insurance).....	6
FIRES OR EXPLOSIONS CAUSED BY VOLCANIC ERUPTION, EARTHQUAKE OR OTHER CATACLYSM (Article 2486).....	6
PERMISSIONS.....	6

BREACH OF CONDITIONS.....	6
PROPERTY PROTECTION SYSTEMS.....	6
DEFINITIONS.....	7
SHORT RATE CANCELLATION TABLE.....	8

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.

SHORT RATE CANCELLATION TABLE

As per General Condition 29. CANCELLATION, if this Policy is cancelled by the Insured, it will be subject to a short rate cancellation formula as outlined in the following table.

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		

BUSINESS INTERRUPTION INSURANCE

ACTUAL LOSS SUSTAINED

1. INDEMNITY AGREEMENT

This Form insures against loss directly resulting from necessary interruption of the Insured's business caused by direct physical loss or direct physical damage by the perils insured against, to building(s), equipment or stock on the **premises**, occurring during the term of the policy.

2. MEASURE OF RECOVERY

The insurance under this Form is limited to the Actual Loss Sustained of **gross profit** due to 2.1. – Reduction in Turnover and 2.2. – Increase in Cost of Working, and the amount payable shall be:

2.1. In respect of Reduction in Turnover:

The sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** shall, in consequence of the destruction or damage by a peril insured against, fall short of the **standard turnover**;

2.2. In respect of Increase in Cost of Working:

The additional expenditure (subject to Special Provisions Clause 3.2.) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** suffered during the **indemnity period** in consequence of the destruction or damage by a peril insured against, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided;

less any sum saved during the **indemnity period** in respect of such of the **insured standing charges** as may cease or be reduced in consequence of the destruction or damage by the perils insured against;

3. SPECIAL PROVISIONS

3.1. If during the **indemnity period** goods shall be sold or services shall be rendered elsewhere than at the **premises** for the benefit of the business either by the Insured or by others on the Insured's behalf, the money paid or payable in respect of such sales or service shall be brought into account in arriving at the **turnover** during the **indemnity period**.

3.2. If any standing charges of the business are not insured by this Form, then in computing the amount recoverable hereunder as **increase in cost of working**, that proportion only of the additional expenditure shall be brought into account which the sum of the **net profit** and the **insured standing charges** bears to the sum of the **net profit** and all standing charges.

3.3. On the happening of any destruction or damage by a peril insured against in consequence of which a claim is made or may be made under this Form, the Insured shall with due diligence do and concur in doing and permit to be done all things which would be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.

4. SPECIAL EXCLUSION

The Insurer shall not be liable for loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature.

5. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding 30 days, while access to the **premises** is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighbouring premises by a peril insured against under this policy.

6. BUILDING BY-LAWS

In case of loss or damage by a peril insured against, this Form is extended to cover any increase in loss resulting from, or contributed to by, the operation of any by-law, ordinance or law which regulates zoning or the demolition, repair or construction of damaged buildings or structures, but shall in no way operate to extend the **indemnity period** or to increase the amount of insurance.

7. WAIVER OF TERM OR CONDITION

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

8. DEFINITIONS

Wherever used in this Form:

8.1. **Annual Turnover** means the turnover during the twelve (12) months or to a proportionately increased multiple thereof where the maximum **indemnity period** exceeds twelve (12) months, immediately before the date of the destruction or damage by perils insured against;

To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by perils insured against or which would have affected the business had the destruction or damage by perils against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by perils insured against.

8.2. **Gross Profit** means the sum produced by adding to the **net profit** the amount of the **insured standing charges** or if there is no **net profit** the amount of the **insured standing charges** less such a proportion of any net trading loss as the amount of the **insured standing charges** bears to all standing charges of the business.

8.3. **Indemnity Period** means the period beginning with the occurrence of a peril insured against and ending no later than twelve (12) months thereafter, during which the results of the business shall be affected in consequence of the destruction or damage by a peril insured against.

8.4. **Insured Standing Charges** means all standing charges unless otherwise specified in the Declaration Page(s) in which case only those standing charges so specified are insured.

In no event shall the following be deemed to be standing charges:

8.4.1. depreciation of stock;

8.4.2. bad debts.

8.4.3. Wages and salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.

- 8.5. **Net Profit** means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the **premises** specified after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
- 8.6. **Premises** means the entire area within the property lines at the location(s) specified in the Declaration Page(s), or at any newly acquired location, including:
- 8.6.1. areas under adjoining sidewalks and driveways;
 - 8.6.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 8.6.
 - 8.6.3. in the open within 305 metres (1000 feet) of such property lines described in 8.6.
- 8.7. **Rate of Gross Profit** means the **rate of gross profit** earned on the **turnover** during the financial year immediately before the date of the destruction or damage by a peril insured against;
- To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by perils insured against or which would have affected the business had the destruction or damage by perils against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by perils insured against.
- 8.8. **Standard Turnover** means the **turnover** during that period in the twelve (12) months immediately before the date of the destruction or damage by perils insured against which corresponds with the **indemnity period**;
- To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by perils insured against or which would have affected the business had the destruction or damage by perils against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by perils insured against.
- 8.9. **Turnover** means the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the **premises**.

Policy Number:

Important Changes To Your Business Interruption Coverage

Hello,

At Intact Insurance, we are committed to providing exceptional customer service and insurance solutions for you and your business. We've recently updated several endorsements and extension packages. These are important changes that impact your coverage and limits.

Please review and contact your broker with any questions.

Some of the coverage adjustments which result follow.

If your expiring policy contains Form 239.0 – Power Failure Endorsement:

- Form 239.0 – Power Failure Endorsement has been replaced by Form 239.1 – Off-Premises Service Interruption Endorsement.
- Consistent with other changes made to some of your property policy forms, the new endorsement further highlights that coverage is provided for “direct physical loss” and “direct physical damage”.
- The wording confirms that coverage under the endorsement replaces any other business interruption coverage provided under any off-premises service interruption coverage otherwise provided under your policy.

Coverage enhancements:

- In addition to electricity, water, gas and steam, coverage under the endorsement now also applies to communication services, as defined under your property policy forms, supplied to the premises.

Reductions in coverage:

- Coverage under the endorsement no longer applies during the first twenty-four (24) hours of loss of services.
- Coverage under the endorsement now excludes loss or damage directly or indirectly arising from:
 - Loss or damage to off-premises overhead electrical transmission or distribution lines (or their supporting structures)
 - Loss or reduction of electricity, water, gas, steam or any communication service due to lack of sufficient capacity; and
 - An intentional reduction in the supply of electricity, water, gas, steam or any communication service.
- The amount of insurance applicable under the endorsement is not an additional amount of insurance and is now included in the amount of insurance otherwise applicable to the business interruption coverage provided at the premises.

If your expiring policy contains Form BI15 – Off Premises Services Interruption Endorsement:

- The endorsement has been replaced with the updated Form BI15 – Off-Premises Service Interruption Endorsement.
- Consistent with other changes made to some of your property policy forms, the new endorsement further highlights that coverage is provided for “direct physical loss” and “direct physical damage”.
- The wording confirms that coverage under the endorsement replaces any other business interruption coverage provided under any off-premises service interruption coverage otherwise provided under your policy.

Coverage enhancements:

- In addition to electricity, water, gas and steam, coverage under the endorsement now also applies to communication services, as defined under your property policy forms, supplied to the premises.

- The endorsement's exclusion for loss or damage to off-premises electrical transmission lines or distribution lines has been limited to overhead electrical transmission lines and distribution lines.
- If the endorsement contained in your expiring policy contains a coverage restriction which requires that the damaged apparatus be within a specified distance from the insured premises, that coverage restriction has been removed.

Reductions in coverage:

- The amount of insurance applicable under the endorsement is no longer an additional amount of insurance and is now included in the amount of insurance otherwise applicable to the business interruption coverage provided at the premises.

If your expiring policy contains Form EP21/233.5, EP31/233.6 or EP41/233.7 – Business Interruption Extension 1.0, 2.0 or 3.0:

Extension 8. Off-Premises Service Interruption has been modified and some of the coverage adjustments which result follow.

- Consistent with other changes made to some of your property policy forms, the new extension further highlights that coverage is provided for "direct physical loss" and "direct physical damage".

Coverage enhancements:

- 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 coverage restriction which requires that the damaged apparatus be within a specified distance from the insured premises has been removed.

Reductions in coverage:

- Coverage under the extension no longer applies during the first twenty-four (24) hours of loss of services.
- The amount of insurance applicable to the extension has been reduced under the Business Interruption Extension 2.0 and 3.0 forms. The limit applicable to level 2.0 is now \$25,000, and the limit applicable to level 3.0 is now \$50,000.
- Coverage under the extension now excludes 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; and
 - An intentional reduction in the supply of electricity, water, gas, steam or any communication service.

This letter is only a summary of the changes to your coverage. Please refer to your insurance policy which provides the full details of your coverage, including a full list of conditions and exclusions. If you have questions about your policy or these changes, please contact your broker at .

Sincerely,

The Intact Insurance Team

BUSINESS INTERRUPTION EXTENSION 3.0

SUMMARY OF COVERAGES

Item	Extensions of Coverage	Amount of Insurance per occurrence (\$)
1.	Contingent Loss of Income – Contributing/Recipient Property	100,000
2.	Contingent Loss of Income – Neighbouring premises	50,000 or 90 days (highest amount)
3.	Extra Expenses	100,000
4.	Fines, Damages or penalties for Breach of Contract	50,000
5.	Interruption by Civil Authority	30 days
6.	Mortgage Rate Guarantee	100,000
7.	Newly Acquired Property	90 days
8.	Off-Premises Service Interruption	50,000
9.	Ordinary Payroll	90 days
10.	Product Research & Development Business Income Extension	50,000
11.	Professional Fees	25,000
12.	Tenant's Leasehold Interest – Rents	50,000

The Coverages and Limits of Insurance shown under the Summary of Coverages in this Form only apply if a Business Interruption Insurance Form is attached to this policy.

Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS Section contained in the Form to which this Form 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.

In the event that coverage provided under any Extension in this Form is more specifically and separately insured elsewhere in this policy, then only the relevant Extension with the highest limit shall apply.

In addition, if the Limit of Insurance specified in the Summary of Coverages in this Form and the Limit of Insurance shown on the Declaration Page(s) are different, the highest limit will apply.

The following Extensions are subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Business Interruption Insurance Form attached to this policy, unless stated otherwise.

1. Contingent Loss of Income – Contributing/Recipient Property

This Form is extended to cover loss of business income resulting from the necessary interruption of or interference with the business of the Insured caused by direct physical loss or direct physical damage by an insured peril occurring during the term of the policy to property situated:

- 1.1. at the premises of a recipient property, being property to which the Insured's products are being shipped, which wholly or partially prevents the acceptance of products produced or sold by the Insured; or
- 1.2. at the premises of a contributing property, being a supplier(s) of materials to the Insured, which wholly or partially prevents the delivery of materials to the Insured, excluding:
 - 1.2.1. public utility suppliers such as electricity or gas; or
 - 1.2.2. cable, satellite or other communications suppliers;
- 1.3. at the premises of the provider of internet access services to the Insured, which wholly prevents the transmission of data.

This Extension applies only to contributing/recipient properties situated in Canada or in the United States of America.

2. Contingent Loss of Income – Neighbouring premises

This Form is extended to cover loss of business income resulting from interruption of or interference with the business in consequence of direct physical loss or direct physical damage by an insured peril to property on the same premises, or in neighbouring premises to the Insured, that prevents or hinders the use of or access to the **premises** or property of the Insured, whether the Insured's **premises** or property are damaged or not.

The amount payable under this Extension shall be the highest of the amount of insurance stated in the Summary of coverages or the amount of loss of income incurred for the number of days specified in this Summary of coverages.

3. Extra Expenses

This 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 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 damage to neighbouring premises by an insured peril.

The following expenses are not covered under any circumstances:

- 3.1. loss of income;
- 3.2. extra expense in excess of that necessary to continue as nearly as practicable the **normal** conduct of the Insured's business;
- 3.3. 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 expenses**.

Extra expenses 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 and necessary emergency expenses. Any salvage value of such property remaining after resumption of **normal** operations shall be taken into consideration in the adjustment of an 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.

4. Fines, Damages or penalties for Breach of Contract

This Form is extended to cover such sums the Insured shall be 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 damage to insured property from an insured peril.

5. Interruption by Civil Authority

This Form is extended to cover loss of business income during the period of time, not exceeding 30 days, while access to the **premises** is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss of or damage to neighbouring premises by an insured peril.

6. Mortgage Rate Guarantee

This Form is extended to cover the increase in mortgage cost required as a result of direct physical loss of or damage to a **building** 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, requiring a new mortgage at a higher, 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:

- 6.1. for the duration of the existing mortgage period in effect at the time of the loss, until its expiry; or
- 6.2. until the Insured relinquishes title or interest in the **building**; or
- 6.3. for a period not exceeding 60 months;

whichever occurs first.

This coverage shall have full force and effect only if loss of or damage to the **building** is deemed to be total, and settlement of partial losses shall be made as if this Extension had not been in effect.

7. Newly Acquired Property

This Form is extended to cover loss of business income due to direct physical loss of or damage to any newly acquired **buildings** or **contents** by an insured peril, and that are owned, rented or controlled by the Insured, in Canada or the United States of America.

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

- 7.1. for the number of days shown in the Summary of coverages; or
- 7.2. to the date of endorsement to this policy adding such location; or
- 7.3. until the expiry date of this policy;

whichever occurs first.

8. Off-Premises Service Interruption

This Form is extended to cover loss of business income arising from the interruption of business resulting from direct physical loss of or direct physical damage to **stock** on the **premises** caused by:

- 8.1. a change of temperature; or
- 8.2. 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:

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

This Extension does not cover loss of business income during the first 24 consecutive hours of loss of services.

9. Ordinary Payroll

This Form is extended to cover, unless specifically excluded or insured by separate endorsement to this policy, the Insured's entire ordinary payroll expense for a period of time not in excess of 90 consecutive days immediately following the date of the direct physical loss or damage, which may continue during a total or partial suspension of business. This Extension covers only to the extent necessary to resume the normal business of the Insured with the same quality of service which existed immediately preceding the destruction or damage by insured perils and which would have been earned had no such destruction or damage occurred.

Ordinary payroll expense means the entire payroll expense for all employees of the Insured, except officers, executives, department managers, employees under contract and other important employees whose services would not be dispensed with should the business be interfered with or interrupted.

10. Product Research & Development Business Income Extension

This Form is extended to cover loss of business income arising from a delay in the introduction of a new product or enhancement of an existing product, caused by direct physical loss of or damage from an insured peril to insured property that is directly related to the research and development of such products.

11. Professional Fees

This Form is extended to cover necessary and reasonable fees that the Insurer will pay to auditors, accountants, architects, surveyors, engineers or other professional consultants for producing or certifying particulars or details of the Insured's business that are required by the Insurer in the event of a claim.

This Extension applies only to such fees incurred in establishing the amount of a loss, liability for which is otherwise accepted by the Insurer.

This Extension of coverage does not apply to the fees and cost of public adjusters.

12. Tenant's Leasehold Interest – Rents

If, as a result of direct physical loss of or damage to insured property from an insured peril, the landlord terminates the lease in accordance with the conditions of the lease, this Extension to 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.

PROPERTY COVERAGE

FLOOD ENDORSEMENT

This endorsement changes the policy. Please read it carefully.

Certain 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 form; these titles have only been inserted for ease of reading. This endorsement applies to the Property Coverage of the policy and is subject to the terms, conditions, limitations and exclusions that are applicable to the Property Insurance Form to which this endorsement is attached.

This endorsement applies separately to each location for which Flood is specified on the Declaration Page(s).

1. INSURED PERIL

This insurance is extended to include **flood**.

2. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by **flood** exceeds the amount of the deductible specified on the Declaration Page(s) for this endorsement in any one **flood occurrence**.

This Deductible Clause applies separately to each **premises** or **project site** to which this endorsement applies.

3. EXCLUSIONS

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

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

4. EXTENSION OF COVERAGE

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

5. DEFINITIONS

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

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

PROPERTY COVERAGE

SEWER BACK UP ENDORSEMENT

This endorsement changes the policy. Please read it carefully.

Certain 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 form; these titles have only been inserted for ease of reading. This endorsement applies to the Property Coverage of the policy and is subject to the terms, conditions, limitations and exclusions that are applicable to the Property Insurance Form to which this endorsement is attached.

This endorsement applies separately to each location for which Sewer Back Up is specified on the Declaration Page(s).

1. INSURED PERIL

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

2. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by **sewer back up** exceeds the amount of the deductible specified on the Declaration Page(s) for this endorsement in any occurrence.

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

3. LIMIT OF INSURANCE

If an amount of insurance is specified on the Declaration Page(s) for this endorsement, the Insurer shall not be liable for more than that amount.

4. DEFINITION

Sewer back up means the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the Declaration Page(s), of water from within sewers, sumps, septic tanks or drains.

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

EQUIPMENT BREAKDOWN MAX

TABLE OF CONTENTS

	pages
SUMMARY OF COVERAGES.....	3
INSURING AGREEMENT.....	3
EXCLUSIONS.....	3
EXTENSIONS OF COVERAGE.....	4
EXTENSIONS IN ADDITION TO THE POLICY LIMIT.....	4
HAZARDOUS SUBSTANCES.....	4
AMMONIA CONTAMINATION.....	4
EQUIPMENT UPGRADE.....	4
LOSS OF DATA.....	4
ERRORS OR OMISSIONS IN STATEMENTS OF VALUES.....	5
LIBERALIZATION CLAUSE.....	5
BRANDS AND LABELS.....	5
ENVIRONMENTAL "GREEN" IMPROVEMENTS.....	5
OFF-PREMISES MOBILE EQUIPMENT.....	5
PUBLIC RELATIONS.....	5
CONTINGENT BUSINESS INTERRUPTION.....	5
EXTENSIONS INCLUDED IN THE POLICY LIMIT.....	6
EXPEDITING EXPENSES.....	6
BY-LAWS.....	6
PROFESSIONAL FEES/AUDITORS FEES.....	6
NEW ACQUISITIONS.....	6
SERVICE INTERRUPTION.....	6
INTERRUPTION BY CIVIL AUTHORITY.....	6
SPARES MITIGATION.....	6
SELLING PRICE.....	6
SPECIAL CONDITIONS.....	6
DEFINITIONS.....	8
Actual Cash Value.....	8
Actual Loss Sustained.....	8
Any One Breakdown.....	8
Breakdown.....	8
Business Interruption.....	8
Data.....	8
Equipment.....	8
Extra Expense.....	9
Fungi.....	9
Finished Stock.....	9
Geothermal Heating Systems.....	9
Goods.....	9
Green.....	9
Green Authority.....	9
Gross Earnings.....	9

Gross Rents.....9
Hazardous Substance.....9
Insured Property.....9
Indemnity Period.....9
Insured Standing Charges.....9
Loss of Profit.....9
Media.....9
Net Profit.....9
Ordinary Payroll.....9
Premises.....10
Raw Stock.....10
Spores.....10
Terrorism.....10

SUMMARY OF COVERAGES

IN ADDITION TO THE POLICY LIMIT		
Item	Extensions of Coverage	Amounts of Insurance
1.	Hazardous substances	\$500,000 in respect to any one breakdown
2.	Ammonia contamination	\$500,000 in respect to any one breakdown
3.	Equipment Upgrade	25% - maximum \$250,000 to any one breakdown
4.	Loss of data	\$100,000 to any one breakdown
5.	Errors or omissions in statements of values	\$500,000 in respect to any one breakdown
6.	Liberalization clause	\$50,000 in any one Policy Period
7.	Brands and Labels	\$250,000 in respect to any one breakdown
8.	Environmental "green" improvements	125% - maximum \$250,000 to any one breakdown
9.	Off-premises mobile equipment	\$25,000 in respect of any one breakdown
10.	Public Relations	\$10,000 in respect of any one breakdown
11.	Contingent business interruption	\$25,000 in respect of any one breakdown

INCLUDED IN POLICY LIMIT		
Item	Extensions of Coverage	Amounts of Insurance
12.	Expediting expenses	Included
13.	By-Laws	Included
14.	Professional fees/Auditors' fees	Included
15.	New acquisitions	Included
16.	Service interruption	Included
17.	Interruption by civil authority	Included - maximum 30 consecutive days
18.	Spares mitigation	Included
19.	Selling price	Included

N.B. See the wording of each Extension for full conditions of coverage.

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declaration Pages. The words "we", "us" and "our" refer to the company providing this insurance.

Words and phrases that appear in bold have special meaning. Refer to DEFINITIONS Section.

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

INSURING AGREEMENT

1. In consideration of the premium, if there is a **breakdown** of the **equipment** during the Policy Period, while said **equipment** is on the **premises** and in use or connected ready for use, when such **equipment** is owned by you, leased, rented and/or under your care, custody or control, we agree to pay for:
 - 1.1. loss or damage to the **equipment** and to other **insured property** directly damaged by the **breakdown**;
 - 1.2. loss or damage to perishable **insured property** that spoils solely from the **breakdown**;
 - 1.3. **business interruption/extra expense** which results solely from the **breakdown**;
 up to the amounts of insurance stated in the Declaration Page(s).

EXCLUSIONS

This Form does not apply to loss or damage arising directly or indirectly:

1. from nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by a **breakdown**;
2. from:
 - 2.1. war, including undeclared or civil war;
 - 2.2. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
 - 2.3. insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these; or
 - 2.4. civil commotion, sabotage, strike, vandalism or malicious acts;
3. by pollution, contamination or damage by a **hazardous substance**, however caused, except as provided under Extension of Coverage 2. **HAZARDOUS SUBSTANCES**;

4. by a **breakdown** caused by or resulting from:
 - 4.1. earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;
 - 4.2. wind, including but not limited to cyclone, tornado or hurricane;
 - 4.3. fire, smoke, or combustion explosion; or
 - 4.4. water or other means used to extinguish a fire;
 5. by:
 - 5.1. fire, smoke or combustion explosion that occurs at the same time as a **breakdown** or that ensues from a **breakdown**. However, with respect to any **equipment** which is a fully or totally enclosed electrical or electronic machine or apparatus, fire damage within the said machine or apparatus which occurs at the same time as a **breakdown** or that ensues from a **breakdown** is covered;
 - 5.2. water escaping resulting from a **breakdown** unless:
 - 5.2.1. coverage is not provided by another insurance in effect at the time of the loss; and
 - 5.2.2. water escapes from **equipment** that normally contains water or steam;
 - 5.3. flood. However, if a **breakdown** results from a flood, damage or expense caused by such **breakdown** is covered;
 - 5.4. lightning, if coverage for the cause of loss is provided by any other insurance in effect at the time of the loss; or
 - 5.5. a peril otherwise covered elsewhere within this Policy or in any other policy issued by us;
 6. from:

the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:

 - 6.1. the erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
 - 6.2. any error in creating, amending, entering, deleting or using **data**;
 - 6.3. the inability to receive, transmit or use **data**; or
 - 6.4. the impact of any virus or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility.

However, we shall pay for loss that ensues solely from the **breakdown** of any other **equipment**;
 7. 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;
- This Form does not insure:**
8. specific to sub-paragraph 1.3. under the **INSURING AGREEMENT** section:
 - 8.1. to loss occurring any time during which business could not or would not have been carried out if the **breakdown** had not occurred;
 - 8.2. to loss resulting from your failure to use due diligence and dispatch to resume, as soon as possible, complete or partial operations of the business;
 - 8.3. to fines or damages for breach of contract or for late or non-completion of orders; or
 - 8.4. to any penalties of whatever nature.
 9. loss from any indirect result of a **breakdown** except as provided under Sections 1.2. and 1.3. of Insuring Agreement.

EXTENSIONS OF COVERAGE

The following Extensions of Coverage are in addition to the amount of insurance stated in the Declaration Page(s):

1. HAZARDOUS SUBSTANCES

If a **hazardous substance** is involved in or released by a **breakdown** of **equipment**, we will pay, up to an amount of \$500,000 in respect of **any one breakdown**, for:

- 1.1. the increase in cost to repair, replace, clean up or dispose of affected **insured property**;
- 1.2. any increase in **business interruption/extra expense** loss because of the presence of **hazardous substances**.

We shall not be liable under this Coverage for loss or damage caused by ammonia contamination.

As used in this Coverage, "increase in cost" is that cost beyond that for which we would have been liable had no **hazardous substance** been present.

2. AMMONIA CONTAMINATION

If there is a **breakdown** to **equipment**, we will pay, up to an amount of \$500,000 in respect of **any one breakdown**, for loss with respect to damage by ammonia contacting or permeating property under refrigeration or in process requiring refrigeration, resulting from **any one breakdown**. This amount includes salvage expenses.

3. EQUIPMENT UPGRADE

This Form is extended to cover any increase in the cost of replacing an **equipment** damaged as a result of a **breakdown**, provided:

- 3.1. the **equipment** is replaced with a new **equipment** that is capable of performing the same functions and that may include technological improvements;
- 3.2. the amount of loss or damage to the **equipment** equals or exceeds its **actual cash value**.

This Extension shall not exceed 25% of the value of the damaged **equipment**, determined in accordance with the basis of settlement clause of this Policy, subject to a maximum recovery of \$250,000 in respect of **any one breakdown**.

4. LOSS OF DATA

Notwithstanding the Data problem exclusion provided under this Form or this Policy, if **data** is lost or damaged, we will pay, up to the amount of \$100,000 in respect of **any one breakdown**, for:

- 4.1. the cost of gathering or reproducing the **data**;
- 4.2. the **business interruption/extra expense** resulting from the loss or damage to the **data**;

However, we shall not be liable for **data** which is lost or damaged as a result of programming errors of any kind.

5. ERRORS OR OMISSIONS IN STATEMENTS OF VALUES

In the event of any unintentional error or omission in the statements of values that you submit to us or in the description of the **insured property**, we shall indemnify you subject to a maximum recovery of \$500,000 in respect of **any one breakdown**.

It is a condition of this Extension of Coverage that such error or omission be reported to us as soon as it is discovered. We reserve our right to charge an appropriate premium or to impose appropriate, additional conditions with respect to any such corrections that are made to the Policy.

6. LIBERALIZATION CLAUSE

For a period not exceeding 24 months from this Policy's first inception date, this Form is extended to include any extension of coverage afforded under the direct property damage section of the Equipment Breakdown/Boiler and Machinery policy immediately preceding this Form but not afforded by this Form or subject to a lesser limit under this Form, provided that:

- 6.1. such extension of coverage has not been declined by us;
- 6.2. such extension of coverage has not been refused by the Insured following conditions proposed by us;
- 6.3. our liability does not exceed the amount of insurance specified for such extension of coverage in the prior policy; and

This Extension is limited to a maximum recovery of \$50,000 in any one Policy Period. If during the Policy Period we introduce any broadening of this Form and for which no additional premium is charged, then such broadened insurance inures to the benefit of the Insured under this Form (effective from the date of formal introduction by us of such broadened insurance).

7. BRANDS AND LABELS

In the event of loss or damage arising out of a **breakdown to insured property** bearing a brand name or trademark, we shall indemnify you, subject to a maximum of \$250,000 in respect to **any one breakdown**, for the cost of removal of such brands, trademarks or other identifying characteristics (provided that such removal will not physically damage the **insured property**) prior to the sale, as salvage, of such **insured property** damaged by a **breakdown**; in accordance with the value established by us during loss adjustment. The salvage value of such damaged **insured property** is determined after removal (in the customary manner) of all such brands or trademarks or other identifying characteristics.

8. ENVIRONMENTAL "GREEN" IMPROVEMENTS

If the **equipment** requires replacement due to a **breakdown** we will pay you additional costs to replace your **equipment** with one that is better for the environment, and more efficient than the **equipment** being replaced. We will not pay more than 125% to a maximum amount of \$250,000 in respect of **any one breakdown** of what the cost would have been to replace with like kind, capacity, size, quality and function.

This Extension does not apply to any **equipment** valued at **actual cash value**, obsolete **equipment** and/or uninsured **equipment**.

Furthermore, we will pay up to a maximum of \$25,000, such amount being a part of the above stated limit and not in addition to:

- 8.1. the additional reasonable and necessary fees incurred by you for an accredited professional certified by a **green authority** to participate in the repair or replacement of physical damaged **equipment as green**;
- 8.2. the additional reasonable and necessary cost incurred by you for certification or recertification of the replaced or repaired **equipment as green**; and
- 8.3. the additional reasonable and necessary cost incurred by you for **green** in removal, disposal or recycling of damaged **equipment**.

This coverage does not apply to any:

- 8.4. stock, raw material, finished goods, production equipment, merchandise, electronic data processing **equipment** not used in the functional support of the **equipment**, process water, molds and dies, property in the open, property of others for which you are legally liable;
- 8.5. loss covered under any other section of the Form; or
- 8.6. cost incurred due to any law or ordinance with which you were legally obligated to comply prior to the time of the **equipment breakdown**.

9. OFF-PREMISES MOBILE EQUIPMENT

We will pay, up to a maximum of \$25,000 in respect of **any one breakdown**, for your loss or damage as defined in the **INSURING AGREEMENT** section of this Form, for mobile **equipment** that at the time of the **breakdown** is not on the **premises** provided that such mobile **equipment** is:

- 9.1. of a type described in the definition of **equipment**; and
- 9.2. at a location within Canada.

This coverage does not apply to any loss of mobile equipment:

- 9.3. when such **equipment** is manufactured or distributed by you or on your behalf for sale; or
- 9.4. resulting from collision, upset or external impact.

10. PUBLIC RELATIONS

We will pay, up to an amount of \$10,000 in respect of **any one breakdown**, for loss under **business interruption/extra expense** as described under sub-paragraph 1.3. of the **INSURING AGREEMENT** section and defined under the **DEFINITIONS** Section for reasonable costs for public relations services rendered by professionals to draft, create or broadcast communications, when the need for such communications arises directly from **business interruption/extra expense**. These communications must be directed to:

- 10.1. the media;
- 10.2. the public; or
- 10.3. your customers, clients or members.

Such costs must be incurred during the Policy Period and end:

- 10.4. thirty (30) consecutive days after the date the **insured property** is repaired or replaced; or
- 10.5. the necessary period of time to proceed with due diligence and dispatch to rebuild, repair or replace such **insured property** as has been damaged by the **breakdown**; whichever occurs first.

11. CONTINGENT BUSINESS INTERRUPTION

We will pay, up to an amount of \$25,000 in respect of **any one breakdown**, for loss under **business interruption/extra expense** as described under sub-paragraph 1.3. of the **INSURING AGREEMENT** section and defined under the **DEFINITIONS** Section from a **breakdown**, to equipment not owned, operated or controlled by you provided that said equipment:

- 11.1. is of a type described in the definition of **insured equipment**; and
- 11.2. is located at the **premises** of any company, with whom you are bound by contract as a customer or supplier, that is located within Canada and the continental United States of America:
 - 11.2.1. a Customer Location, owned by such customer to which your products are shipped, which wholly or partially prevents the acceptance of your products and result in a necessary **business interruption/extra expense**;
 - 11.2.2. a Supplier Location, owned by such supplier from which materials are shipped to you, which wholly or partially prevents the delivery of material(s) to you and results in a necessary **business interruption/extra expense**.

This coverage does not apply to any:

- 11.3. explosion of **insured equipment** other than any:

- 11.3.1. steam boiler, steam piping, steam turbine, gas turbine, steam engine; or
- 11.3.2. machine when such loss or damage is caused by centrifugal force or mechanical **breakdown**.
- 11.4. catalyst within any **insured equipment**, the catalyst shall not be considered to be part of the **insured equipment** and we will not pay for loss or damage caused by, arising from or resulting from loss or damage to such catalyst.

The following Extensions of Coverage shall not increase the amount of insurance stated in the Declaration page(s):

12. EXPEDITING EXPENSES

We will pay for the reasonable extra cost of temporary repairs to the **insured property** damaged by a **breakdown** or the cost to expedite the repair or replacement of such damage to **insured property**, including overtime and the extra cost of express or other rapid means of transportation. We will not pay for the costs of other property for use on a temporary basis while the damaged **insured property** is being repaired or replaced.

13. BY-LAWS

If prior to the time of a **breakdown** there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of **insured property**, we will pay for:

- 13.1. the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling;
- 13.2. any increase of loss due to **business interruption/extra expense** resulting from the enactment or application of any by-law, ordinance, law, regulation, rule or ruling, if covered by the Policy.

14. PROFESSIONAL FEES/AUDITORS FEES

In the event that a **breakdown** occurs, we will pay for the reasonable and necessary fees payable to auditors, accountants, architects, legal counsel, engineers or other professionals, excluding your employees, to help produce and certify information required by us to establish the amount payable under this Form.

15. NEW ACQUISITIONS

Coverage is extended to include new premises you may acquire, or those you occupy as a tenant, provided:

- 15.1. you notify us of your new acquisition in writing;
- 15.2. the **equipment** situated inside these premises is a type covered in the definition of **equipment**;
- 15.3. you agree to pay the resulting additional premium;
- 15.4. the newly acquired or rented location is in Canada or in the continental United States of America.

This Extension of Coverage shall apply at the time of the acquisition or location and extends for a period of 180 days, or to the date of endorsement of this Form adding such location, or until the expiry date of this Policy, whichever occurs first.

16. SERVICE INTERRUPTION

If there is a **breakdown** of **equipment** not owned or operated by you, we will pay for:

- 16.1. loss of perishable **insured property** which spoils;
- 16.2. loss due to **business interruption/extra expense**, but only if such **business interruption/extra expense** is covered under this Policy;

But only if the **equipment** is also:

- 16.3. of a kind described under the definition of **equipment**;
- 16.4. situated on or within a 2500 metres radius of the **premises**;
- 16.5. the property of a public utility or of the building owner of the **premises**;
- 16.6. used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the **premises**.

17. INTERRUPTION BY CIVIL AUTHORITY

Under the Coverage provided by sub-paragraph 1.3. under the **INSURING AGREEMENT** section, we shall pay, for up to thirty (30) consecutive days, for losses resulting from civil authority barring access to your **premises** and which compromises the normal course of your activities. This interdiction must be a direct consequence of a **breakdown** to equipment, which would have been covered if the said **breakdown** had happened to your equipment, but instead affected other equipment of a neighbouring location, but only if the **equipment** is also of a kind described under the definition of **equipment**.

This Extension does not apply if coverage for loss arising out of interruption by civil authority is specifically insured under a separate form of commercial property or **business interruption/extra-expense insurance**, whether attached to this Policy or not.

18. SPARES MITIGATION

If a **breakdown** occurs to a spare **equipment** that is connected and in use for the sole purpose of reducing loss under this Form, such **breakdown** shall be considered as part of the loss being so reduced and no additional deductible shall apply.

Spare **equipment**, as used herein shall mean an **equipment** acquired by you prior to **breakdown** and held specifically to spare existing operating **equipment**.

19. SELLING PRICE

Coverage for your finished manufactured products or your merchandise is calculated under clause 2. **BASIS OF SETTLEMENT** from the **SPECIAL CONDITIONS** section, at the regular cash selling price at the time of the loss of such manufactured products or merchandise located on the **premises** where the loss occurs, less all discounts and charges to which these manufactured products or merchandise would have been subject had no loss occurred.

SPECIAL CONDITIONS

1. AMOUNTS OF INSURANCE

Our total liability for any loss or damage to **equipment** from **any one breakdown**, subject to the **INSURING AGREEMENT** section, shall not exceed the amounts of insurance stated in the Declaration Page(s).

2. BASIS OF SETTLEMENT

2.1. Property damage

Under sub-paragraph 1.1. of the **INSURING AGREEMENT** section, we agree to pay for **insured property** which is damaged as follows:

- 2.1.1. with regards to **media**, the cost of blank material;
- 2.1.2. with regards to exposed film, records, manuscripts and drawings, the cost of blank material plus the cost of transcription;

- 2.1.3. with regards to any heat exchanger that forms part of forced air heating **equipment** that is five (5) years old or more from the date of purchase new, its **actual cash value**;
- 2.1.4. with regards to any building for which the Guaranteed Replacement Cost Endorsement is specified in the Declaration Page(s), the terms and conditions specified in such endorsement will apply regardless of clause **1. AMOUNTS OF INSURANCE** of this Section;
- 2.1.5. with regards to all other **insured property**, the lesser of the cost at the time of the **breakdown**:
 - 2.1.5.1. to repair; or
 - 2.1.5.2. to replace with similar property of like kind, capacity, size, quality and function.

We shall not be liable:

- 2.1.6. for the cost of repairing or replacing any part or parts of a piece of **equipment** which is greater than the cost of repairing or replacing the entire piece of **equipment**;
 - 2.1.7. for more than the cost to replace the property with other property of like kind, capacity, size, quality and function;
 - 2.1.8. for loss or damage to any **insured property** which is useless or obsolete to you.
- 2.2. Spoilage
We will pay, under sub-paragraph 1.2. of the **INSURING AGREEMENT** section, the amount that is spent to replace perishable **insured property** which spoils solely as a result of the **breakdown** of **equipment**. If the **insured property** is not replaced, we shall only pay for the **actual cash value** of the property.
- 2.3. Business Interruption/Extra Expense
Under sub-paragraph 1.3. of the **INSURING AGREEMENT** section, we will pay until the earlier of:
- 2.3.1. the date the revenue and operations of the business return to normal; or
 - 2.3.2. twelve (12) months from the date of the **breakdown**.

3. INDEMNITY PERIOD

The **indemnity period**, with respect to **business interruption/extra expense**, is not limited by the fact that the policy period has expired, should a loss extend beyond this date.

4. DEDUCTIBLE

For any loss or damage caused by **any one breakdown**, you shall bear that part of the loss corresponding to the applicable deductible specified in the Declaration Page(s).
If more than one deductible is specified and is applicable to covered loss under this Policy from **any one breakdown**, only one deductible shall be applied and that shall be the highest of the applicable deductibles as specified in the Declaration Page(s).

5. INSPECTION AND SUSPENSION

We reserve our right, at all reasonable times during the Policy Period, to inspect any **equipment** and the **premises** where said **equipment** is located. If it is discovered by any one of our representatives that any **equipment** is subject to or is exposed to a dangerous condition this representative may immediately suspend the coverage for loss and damages resulting from the **breakdown** of such **equipment** (including any protection applying to the interest of any mortgagee specified in the policy).

Notice of suspension shall be given either at the mailing address specified in the Declaration Page(s), or at the **premises** where the **equipment** is situated. We agree to furnish a copy of the suspension notice to the mortgagee. Once coverage has been suspended, it can only be reinstated by an endorsement issued to form part of this Policy. You shall be allowed a pro rata refund of premium for that **equipment** for the period that coverage is suspended.

6. REFILLABLE TANKS

We consider as connected ready for use any unfired pressure vessel used for storage of gas or liquid which is periodically filled, moved, emptied and refilled in the course of its normal service.

7. HEAT TRANSFER MEDIUM

When a vessel uses a heat transfer medium other than water, this medium or its vapour are considered as replacing the words "water" or "steam".

Where the laws of Québec govern this Policy, the general conditions contained under form 240.0e, General Conditions, supersede the following special conditions in case of duplication:

8. OTHER INSURANCE

Notwithstanding the Other Insurance clause stipulated under the General Conditions form or the Statutory and General Conditions Form, in the event where another insurance would apply following a **breakdown**, coverage under this Policy shall only apply as excess insurance over any other insurance provided.

9. NOTICE OF BREAKDOWN AND COMMENCEMENT OF LIABILITY

You shall immediately give notice of **breakdown** to any of our offices. The commencement of our liability under this coverage shall be:

- 9.1. the time of the **breakdown**; or
 - 9.2. 24 hours before the notice of **breakdown** is received;
- whichever is later.

10. SUBROGATION

In the event of any payment under this Form, we are subrogated to all of your rights of recovery against any person or organization. You shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. Following a **breakdown**, you must not do anything to prejudice such rights.

11. OTHER DUTIES AND RESPONSIBILITIES

In case of any loss or damage out of which a claim may arise under this Form, you must take all reasonable and necessary steps to salvage the **insured property** or to protect the **insured property** from further damage. You must not incur any costs or expense (other than at your own cost or expense) without our explicit approval beforehand or as explicitly allowed by the policy. You must offer us all assistance and cooperation during the investigation and adjusting of any claim.

12. ACTION AGAINST INSURER

No action lies against us unless, as a condition precedent to any such action, you have fully complied with all terms of this Policy. No action lies against us unless such action is begun within 14 months from the date of a **breakdown**.

13. ASSIGNMENT - BANKRUPTCY

The assignment by you of an interest in the **insured property** under this Form does not bind us until its consent is endorsed onto the policy. If you die, are adjudged bankrupt or insolvent or if you assign your interest in the insurance to a co-insured during the Policy Period, this Form (unless cancelled for non-payment) covers your legal representative, your trustee in bankruptcy or any remaining insured in the same manner it does for you, provided that written notice is given to us within 60 days after the date of your death or adjudication.

14. CANCELLATION

This Form may be cancelled by you by mailing us a written notice stating the date such cancellation is effective. This Form may be cancelled by us by mailing you at your address specified in the Declaration Page(s), written notice stating when not less than 60 days thereafter such cancellation is effective. Such mailing of notice is sufficient proof of notice. The effective date and hour of cancellation stated in the notice becomes the end of the Policy Period. Delivery of such written notice either by you or by us is

equivalent to mailing. If you cancel, the earned premium is computed in accordance with the standard short rate cancellation table. If the Insurer cancels, the earned premium is computed pro rata.

Computation of any premium refund due to cancellation is subject to any premium amount specified for this Form as a minimum retained premium.

15. CHANGES

By accepting this Form, you agree that this Form embodies all agreements existing between yourself and us or any of our agents relating to this insurance. Notice to any agent or knowledge possessed by any agent or by any other person is not a waiver or change in any part of this Form. Such notice does not stop us from asserting any rights under this Form. The terms of this Form are in no way waived or changed except by endorsement issued to form a part of this Form. The additional or return premium for any such endorsement shall be computed in accordance with our rating standards and practices that are applicable to such change.

16. MORTGAGE INTEREST

If any loss payee is noted in the Declaration Page(s) or in the Locations and Loss Payees Schedule as Mortgagee with respect to any Location described in the Declaration Page(s), loss (if any) under the Direct Damage Insuring Agreement, on your property at the said Location, shall be adjusted with and payable to you and the said Mortgagee, as their interests may appear. We reserve our right to cancel the policy as provided in the Cancellation Condition of the policy. In such case we agree to mail to said Mortgagee, at the address specified with the name of said Mortgagee, a copy of the written cancellation notice mailed or delivered to you. Such cancellation, as respects the interest of the said Mortgagee, is effective at the time specified in said notice to you, but in no event earlier than 60 days after the day of mailing of said copy of notice to said Mortgagee. We reserve our right to suspend insurance (which includes any insurance applying to the interest of said Mortgagee) on **equipment** at the said Location in accordance with the Inspection and Suspension Condition of the policy, and the Insurer agrees to furnish said Mortgagee, at the address specified with the name of said Mortgagee, with a copy of the suspension notice.

17. ADDITIONAL INSURED

Any name mentioned as an additional Insured in the Declaration Page(s), or in any Schedules or Endorsements attached to the Form, is considered an Insured as their interest may appear, but only with respect to loss from a **breakdown** at the location for which the additional Insured is shown. Nothing contained in this Condition clause, nor the inclusion under this Form of more than one Insured (or of additional Insureds), shall operate to increase our Limit of Insurance.

18. CANADIAN CURRENCY CLAUSE

All sums, limits, deductibles and other amounts shown in this Form, stipulated in the Declaration Page(s) or in connection with this Policy are in Canadian currency.

19. DISPUTED LOSSES

If a covered loss exists and there is disagreement between the Property Insurer and us as to which Insurer is liable or as to the proportion of the loss to be paid by each Insurer, then upon written request by you we shall settle the loss in accordance with the Insurance Bureau of Canada's Property/Boiler Agreement Respecting Disputed Losses, providing the Property Insurer is signatory to that Agreement or has agreed in writing to be bound by its contents.

DEFINITIONS

Whenever used in this Form:

1. **Actual cash value** means the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. We consider such items as the age, condition and normal life expectancy of the damaged property in determining depreciation.
2. **Actual Loss Sustained** means the sum of:
 - 2.1. the loss of **net profit** on the business prevented; and
 - 2.2. that part of the following fixed charges and expenses which the business did not incur because of a **breakdown**, but which the business would have earned had the **breakdown** not occurred:
 - 2.2.1. salaries and wages of officers, executives, department managers, employees under contract and other essential employees; and
 - 2.2.2. manufacturing, selling, administrative expenses and any other items contributing to the overhead expenses of the Insured but due consideration shall be given to the experience of the business before the **breakdown** and probable experience thereafter.
3. **Any one breakdown**

If either the **breakdown** of **equipment** causes the **breakdown** of other **equipment** or a series of **breakdowns** occur at the same time as a result of the same cause, they will all be considered as **any one breakdown**.
4. **Breakdown** means a sudden and accidental failure of **equipment** resulting in physical damage which requires the repair or replacement of the **equipment** or a part of the **equipment**.

Breakdown does not mean:

 - 4.1. depletion, deterioration, corrosion or erosion of material;
 - 4.2. wear and tear;
 - 4.3. the functioning of any safety device or protective device.
5. **Business Interruption** means:
 - 5.1. either the business interruption coverages offered and showing in the Declaration Page(s) under the Property Policy that are also applicable to a business interruption resulting from a **breakdown** (follow form); or
 - 5.2. either:
 - 5.2.1. the **actual loss sustained** if Actual Loss Sustained is shown in the Declaration Page(s);
 - 5.2.2. the **loss of profits** if Loss of Profits is shown in the Declaration Page(s);
 - 5.2.3. the **gross rents** if Gross Rents is shown in the Declaration Page(s); or
 - 5.2.4. the **gross earnings** if Gross Earnings is shown in the Declaration Page(s).
6. **Data** means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software, interpretation and coded instructions for the processing and manipulation of data and the electromechanical data processing, and also includes data arising from electronically controlled **equipment**.
7. **Equipment** means any **equipment** owned, leased, operated or for which you have, care, custody or control as described below:
 - 7.1. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping connected thereto or any other piping and its accessory **equipment**, any heat exchanger that forms part of forced air heating **equipment**, but not including any:
 - 7.1.1. boiler setting, any refractory or insulating material,
 - 7.1.2. part of a boiler or fired pressure vessel that does not contain steam or water; or
 - 7.1.3. any drainage piping, any sprinkler piping and its accessory **equipment**;
 - 7.1.4. **equipment** (including piping) which is not in a conduit beneath the surface of the ground and that requires the removal, excavation or demolition of materials in order to inspect, remove, repair or replace such **equipment** or such piping; However, this exclusion doesn't apply to **geothermal heating systems**.

- 7.2. any mechanical or electrical **equipment** used for the generation, transmission or utilization of mechanical or electrical power, but not including:
- 7.2.1. any vehicle, power shovel, excavator dragline or other mobile **equipment**, floating vessel, locomotive or aircraft, but not excluding any electrical **equipment** and/or pressure vessel used with such machine or apparatus;
- 7.2.2. any lifting or safety cables, anchorages, car buffers or counterweight buffers which forms part of an elevator system;
- 7.3. any electronic **equipment** or fibre optic cable, used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning, but **equipment** shall not include:
- 7.3.1. any anode tube, x-ray tube, video amplifier tube or klystron tube; nor
- 7.3.2. any laser cartridge.
8. **Extra Expense** means the reasonable and necessary extra expenses incurred by yourselves in order to either resume or continue the normal operation of your business.
9. **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.
10. **Finished stock** means the stock manufactured by you, in the ordinary course of your business, which is ready for packing, shipment or sale.
11. **Geothermal heating systems** means underground piping as a means of heat transfer.
12. **Goods** means goods kept for sale by you which are not the product of manufacturing operations conducted by you.
13. **Green** means products, materials, methods and processes certified by a **green authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
14. **Green Authority** means an authority on building products, materials, methods or processes 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 Design (LEED), Green Building Initiative (Green Globes), Energy Star, Building Owners and Managers Association (BOMA) BEST, any applicable Canadian Standards Association guideline (CSA), ISO Standards or any other environmental sustainability or energy conservation rating or certification system recognised by us.
15. **Gross earnings** means the sum of:
- 15.1. total net sales value of production;
- 15.2. total net sales of **goods**;
- 15.3. other earnings derived from operations of the business;
- Less the cost of:
- 15.4. **raw stock** from which such production is derived;
- 15.5. supplies consisting of materials consumed directly in the conversion of such **raw stock** into **finished stock** or in supplying the service(s) sold by you at the **premises**;
- 15.6. **goods** sold, including packaging materials thereof;
- 15.7. services purchased from outsiders (not your employees) for resale which do not continue under contract;
- 15.8. your **ordinary payroll** expense.
- No other costs are deducted in determining **gross earnings**. In determining **gross earnings**, due consideration will be given to the experience of the business before the **breakdown** and the probable experience thereafter had no **breakdown** occurred.
16. **Gross rents** means the sum of:
- 16.1. the **gross rents** for one year of the part or parts of the **premises** occupied;
- 16.2. the estimated annual rental value of the part or parts of the **premises** not occupied; and
- 16.3. the reasonable rental value, as the case may be, of the part or parts of the **premises** occupied by you.
- (* In determining the **gross rents**, due consideration is given to the experience of your business before the **breakdown** and the probable experience thereafter had no **breakdown** occurred.
17. **Hazardous Substance** means:
- 17.1. any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- 17.2. any **fungi**, **spores** or toxins created or produced by or emanating from such **fungi** or **spores** whether or not allergenic, pathogenic or toxigenic.
18. **Insured property** means:
- 18.1. Your property; or
- 18.2. Property of others in your care, custody or control and for which you are legally liable.
19. **Indemnity period** means the period beginning with the occurrence of the **breakdown** and ending no later than twelve (12) months thereafter, during which the results of the business shall be affected in consequence of the **breakdown**.
20. **Insured standing charges** means all standing charges are insured unless otherwise specified in the Declaration Page(s), in which case only those standing charges so specified are insured. The following shall in no event be deemed to be standing charges:
- 20.1. Depreciation of stock;
- 20.2. Bad debts;
- 20.3. Wages and salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.
21. **Loss of profit** means the sum produced by adding to the **net profit** the amount of the **insured standing charges** or if there is no **net profit** the amount of the **insured standing charges** less such a proportion of any net trading loss as the amount of the **insured standing charges** bears to all standing charges of the business.
22. **Media** means tangible material or virtual support on which **data** is recorded.
23. **Net profit** means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the **premises** specified in the Declaration Page(s) after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
24. **Ordinary payroll** means the entire payroll for all your employees, except salaries and wages to:
- 24.1. officers;
- 24.2. executives;
- 24.3. department managers;
- 24.4. employees under contract; and
- 24.5. other essential or important employees.

25. **Premises** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location described in the Declaration Page(s).
26. **Raw stock** means the material in the state in which you receive it for conversion by you into **finished stock**.
27. **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**.
28. **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 1.0

TABLE OF CONTENTS

	pages
SUMMARY OF COVERAGES.....	3
COVERAGE 1. – EMPLOYEE DISHONESTY.....	3
COVERAGE 2. – THEFT, ROBBERY OR BURGLARY.....	3
COVERAGE 3. – FRAUD.....	3
COVERAGE 4. – EXPENSES.....	4
EXCLUSIONS.....	4
INVENTORY COMPUTATION.....	4
MONEY DEVICES.....	4
GIFT CARDS.....	4
ACT BY EMPLOYEE.....	4
WAR AND INVASION.....	5
ACCOUNTING.....	5
NUCLEAR.....	5
CRIMINAL ACTS.....	5
FIRE.....	5
THREAT TO BODILY HARM OR DAMAGES.....	5
DEFENSE OF LEGAL ACTION.....	5
POTENTIAL INCOME.....	5
LEGAL LIABILITY OF INSURED.....	5
TERRORISM.....	5
DATA.....	5
SOCIAL ENGINEERING FRAUD.....	5
CONFIDENTIAL OR PERSONAL INFORMATION.....	5
GOVERNMENT AUTHORITY.....	5
GENERAL AGREEMENTS.....	5
CONSOLIDATION, MERGER OR PURCHASE.....	5
JOINT INSURED.....	5
TERRITORY.....	6
LOSS COVERED UNDER THIS POLICY AND PRIOR INSURANCE ISSUED BY THE INSURER.....	6
LOSS COVERED UNDER PRIOR INSURANCE.....	6
LOSS OR DAMAGE SUSTAINED.....	6
EXTENDED PERIOD TO DISCOVER LOSS.....	6
LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES.....	6
OWNERSHIP OF PROPERTY; INTERESTS COVERED.....	6
RECORDS.....	6
PRIOR FRAUD, DISHONESTY OR CANCELLATION.....	6
LOSS – NOTICE – PROOF – ACTION AGAINST INSURER.....	6
BASIS OF VALUATION – PAYMENT – REPLACEMENT.....	7
RECOVERIES.....	7

AMOUNT OF INSURANCE.....	7
OTHER INSURANCE.....	7
SUBROGATION.....	7
CANCELLATION AS TO ANY EMPLOYEE.....	7
NO BENEFIT TO BAILEE.....	7
DEDUCTIBLE.....	7
DEFINITIONS.....	8
BODILY INJURY.....	8
CLIENT.....	8
COMPUTER DATA RESTORATION EXPENSES.....	8
COMPUTER FRAUD.....	8
COMPUTER SYSTEM.....	8
DATA.....	8
DATA PROBLEM.....	8
EMPLOYEE.....	8
FINANCIAL INSTITUTION.....	8
FINANCIAL INSTRUMENT.....	8
FORGERY.....	8
FRAUDULENT INSTRUCTION.....	8
FRAUDULENT OR DISHONEST ACTS.....	8
MESSENGER.....	9
MONEY.....	9
OCCURRENCE.....	9
OTHER PROPERTY.....	9
POLICY PERIOD.....	9
PREMISES.....	9
ROBBERY.....	9
SAFE BURGLARY.....	9
SECURITIES.....	9
SOCIAL ENGINEERING FRAUD.....	9
TERRORISM.....	9
THIRD PARTY.....	9
TRANSFER ACCOUNT.....	9
VIRTUAL CURRENCY.....	9

SUMMARY OF COVERAGES

Item	Coverage	Amount of Insurance per occurrence
1.	Employee Dishonesty	\$10,000
2.	Theft, Robbery or Burglary	\$10,000
3.	Fraud – Limit per Coverage	
3.1.	Money Orders or Counterfeit Money	\$10,000
3.2.	Forgery or Alteration	\$10,000
3.3.	Computer Fraud	\$10,000
3.4.	Funds Transfer Fraud	\$10,000
4.	Expenses – Blanket Limit	
4.1.	Professional Fees	
4.2.	Theft, Robbery or Burglary Reward	\$5,000
4.3.	Medical Expenses	
4.4.	Computer Data Restoration Expenses	

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 armoured 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 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.

COMMERCIAL GENERAL LIABILITY MAX

TABLE OF CONTENTS

	pages
SECTION I – COVERAGES.....	4
COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY.....	4
INSURING AGREEMENT.....	4
EXCLUSIONS.....	4
Expected or Intended Injury or Damage.....	4
Contractual Liability.....	4
Workers' Compensation and Similar Laws.....	4
Employer's Liability.....	4
Watercraft.....	5
Aircraft.....	5
Automobile.....	5
Damage to Property.....	5
Damage to Your Product.....	5
Damage to Your Work.....	5
Damage to Impaired Property or Property not Physically Injured.....	6
Recall of Products, Work or Impaired Property.....	6
Electronic Data.....	6
Access to or Disclosure of Confidential or Personal Information (Privacy Breach).....	6
Personal Injury and Advertising Injury.....	6
Professional Services.....	6
Asbestos.....	6
Fungi or Spores.....	6
Nuclear Energy Liability.....	6
Pollution.....	6
Terrorism.....	6
War Risks.....	6
Unsolicited Communication.....	6
COVERAGE B - PERSONAL INJURY AND ADVERTISING INJURY LIABILITY.....	6
INSURING AGREEMENT.....	6
EXCLUSIONS.....	6
Knowing Violation of Rights of Another.....	6
Material Published with Knowledge of Falsity.....	6
Material Published Prior to Policy Period.....	6
Criminal Acts.....	6
Contractual Liability.....	6
Breach of Contract.....	6
Quality or Performance of Goods - Failure to Conform to Statements.....	7
Wrong Description of Prices.....	7
Infringement of Copyright, Patent, Trademark or Trade Secret.....	7
Insureds in Media and Internet Type Businesses.....	7
Interactive Websites, Electronic Chatrooms, Interactive Forums or Bulletin Boards.....	7
Unauthorized Use of Another's Name or Product.....	7
Access to or Disclosure of Confidential or Personal Information (Privacy Breach).....	7
Asbestos.....	7
Fungi or Spores.....	7
Nuclear Energy Liability.....	7

Pollution.....	7
Terrorism.....	7
War Risks.....	7
Unsolicited Communication.....	7
COVERAGE C - MEDICAL PAYMENTS.....	7
INSURING AGREEMENT.....	7
EXCLUSIONS.....	7
Any Insured.....	7
Hired Person.....	7
Injury on Normally Occupied Premises.....	7
Workers' Compensation and Similar Laws.....	8
Athletics Activities.....	8
Products-Completed Operations Hazard.....	8
Coverage A Exclusions.....	8
COVERAGE D - TENANTS' LEGAL LIABILITY.....	8
INSURING AGREEMENT.....	8
EXCLUSIONS.....	8
Expected or Intended Damage.....	8
Contractual Liability.....	8
Asbestos.....	8
Fungi or Spores.....	8
Nuclear Energy Liability.....	8
Pollution.....	8
Terrorism.....	8
War Risks.....	8
Unsolicited Communication.....	8
COMMON EXCLUSIONS COVERAGES A, B, C and D.....	8
ASBESTOS.....	8
FUNGI OR SPORES.....	8
NUCLEAR ENERGY LIABILITY.....	9
POLLUTION.....	9
TERRORISM.....	10
WAR RISKS.....	10
UNSOLICITED COMMUNICATION.....	10
SUPPLEMENTARY PAYMENTS - COVERAGES A, B and D.....	10
SECTION II - WHO IS AN INSURED.....	10
Named Insureds.....	10
Insureds.....	11
Organization newly acquired or formed.....	11
SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLES.....	11
Limits of Insurance.....	11
Abuse Aggregate Limit.....	11
Products - Completed Operations Aggregate Limit.....	11
Each Occurrence Limit.....	11
Personal Injury and Advertising Injury Limit.....	11
Tenants' Legal Liability Limit.....	11
Medical Expense Limit.....	11
Application of the Limits of Insurance and policy period.....	11
Deductibles.....	12
SECTION IV - DEFINITIONS.....	12
Abuse.....	12
Action.....	12
Advertisement.....	12
Advertising injury.....	12

Automobile.....12

Bodily injury.....12

Compensatory damages.....12

Coverage territory.....12

Electronic data.....12

Employee.....12

Executive officer.....12

Fissionable substance.....12

Fungi.....12

Hostile fire.....12

Impaired property.....12

Incidental medical malpractice injury.....13

Insured contract.....13

Leased worker.....13

Loading or unloading.....13

Nuclear energy hazard.....13

Nuclear facility.....13

Occurrence.....13

Personal injury.....13

Policy period.....13

Pollutants.....13

Products-completed operations hazard.....13

Professional services.....14

Property damage.....14

Radioactive material.....14

Spores.....14

Temporary worker.....14

Terrorism.....14

Unsolicited communication.....14

Volunteer worker.....14

Your product.....14

Your work.....14

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**; and

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, chiroprody, 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.

Important change(s) to your insurance policy

Hello,

At Intact Insurance, we regularly review our policies to ensure they provide you with the coverage you need for today's evolving world. Your policy contains the Liability EDGE, which extends your commercial general liability coverage, ensuring you are protected in more circumstances.

There are important changes to this coverage, that may result in enhancements or reductions.

To ensure you understand when your coverage applies,

Our new form has few new benefits including:

- Extension 9 is now entitled: Limited coverage (errors and omissions) for failure of your product or your work to meet written specifications.
- The definition of "written specifications" is clearer and easier to understand.

We have also broadened the exclusion in Extension 9, precluding all costs or expenses incurred by an insured or by any other person. This will reduce your coverage in certain circumstances.

Few words under exclusion 9.3.5. have been deleted, broadening such exclusion and now precluding all costs or expenses incurred by an insured or by any other person.

All other policy coverages, limitations and exclusions remain the same.

Please note: This notice to the insured is only a summary of the changes brought to your coverage. Please refer to your insurance policy which provides the full details of your coverage, including a full list of conditions and exclusions.

If you have questions about your policy or these changes, please contact your insurance broker.

Sincerely,
The Intact Insurance Team

COMMERCIAL GENERAL LIABILITY COVERAGE

LIABILITY EDGE 3.0

TABLE OF CONTENTS

	pages
SUMMARY OF COVERAGES.....	2
LIMITS OF INSURANCE.....	2
EXTENSIONS OF COVERAGE.....	2
BUILDING MATERIALS REPLACEMENT COST.....	2
CRANE AND HOIST OPERATORS' LIABILITY.....	3
DIFFERENCE IN DEDUCTIBLES.....	3
EMPLOYEE BENEFIT LIABILITY.....	3
EMPLOYERS LIABILITY – VOLUNTARY COMPENSATION.....	4
EMPLOYMENT PRACTICES LIABILITY.....	5
FINANCIAL LOSS COVERAGE.....	6
HOIST, ELEVATOR, ESCALATOR OR LIFT COLLISION COVERAGE.....	6
LIMITED COVERAGE FOR FAILURE OF PRODUCT OR WORK TO MEET WRITTEN SPECIFICATIONS.....	7
LIMITED POLLUTION LIABILITY COVERAGE (120 HOURS).....	8
PENAL DEFENCE COSTS COVERAGE.....	9
PRODUCT RECALL EXPENSES.....	10
TRADEMARK INFRINGEMENT.....	10

This Endorsement Changes the Policy. Please Read It Carefully.

Attached to and forming part of the Commercial General Liability Max form shown on the Declaration Page(s).

Except as otherwise provided in this Form, the following Extensions of Coverage are subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Commercial General Liability Max form, including the right and duty to defend and the provisions of the SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D contained in SECTION I – COVERAGES.

Other words and phrases that appear in bold have special meaning. Refer to SECTION IV – DEFINITIONS of the Commercial General Liability Max form or in this Form. The definitions contained under this Form prevail over the definitions contained under 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.

SUMMARY OF COVERAGES

Items	Extensions of Coverage	Limits of Insurance
1.	Building Materials Replacement Cost	\$50,000
2.	Crane and Hoist Operators' Liability	\$100,000
3.	Difference in Deductibles	\$50,000
4.	Employee Benefit Liability	\$2,000,000
5.	Employers Liability – Voluntary Compensation	Subject to Schedule of Benefits described in Extension of Coverage
6.	Employment Practices Liability	\$25,000
7.	Financial Loss Coverage	\$25,000
8.	Hoist, Elevator, Escalator or Lift Collision	\$100,000 Per Occurrence
9.	Limited Coverage for Failure of Product or Work to Meet Written Specifications	\$100,000
10.	Limited Pollution Liability Coverage (120 Hours)	\$25,000 (including Clean-up costs)
11.	Penal Defence Costs Coverage	\$10,000 Per Offence \$25,000 Aggregate
12.	Product Recall Expenses	\$100,000
13.	Trademark Infringement	\$50,000

LIMITS OF INSURANCE

- The Limits of Insurance shown above in the Summary of Coverages or in the Declarations Page(s) are the most we will pay under the Extensions of Coverage described below, regardless of the number of Insureds, claims made or **actions** brought, or persons or organizations making claims or bringing **actions**. If a limit of insurance for an Extension of Coverage is shown on both the Summary of Coverages above and in the Declaration Page(s), the higher limit will apply.
- Unless otherwise stated, each Limit of Insurance stated above or in the Declaration Page(s) is:
 - An Aggregate Limit of insurance that is the most we will pay under the applicable Extension of Coverage during the **policy period** for the sum of all amounts payable under that Extension of Coverage; and
 - In addition to, and not part of, the Limit of Insurance - Each Occurrence Limit applicable to the Commercial General Liability Max form.
- The Aggregate Limits of insurance applicable to the Extensions of Coverage described below 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**, 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.

EXTENSIONS OF COVERAGE

In the event that more than one Extension of Coverage applies to the risk insured, only the Extension of Coverage with the highest limit of insurance will apply. In the event a more specific coverage elsewhere in the Policy applies to the risk insured by one of these Extensions of Coverage, only that specific coverage, and not the Extension of Coverage contained in this Form, will apply.

1. BUILDING MATERIALS REPLACEMENT COST

1.1. INSURING AGREEMENT

- 1.1.1. We will pay the cost of labour to remove and/or replace building material products installed by or on behalf of the Insured which are in place and form part of any type of structure or other property constructed or being constructed by or on behalf of the Insured;

Provided that:

- 1.1.1.1. The removal and/or replacement is made necessary by the ascertainment that such products are defective to the extent they have been rejected by the owner of the structure or their accredited representative or by any municipal or other authority having jurisdiction of the structure; and
- 1.1.1.2. The defect arose out of the design, manufacture, blending, mixing or compounding of such products.
- 1.1.2. This insurance shall not apply to any products installed prior to the effective date of this Policy.

2. CRANE AND HOIST OPERATORS' LIABILITY

2.1. INSURING AGREEMENT

We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages**, including resultant loss of use, for direct physical loss or destruction of, or damage to, the property of others only while such property is being moved or lifted by any of the Insured's cranes or by any similar equipment owned or rented by the Insured from the commencement of hitching the property to the crane or other similar equipment, until the property is unhitched.

2.2. ADDITIONAL EXCLUSIONS

This insurance does not apply to loss of or damage to property directly or indirectly caused by or resulting from:

- 2.2.1. Criminal or willful acts or omissions of an Insured;
- 2.2.2. The weight of any load, including the load block and all rigging, exceeding any or all of:
 - 2.2.2.1. The maximum allowable load;
 - 2.2.2.2. The lifting capacity;
 - 2.2.2.3. The rated load; or
 - 2.2.2.4. Eighty-five percent (85%) of the minimum tipping load;any or all of which may be set out in the manufacturer's specifications, capacity tables or rating sheets for the particular unit involved;
- 2.2.3. The neglect of an Insured to use all reasonable means to save and preserve the property at and after any loss;
- 2.2.4. Consequential loss however caused; or
- 2.2.5. Any insufficient, defective, or improper processing of or work done upon such property.

3. DIFFERENCE IN DEDUCTIBLES

3.1. INSURING AGREEMENT

If other insurance is provided under a **Wrap-Up Liability Insurance Policy**, we agree to indemnify you with respect to any loss arising from **your work**, for the difference in deductibles where the amount of any deductible applicable to this insurance is less than the amount of any deductible applicable to such **Wrap up Liability Insurance Policy**.

3.2. DEFINITION

For the purposes of this Extension of Coverage:

Wrap-Up Liability Insurance Policy means any specific liability insurance procured by any owner or anyone on the owner's behalf which insures the owner, you, majority of contractors, sub-contractors and others, engaged on a specific construction project.

4. EMPLOYEE BENEFIT LIABILITY

4.1. INSURING AGREEMENT

We will pay those 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.

A claim by a person or organization seeking **compensatory damages** will be deemed to have been made when notice of such claim is received and recorded by any **Insured** or by us, whichever comes first.

4.2. EXCLUSIONS

This insurance does not apply to any claim based upon:

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

4.3. EXTENDED REPORTING PERIOD

If this Policy is cancelled or not renewed for any reason except non-payment of the premium, we will provide an automatic extended reporting period of sixty (60) days for insurance provided under this Extension of Coverage.

A claim first made during the extended reporting period will be deemed to have been made on the last day of the **policy period** provided that the claim occurred before the end of the **policy period** and that we are notified not later than sixty (60) days after the end of the **policy period**.

4.4. DEFINITIONS

For the purposes of this Extension of Coverage:

4.4.1. **Administration** means:

- 4.4.1.1. Application of rules determining eligibility for participation to the **employee benefit programs**;
- 4.4.1.2. Calculation of service and compensation credits for benefits;
- 4.4.1.3. Preparation of **employee** communications material;
- 4.4.1.4. Maintenance of participants' service and employment records;
- 4.4.1.5. Preparation of reports required by government agencies;
- 4.4.1.6. Calculation of benefits;
- 4.4.1.7. Orientation of new participants and advising participants of their rights and options with respect to the **employee benefit programs**;
- 4.4.1.8. Interpreting the **employee benefit programs**;
- 4.4.1.9. Collection of contributions and application of contributions as provided in the **employee benefit programs** and book keeping;
- 4.4.1.10. Preparation of reports concerning participants' benefits; and
- 4.4.1.11. Processing of claims, effecting enrollment, termination or cancellation of **employees** under the **employee benefit programs**; provided all such acts are authorized by you.

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

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

- 4.4.3.1. 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
- 4.4.3.2. Any other similar **employee benefit programs** sponsored by you.

4.4.4. **Insured** means:

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

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

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

4.4.6. **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**.

5. EMPLOYERS LIABILITY – VOLUNTARY COMPENSATION

5.1. INSURING AGREEMENT

If Employers Liability Coverage is provided under the Commercial General Liability Max form, we will pay, voluntarily, the benefits set out below either to or on behalf of an **employee** of the Insured on account of **bodily injury**, accidentally suffered by such **employee** and arising out of and in the course of his employment by the Insured, whether or not such **bodily injury** could give rise to liability imposed by law upon the Insured;

Provided that:

5.1.1. If the injured **employee** or any person acting on their behalf, refuses to accept the voluntary compensation benefits offered under the provisions of the preceding sub-paragraph, then we will be permitted, at any time in our discretion and without notice, to withdraw such offer to pay the said benefits, under which circumstances we will no longer be bound by the undertakings expressed in the preceding paragraph. If any claim or demand is made, or any **action** instituted against the Insured for damages for such injuries, such claim, demand or **action** will be considered a refusal to accept such voluntary compensation benefits and such refusal will abrogate in its entirety our agreement to pay such voluntary compensation benefits. In such event our obligation as expressed in other parts of the Policy having reference thereto will be available to the Insured and will be and remain our obligation as fully and completely as if this Extension of Coverage had not been written;

5.1.2. The benefits provided under this Extension of Coverage will not be payable unless at the time of the accident the **employee** was engaged in duties coming within the scope of the description of operations stated in the Declaration Page(s);

5.1.3. A full release of all claims of such **employee** or any person acting on their behalf, against the Insured is executed and delivered and that we will be subrogated in any rights of such **employee** or person (excluding all services available under any *Hospital Insurance Act* or any other similar law) against anyone other than the Insured and/or that such rights be transferred to us;

5.1.4. We shall in no event be liable under this Extension of Coverage for any claims arising from hernia, however caused.

5.2. SCHEDULE OF BENEFITS

5.2.1. Section I – Loss of Life

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

5.2.1.1. To dependants of the **employee** who were wholly dependent upon such **employee**, an amount equal to one hundred (100) times the **weekly indemnity** in addition to the benefits provided under Section II up to the date of death;

5.2.1.2. The actual funeral expenses not exceeding, however, the sum of \$500.

5.2.2. Section II – Temporary Total Disability

If such **bodily injury** shall within fourteen (14) days from the date of the accident totally and continuously disable the **employee** and prevent the **employee** from performing any and every duty pertaining to any occupation or employment, we will pay **weekly indemnity** for the period of such disability or for twenty-six (26) weeks whichever is the lesser period; provided however, that if the period of such disability is less than six (6) weeks, no benefit under this Section II shall be payable for the first seven (7) days of such disability.

5.2.3. Section III – Permanent Total Disability

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

5.2.4. Section IV – Dismemberment Benefits

If such **bodily injury** shall within twenty-six (26) weeks from the date of the accident result in any one or more of the incapacities listed below in the SCHEDULE OF INCAPACITIES, we will pay **weekly indemnity** for the number of weeks shown opposite the incapacity in the said schedule in addition to the benefits payable under Section II, but in no event shall it be payable in addition to the benefits provided by Sections I and III.

The total amount payable under this Section IV for one or more incapacities shall not exceed one hundred (100) times the **weekly indemnity**.

SCHEDULE OF INCAPACITIES:

Incapacity	No. of weeks	Incapacity	No. of weeks
<i>Loss or total irrecoverable loss of use of:</i>		<i>Loss or total irrecoverable loss of use of:</i>	
Arm: (a) at or above elbow; or (b) below elbow	100 80	Leg: (a) at or above knee; or (b) below knee	100 75
Hand at wrist	80	Foot at ankle	75
*Thumb: (a) at or above the second phalangeal joint; or (b) below the second phalangeal joint involving a portion of the second phalange	25 18	+ Great toe: (a) at or above the second phalangeal joint; or (b) below the second phalangeal joint involving a portion of the second phalange	15 8
* Index Finger: (a) at or above the second phalangeal joint; or (b) at or above the third phalangeal joint; or (c) below the third phalangeal joint, involving a portion of the third phalange	25 18 12	+ Any other toe: (a) at or above the second phalangeal joint; or (b) at or above the third phalangeal joint; or (c) below the third phalangeal joint, involving a portion of the third phalange	10 5 3
* Any other finger: (a) at or above the second phalangeal joint; or (b) at or above the third phalangeal joint; or (c) below the third phalangeal joint, involving a portion of the third phalange	15 8 5	Sight of one eye Sight of two eyes Hearing of one ear Hearing of both ears	50 100 25 100

* For a combination of two or more of the incapacities marked with an *, the total amount payable shall not exceed eighty (80) times the **weekly indemnity**.

+ For a combination of two or more of the incapacities marked with a +, the total amount payable shall not exceed thirty-five (35) times the **weekly indemnity**.

5.2.5. Section V – Medical, Surgical, Dental, Pharmaceutical and Hospital Expenses

If such **bodily injury** necessitates medical or surgical treatment or confinement to hospital, we will pay in addition to all other benefits provided by this Form:

5.2.5.1. The cost of necessary medical, surgical, dental, pharmaceutical and hospital services (except those portions of such expenses payable or recoverable under any medical, surgical or hospitalization plan or law or under any other insurance policy or certificate issued to or for the benefit of any person for whom indemnity is provided), in accordance with the scale of charges provided by the *Workmen's Compensation Act* of the province in which the accident occurred during a period not exceeding twenty-six (26) weeks from the date of the accident; and

5.2.5.2. The cost of supplying or the reasonable renewing of prosthetic or orthopedic appliances as may be necessary for a period not exceeding fifty-two (52) weeks from the date of the accident.

5.3. SPECIAL CONDITION

We will have the right to examine the person of the injured **employee** when and as often as may be required while the claim is pending and also, in the case of death of the injured **employee**, to make an autopsy subject to any law of the province relating to autopsies. This Special Condition will not be held to vary, waive or extend any of the terms, conditions, exclusions, stipulations and provisions applicable to the Policy, other than as stated above.

5.4. DEFINITION

For the purposes of this Extension of Coverage:

Weekly indemnity means two-thirds of the **employee's** weekly wage at the date of the accident, but not exceeding in any event the sum of \$250 per week.

6. EMPLOYMENT PRACTICES LIABILITY

6.1. INSURING AGREEMENT

6.1.1. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of a **wrongful act** related to **employment practices** committed during the **policy period**.

6.1.2. For the purpose of determining the applicability of this insurance, all **wrongful acts** related to **employment practices** involving the same Insured, regardless of the number or type of **wrongful acts**, shall be deemed to have occurred on the date of the first **wrongful act**.

6.2. DEDUCTIBLE

Our obligation to pay **compensatory damages** on the Insured's behalf applies only to the amount of **compensatory damages** in excess of the \$1,000 deductible applicable to this Extension of Coverage.

6.3. EXCLUSIONS

This insurance does not apply to:

6.3.1. **Losses**, other than defence costs, which constitute:

6.3.1.1. **Benefits** due, or to become due, or the equivalent value of such **benefits** except where such **loss** is based upon a claim or **action** for actual or alleged wrongful dismissal, discharge or termination of employment;

6.3.1.2. Salary, wages, **benefits** or any other cost or expense you shall incur or be required to pay as economic relief if you are ordered, pursuant to a judgment or final adjudication, but fail to reinstate the claimant as an **employee**;

6.3.1.3. The costs of compliance with or the satisfaction or remedy of an undertaking, a direction, an order, a violation, a determination or a certificate negotiated, issued, made or committed under the *Employment Equity Act* of Canada, or any costs associated with any accommodation or affirmative action programme required by, pursuant to or ordered under the *Canadian Human Rights Act*; or

6.3.1.4. The costs of compliance with any order for or grant of or agreement to provide injunctive or non-pecuniary relief;

6.3.2. Claims or **actions** arising out of any violation of an obligation imposed by any act or regulation related to pay equity, workers' compensation, industrial accidents and occupational disease, occupational health and safety, employment insurance, welfare and social welfare, social security or old age security, retirement benefits or pension plan benefits, or disability benefits. However, this exclusion shall not apply to any claim or **action**:

6.3.2.1. For actual or alleged discrimination or employment-related; or

6.3.2.2. Arising out of any actual or alleged retaliatory treatment against the claimant by you on account of the claimant's exercise of rights pursuant to any such law;

6.3.3. Claims or **actions** arising out of any arrangement or plan related to the value of the stock, shares or security of the Insured including any stock purchase, stock-based awards, stock option plans, phantom stock, stock appreciation rights or any stock-based compensation plan;

6.3.4. Claims or **actions** arising out of any act committed by or at the direction of an Insured with the intent of contravening any law or any governmental or administrative rider or regulation;

6.3.5. Claims or **actions** arising out of the assumption of liability by you in an oral or written contract, but this exclusion does not apply to liability that you would have in the absence of the contract;

6.3.6. Claims or **actions** for bodily injury (except mental anguish and emotional distress) or damage to or destruction of any tangible property, including loss of use;

6.3.7. Claims or **actions** based upon, arising out of any lock-out, strike, picket line, replacement workers, actual or alleged unfair practices or other similar actions resulting from labour disputes or labour negotiations;

6.3.8. Claims or **actions** arising out of:

6.3.8.1. Your **insolvency**;

6.3.8.2. The closure of a business operation or location by you; or

6.3.8.3. Any re-organization of employees which results, within any sixty-day period, in the termination of the employment of twenty-five percent (25%) or more of your total workforce; or

6.3.9. Claims made or **actions** brought by relatives of an **employee** or by members of the household of an **employee**.

6.4. COVERAGE TERRITORY

This Extension of Coverage shall only cover claims made or **actions** brought in Canada in respect of **wrongful acts** committed in Canada and based on Canadian law.

6.5. OTHER INSURANCE

Notwithstanding what is provided for in any General Conditions form applicable to this Policy, if the Insured has other valid insurance against **compensatory damages** covered by this Extension of Coverage, the coverage that applies most specifically to the claim or the **action** shall be primary and the other coverage shall be excess.

6.6. DEFINITIONS

For the purposes of this Extension of Coverage:

- 6.6.1. **Action** means a civil proceeding in which damages because of **employment practices** to which this insurance applies are alleged. **Action** includes an arbitration proceeding to which you must submit or do submit with our consent.
- 6.6.2. **Benefits** means perquisites, fringe benefits, payments in connection with an **employee benefit plan** and any other payment, other than salary or wages, to or for the benefit of an **employee** arising out of the employment relationship.
- 6.6.3. **Employee** means an individual who was, now is, or shall be employed by you.
- 6.6.4. **Employee benefit plan** means any retirement, pension, supplemental pension, savings, retirement saving, profit sharing, deferred compensation, change of control, insurance, medical, hospital, dental, vision care, drug, sick leave, short term or long term disability, salary continuation, vacation pay or other employee benefit, plan, program, arrangement, policy or practice whether written or oral, formal or informal, funded or unfunded, registered or unregistered that is maintained or otherwise contributed to, or required to be contributed to for the benefit of an **employee**.
- 6.6.5. **Employment practices** means:
- 6.6.5.1. Wrongful dismissal, discharge or termination of employment;
 - 6.6.5.2. Breach of any oral or written employment contract;
 - 6.6.5.3. Violation of any law concerning discrimination in employment;
 - 6.6.5.4. Employment-related harassment, including sexual harassment or other harassment in the workplace;
 - 6.6.5.5. Wrongful deprivation of employment or promotion;
 - 6.6.5.6. Wrongful discipline;
 - 6.6.5.7. Employment-related invasion of privacy;
 - 6.6.5.8. Employment-related defamation;
 - 6.6.5.9. Employment-related wrongful infliction of emotional distress; and
 - 6.6.5.10. Employment-related misrepresentation.
- 6.6.6. **Insolvency** means:
- 6.6.6.1. The financial position of the Insured as a debtor as that term is defined and used within the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. (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; or
 - 6.6.6.2. A reorganization proceeding of the Insured under the *Companies' Creditors Arrangement Act*, R.S.C. (1985), c. C-36.
- 6.6.7. **Loss means compensatory damages** which you become legally obligated to pay on account of any claims made or **actions** brought against you for a **wrongful act**.
- 6.6.8. **Wrongful act** means any negligent act, error, omission, negligence, breach of duty or misleading statement related to **employment practices** actually or allegedly committed or commenced by you.

7. FINANCIAL LOSS COVERAGE

7.1. INSURING AGREEMENT

We will pay the amount that the Insured becomes legally obligated to pay as **compensatory damages** for any financial loss arising from:

- 7.1.1. A latent defect in **your product** or **your work**; or
- 7.1.2. An error made in instructions for use of **your product** or **your work**.

7.2. EXCLUSIONS

This insurance does not apply to:

- 7.2.1. Loss or damage arising out of any **bodily injury** or **property damage**;
- 7.2.2. Loss or damage arising out of any action based on the performance of a contract made by the Insured; or
- 7.2.3. Loss or damage caused by a delay in delivery.

8. HOIST, ELEVATOR, ESCALATOR OR LIFT COLLISION COVERAGE

8.1. INSURING AGREEMENT

- 8.1.1. We will pay the Insured for damage caused to any **elevator** or to **property insured** carried on such **elevators** caused by an accidental collision of the **elevator** with another object.
- 8.1.2. Property covered under this Extension of Coverage will be valued on an actual cash value basis at the time the damage occurs.

8.2. LIMIT OF INSURANCE

In addition to the provisions contained in Paragraph 1. of the Limits of Insurance section shown in this Form, the following provision applies to this Extension of Coverage:

The Limit of Insurance shown in the Summary of Coverages for this Extension of Coverage is a per occurrence limit and is the most we will pay under this Extension of Coverage for all damages arising out of any one collision.

8.3. ADDITIONAL EXCLUSIONS

This insurance does not apply to:

- 8.3.1. Loss of use of property owned by the Insured;
- 8.3.2. **Property damage** resulting directly or indirectly from the breaking, burning out or disrupting of any electrical machine not located within the **elevator**; or
- 8.3.3. **Property damage** resulting directly or indirectly from fire, however caused.

8.4. DEFINITIONS

For the purposes of this Extension of Coverage:

- 8.4.1. **Elevator** means:
- 8.4.1.1. Any hoisting or lowering device to connect floors or landings, whether or not in service, and all accessories of such hoisting or lowering devices, including any elevator car, platform, shaft, hoistway, stairway, runway, power equipment and machinery, but shall not include:
 - 8.4.1.1.1. Any bearing platform not exceeding nine square feet used exclusively for carrying property;
 - 8.4.1.1.2. Hod or material hoists used in connection with alterations, construction or demolition operations; or
 - 8.4.1.1.3. Inclined conveyers used exclusively for carrying property.
 - 8.4.1.2. Any hoist used for raising or lowering **automobiles** for lubricating and servicing; which is owned, rented, occupied, or used by you or is in your care, custody or control.

8.4.2. **Property insured** means property carried on an **elevator**, other than any hydraulic or mechanical hoist used for raising or lowering **automobiles** for lubricating or servicing, which is owned, leased or used by you or in your care, custody or control.

9. LIMITED COVERAGE FOR FAILURE OF PRODUCT OR WORK TO MEET WRITTEN SPECIFICATIONS

9.1. INSURING AGREEMENT

We will pay those sums that the Insured become legally obligated to pay as **compensatory damages** because of an **error** committed in the course of your **business operations** to which this insurance applies only if:

9.1.1. The **error** takes place in the **coverage territory**;

9.1.2. The **error** occurs during the **policy period**; and

9.1.3. Prior to the **policy period**, no Insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** of the Commercial General Liability Max form and no **employee** authorized by you to give or receive notice of an **occurrence** or claim, knew that the **error** had occurred.

9.2. DEDUCTIBLE

Our obligation to pay **compensatory damages** on the Insured's behalf applies only to the amount of **compensatory damages** in excess of the \$1,000 deductible applicable to this Extension of Coverage.

9.3. EXCLUSIONS

This insurance does not apply to:

9.3.1. Any claim arising out of or relating to **bodily injury, personal injury or advertising injury**;

9.3.2. Any claim arising out of or relating to **property damage** unless otherwise covered by this Extension of Coverage. This exclusion does not apply to loss of use of tangible property that is not physically damaged if the loss of use results from the failure of **your product or your work** to meet the **written specifications**;

9.3.3. Any claim arising out of **written specifications** that were not provided by the person or organization to whom the manufactured goods or products are sold;

9.3.4. Any claim arising out of any defect, deficiency or mistake in **written specifications**;

9.3.5. Any claim for costs or expenses incurred by any Insured for the repair or replacement of defective materials or workmanship in **your work**;

9.3.6. Any claim for an amount in excess of the cost for repair or replacement of **your product or your work** or the price at which **your product or your work** was sold to the customer, whichever is less;

9.3.7. Any claim arising out of or relating to cost guarantees, cost estimates or estimates of probable costs being exceeded;

9.3.8. Any claim for the return of all or any part of payments made to you by your customers for **your product or your work**;

9.3.9. Any liability assumed by any Insured under any written or verbal contract or agreement. This exclusion does not apply to a representation or warranty that **your product or your work** will substantially conform to the **written specifications**;

9.3.10. Any loss, cost or expense incurred by you or others arising out of or relating to the withdrawal or recall of **your work or your product or impaired property**, if such work or product or property is withdrawn or recalled from the market or from use by any person or organization because of a known defect, deficiency, inadequacy or dangerous condition in it;

9.3.11. Any dishonest, fraudulent, criminal or malicious act by or on behalf of any Insured or any person or organization for which the Insured is legally responsible;

9.3.12. Any **error** that occurred prior to the effective date of this Policy if any Insured at the effective date knew or could have reasonably foreseen that such an **error** might result in a claim or **action**;

9.3.13. Any **error** expected or intended by any Insured;

9.3.14. Any claim resulting from the actual or alleged violation of any anti-trust, restraint of trade, unfair trade practice, securities or other consumer protection law by an Insured;

9.3.15. Any **error** related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including 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 **error**.

9.3.16.

9.3.16.1. Any **error** 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, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of **fungi or spores**;

9.3.16.2. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with sub-paragraph 9.3.16.1. above; or

9.3.16.3. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such **error** referred to in sub-paragraph 9.3.16.1. or 9.3.16.2. above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **error**.

9.3.17.

9.3.17.1. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;

9.3.17.2. Any **error** 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;

9.3.17.3. Any **error** resulting directly or indirectly from the **nuclear energy hazard** arising from:

9.3.17.3.1. The ownership, maintenance, operation or use of a **nuclear facility** by or on behalf of an Insured;

9.3.17.3.2. 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**; or

9.3.17.3.3. 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 **error**.

9.3.18.

9.3.18.1. Any **error** arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**;

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

9.3.18.2.1. 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

9.3.18.2.2. 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**.

9.3.19. Any **error** 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. This exclusion does not apply to coverage provided by this Form because of an **error** committed in the course of your **business operations** to which this insurance applies;

9.3.20. Any **error** arising out of or related to the provision of consulting, advice, opinions, design or any other services in connection with any provincial Building Code(s) Regulation or Legislation;

9.3.21. Any **error** 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 **error**.

9.3.22. Any **error** 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 **error**.

9.4. DEFINITIONS

For the purposes of this Extension of Coverage:

9.4.1. **Business operations** means your operations described in the Declaration Page(s).

9.4.2. **Error** means any error, omission or negligent act by or on behalf of any Insured which results in the failure of **your product** or **your work** to meet the specifications described in **written specifications**, after final acceptance of **your product** or **your work** by your customer.

9.4.3. **Written specifications** means written specifications as to the nature and content of **your product** or **your work** purchased from the Insured, which are provided in advance by an Insured to the customer to whom **your product** or **your work** is being offered for sale.

10. LIMITED POLLUTION LIABILITY COVERAGE (120 HOURS)

Exclusion 4. POLLUTION under COMMON EXCLUSIONS – COVERAGES A, B, C AND D of SECTION I - COVERAGES from the Commercial General Liability Max form, is deleted and replaced by the following:

This insurance does not apply to:

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;

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**; or

4.1.1.4. **Bodily injury or property damage** occurring at any premises, site or location situated in Canada and arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:

4.1.1.4.1. Results in the injurious presence of **pollutants** in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and

4.1.1.4.2. Is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and

4.1.1.4.3. Is reported to us within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and

4.1.1.4.4. Occurs in a quantity or with a quality that is in excess of that which is routine or usual to the business of the Insured;

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;

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**; or

- 4.1.4.4. **Bodily injury or property damage** occurring at any premises, site or location situated in Canada and arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:
 - 4.1.4.4.1. Results in the injurious presence of **pollutants** in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and
 - 4.1.4.4.2. Is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
 - 4.1.4.4.3. Is reported to us within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
 - 4.1.4.4.4. Occurs in a quantity or with a quality that is in excess of that which is routine or usual to the business of the Insured; or
- 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.
- 4.3. DEDUCTIBLE
 - 4.3.1. Our obligation to pay **compensatory damages** for **bodily injury or property damage** and loss, cost or expense for **clean up** under this Extension of Coverage applies only to the amount in excess of the \$1,000 deductible applicable to this Extension of Coverage.
 - 4.3.2. Regardless of the number of Insureds, claims or **actions**, the deductible amount applies to all **compensatory damages** because of **bodily injury or property damage** and loss, cost or expense for **clean up** arising out of a **pollution condition**.
- 4.4. ADDITIONAL DEFINITIONS

For the purposes of this Extension of Coverage:

 - 4.4.1. **Clean up** means testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating, neutralizing or in any way responding to or assessing the effect of **pollutants**.
 - 4.4.2. **Pollution condition** means the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** into or upon real or personal property, land, the atmosphere or water of any description no matter where located or how contained, or into any watercourse, drainage or sewage system.

11. PENAL DEFENCE COSTS COVERAGE

11.1. INSURING AGREEMENT

We will pay for **legal costs** incurred by the Insured in the course of your **business operations**, in the defence of charges of a penal nature against the Insured under any law, provided that:

- 11.1.1. The Insured involved notifies us while this Policy is in force that they are the object of an inquiry or a charge has been laid against them or that they are compelled to stand trial or appear before a court of law; and
- 11.1.2. The Insured involved is not, in the end result, found guilty of an offence in respect of the charges laid or that such charges are withdrawn.

11.2. LIMITS OF INSURANCE

In addition to the provisions contained in the Limits of Insurance section shown in this Form, the following provisions apply to this Extension of Coverage:

- 11.2.1. The Per Offence Limit of Insurance shown in the Summary of Coverages in this Form is the most we will pay for the sum of **legal costs** under this Extension of Coverage arising out of any one offence. More than one offence involving the same charges or interrelated charges will be deemed to constitute a single offence.
- 11.2.2. The Aggregate Limit of Insurance shown in the Summary of Coverages in this Form is the most we will pay under this Extension of Coverage during the **policy period** for the sum of **legal costs** arising out of all offences.
- 11.2.3. The Per Offence Limit of Insurance applicable to this Extension of Coverage is a part of, and not in addition to, the Aggregate Limit of Insurance applicable to this Extension of Coverage.

11.3. EXCLUSION

This insurance does not apply to **legal costs** incurred in connection with any fact or circumstance known to the Insured prior to the effective date of this Policy (or of the initial policy issued by us if this Policy forms part of a continuous series of renewals).

11.4. SPECIAL CONDITIONS

In the event a single offence includes more than one charge, the reimbursement shall be prorated in the proportion that the number of charges for which you are found not guilty or which are withdrawn bears to the total number of charges.

11.5. DEFINITIONS

For the purposes of this Extension of Coverage:

- 11.5.1. **Business operations** means your operations described in the Declaration Page(s).
- 11.5.2. **Legal costs** means:
 - 11.5.2.1. Attorneys' fees, subject to a maximum hourly rate of \$250;
 - 11.5.2.2. Extrajudicial costs; and
 - 11.5.2.3. Experts' fees, subject to a maximum of \$5,000.

12. PRODUCT RECALL EXPENSES

12.1. INSURING AGREEMENT

We will pay recall **expenses** if **your product** is withdrawn because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, provided that:

- 12.1.1. The recall takes place in the **coverage territory** and begins during the **policy period**;
- 12.1.2. The **expenses** are incurred and reported to us within twelve (12) months of the date on which the recall began;
- 12.1.3. The recall is necessary to avoid **bodily injury, property damage, personal injury or advertising injury**; and
- 12.1.4. The recall has been ordered by either the manufacturer, a government entity, a legislative authority or arises out of a determination by you.

12.2. DEDUCTIBLE

Our obligation under this Extension of Coverage to pay **expenses** applies only to the amount of product recall **expenses** in excess of the \$1,000 deductible applicable to this Extension of Coverage.

12.3. EXCLUSIONS

This insurance does not apply to expenses incurred for the recall or withdrawal of your product by reason of:

- 12.3.1. Loss of customer confidence or any **expenses** incurred to regain customer confidence or other consequential loss;
- 12.3.2. Prior knowledge of the Insured at the inception of this Policy of any defect, deficiency, inadequacy or dangerous condition in **your product** known to you when such products were still in your possession, or the cost of rectifying said defect, deficiency, inadequacy or dangerous condition in **your product**.

12.4. SPECIAL CONDITIONS

12.4.1. You must, as soon as a recall is believed to be necessary or notified that **your product** must be withdrawn:

- 12.4.1.1. Notify us in writing immediately without delay; and
- 12.4.1.2. Assist us and any experts appointed by us in the investigation of any matter relative to the Insuring Agreement and Exclusions of this Extension of Coverage.

12.5. DEFINITIONS

For the purposes of this Extension of Coverage:

12.5.1. **Expenses** means the reasonable and necessary costs incurred:

- 12.5.1.1. For communications, including radio and television announcements and printed advertisements;
- 12.5.1.2. For telephone communications, stationery, envelopes, producing and printing announcements and postage;
- 12.5.1.3. For rental expenses for the shipping of, and additional warehouse space for, **your product**;
- 12.5.1.4. For cost to hire extra personnel or specialists on a temporary basis;
- 12.5.1.5. For overtime pay for regular **employees**;
- 12.5.1.6. By **employees**, including transportation or accommodation;
- 12.5.1.7. For reasonable legal fees incurred by you;
- 12.5.1.8. For destruction of **your product**, if such action is deemed to be absolutely essential; and
- 12.5.1.9. For inspection of the recalled product on the customer's premises or at the nearest appropriate place by you or on your behalf; but only when such **expenses** are incurred exclusively for the purpose of recalling or withdrawing **your product**.

13. TRADEMARK INFRINGEMENT

13.1. INSURING AGREEMENT

13.1.1. Notwithstanding any contrary provision contained under the Commercial General Liability Max form, we will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **trademark infringement** to which this insurance applies.

13.1.2. This Extension of Coverage applies to **trademark infringement** caused by an offence committed in your **advertisement** but only if the offence was committed in the **coverage territory** during the **policy period**. We will consider any series of related or similar offences to be one offence.

13.2. ADDITIONAL EXCLUSIONS

This insurance does not apply to trademark infringement:

- 13.2.1. Arising out of publication of material, if done by or at the direction of the Insured with knowledge of its falsity;
- 13.2.2. Arising out of publication of material whose first publication took place before the beginning of the **policy period**;
- 13.2.3. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the Insured;
- 13.2.4. For which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for **compensatory damages** that the Insured would have in the absence of the contract or agreement;
- 13.2.5. Arising out of a failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract;
- 13.2.6. Arising out of an infringement of patent by use thereof on or in connection with goods, products, or services sold, offered for sale or advertised;
- 13.2.7. Arising out of an incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised; or
- 13.2.8. Arising out of any offence committed by any Insured whose business is:
 - 13.2.8.1. Advertising, broadcasting, publishing or telecasting;
 - 13.2.8.2. Designing or determining content of web-sites for others; or
 - 13.2.8.3. An Internet search, access, content or service provider.

However, this exclusion 13.2.8. does not apply to:

- 13.2.8.4. False arrest, detention or imprisonment;
- 13.2.8.5. Malicious prosecution;
- 13.2.8.6. 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.

13.3. DEFINITIONS

For the purposes of this Extension of Coverage:

Trademark infringement means injury other than **bodily injury, property damage, personal injury** or **advertising injury** arising out of one or more of the following offences committed in the course of advertising of your goods, products or services:

Infringement of:

- 13.3.1. Trademark;
- 13.3.2. Service mark;
- 13.3.3. Trade secret;
- 13.3.4. Trade name;
- 13.3.5. Trade dress;
- 13.3.6. Title;
- 13.3.7. Slogan; or
- 13.3.8. Internet domain name.

All other terms and conditions of the Policy remain unchanged.

Q.P.F. No. 6 – QUÉBEC AUTOMOBILE INSURANCE POLICY

NON-OWNED FORM

TABLE OF CONTENTS

	pages
INSURING AGREEMENT.....	2
SECTION A – CIVIL LIABILITY.....	2
EXCLUSIONS.....	2
ADDITIONAL AGREEMENTS.....	2
AGREEMENTS OF INSURED.....	2
GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS.....	2
TERRITORY.....	2
PERSONNEL OF OTHER GARAGES EXCLUDED.....	2
DEFINITIONS.....	3
TWO OR MORE AUTOMOBILES.....	3
ADDITIONAL INSURED.....	3
PREMIUM ADJUSTMENT.....	3
AUDIT.....	3
CROSS LIABILITY.....	3
EXCLUDED USES.....	3
CONDITIONS.....	3
REPRESENTATION OF RISK.....	3
MATERIAL CHANGE IN RISK.....	3
MISREPRESENTATIONS OR CONCEALMENT.....	4
BREACH OF WARRANTY.....	4
PROHIBITED USE.....	4
INSPECTION OF AUTOMOBILE.....	4
NOTICE OF LOSS.....	4
INFORMATION TO BE PROVIDED.....	4
DECEITFUL REPRESENTATION.....	4
ABANDONMENT, SAFEGUARDING AND EXAMINATION OF PROPERTY.....	4
ADMISSION OF LIABILITY AND COOPERATION.....	4
VALUATION AND MANNER OF PAYMENT.....	4
ARBITRATION.....	4
NON-WAIVER.....	5
TIME OF PAYMENT.....	5
CONTINUATION OF COVERAGE.....	5
PRESCRIPTION.....	5
SUBROGATION.....	5
OTHER LIABILITY INSURANCE.....	5
RENEWAL OF CONTRACT.....	5
CANCELLATION.....	5
NOTICE.....	5

Words and phrases in bold have special meaning as defined in Definitions Section.

INSURING AGREEMENT

Now, therefore, subject to the limits, terms and conditions, provisions, definitions and exclusions herein stated.

SECTION A – CIVIL LIABILITY

The Insurer agrees to indemnify the Insured, the Insured's succession or legal representatives against the pecuniary consequences of civil liability the Insured may incur for loss or damage arising from the use or operation in the business described in the Declarations of any automobile not owned (in whole or in part) by or registered in the name of the Insured, and resulting from bodily injury to or death of others or damage to property of others not in the care, custody or control of the Insured. However, where the loss exceeds the amounts of insurance, the indemnity shall be applied first to the pecuniary consequences of civil liability incurred by the Named Insured.

EXCLUSIONS

The Insurer shall not be liable under this section:

- (1) except where the *Automobile Insurance Act* does not apply, for bodily injury or death covered under the said Act, the *Act respecting industrial accidents and occupational diseases* or the *Crime Victims Compensation Act*;
- (2) 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;
- (3) for any liability imposed by any workmen's compensation law upon any person insured by this section;
- (4) for loss or damage sustained by the Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured while engaged in the business of the Insured, except as provided under a Direct Compensation Agreement established in accordance with the aforementioned *Automobile Insurance Act*;
- (5) for any liability assumed voluntarily by any person insured by this section under any contract or agreement except for private passenger vehicles rented or leased by an Insured for a period of less than thirty (30) days;
- (6) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this section or to any property owned or rented by, or in the care, custody or control of any such person;
- (7) for any sum in excess of the amount stated in the Declarations, and expenditures provided for in the Additional Agreements of this section, irrespective of the number of persons or interests insured;
- (8) for any loss or damage resulting from bodily injury to or death of any person or damage to property arising out of a **nuclear energy hazard** and in excess of the compulsory amount of liability insurance prescribed by the *Automobile Insurance Act* or the *Act respecting off-highway vehicles*, depending on the type of vehicle involved.

See also General Provisions, Definitions, Exclusions and Conditions.

ADDITIONAL AGREEMENTS

Where indemnity is provided by this section the Insurer further agrees:

- (a) immediately upon receipt of notice of loss to serve any person insured by this section by such investigation thereof, or by such transactions with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer;
- (b) to take up the interest of any person entitled to the benefit of the insurance and assume his defense in any action which may be brought against him;
- (c) bear, over and above the proceeds of the insurance, costs and expenses resulting from actions against the Insured, including those of the defense, and interest on the proceeds of the insurance;
- (d) if the injury is to a person, to reimburse any person insured by this section for expenses incurred for such medical aid as may be immediately necessary at the time of such injury;
- (e) to be liable up to the minimum amount(s) of liability insurance prescribed by any legislation respecting Automobile Insurance and applying in that province or territory of Canada or in that State of the United States of America in which the accident occurred, if that amount(s) is higher than the amount(s) stated in the Declarations;
- (f) not to set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada or in the state of the United States of America in which the accident occurred.

AGREEMENTS OF INSURED

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

- (a) empowers the Insurer as their representative to appear and defend in any province or territory of Canada or in any State of the United States of America 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) renounces his right to unilaterally revoke such mandate;
- (c) 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 section.

GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS

1. TERRITORY

Unless extended by endorsement, insurance provided by this contract applies only within Canada, the United States of America and upon a vessel and/or aircraft serving ports of airports of those countries.

2. PERSONNEL OF OTHER GARAGES EXCLUDED

No person who is engaged in a **garage business**, shall be entitled to indemnity or payment under this contract for any loss, damage, injury or death sustained while using, operating or working upon the automobile in the course of that business or while so engaged is an occupant of or enters or gets onto or alights from such automobile, unless the person is the Insured or the Insured's employee, shareholder, member, partner or mandatary or is actually driving the automobile in Québec.

3. DEFINITIONS

In this policy:

- (a) The term **garage business** includes any business involving the custody, selling, equipping, repairing, maintaining, storing, parking, moving or servicing of automobiles;
- (b) The term **hired automobiles** means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in the Declarations but shall not include any automobile owned in whole or in part by or registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured;
- (c) The term **automobiles operated under contract** shall mean automobiles operated in the business of the Insured stated in the Declarations 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 registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured;
- (d) The words **nuclear energy hazard** mean the radioactive, toxic, explosive or other hazardous properties of prescribed substances under the *Atomic Energy Control Act* (Canada).

4. TWO OR MORE AUTOMOBILES

- (a) When two or more automobiles are insured hereunder the terms of this contract shall apply separately to each, but a motor vehicle and one or more trailer or trailers or semi-trailers attached thereto shall be held to be one automobile with respect to the amounts of insurance under Section A. Where two or more automobiles are insured under one or more contracts issued by the same insurer, only one amount of insurance, the highest, shall apply in the event of loss under section A;
- (b) If section B is included in this policy through endorsement Q.E.F. No. 6-94, Civil Liability for damage to hired automobiles and/or automobiles operated under contract, such automobiles shall be held to be separate automobiles with respect to the amount(s) of insurance, including any deductible provisions, under section B;
- (c) Section A shall apply to the Insured's liability for damage caused to a non-owned trailer, other than a trailer designed or used to carry passengers or for demonstration, sale, office or dwelling purposes, while:
 - attached to an **automobile of the private passenger type** insured under said section;
 - not attached to any other vehicle, provided such trailer is generally attached to an **automobile of the private passenger type** insured under said section.

Automobile of the private passenger type : commercial vehicles of 4 500 kg (10 000 lb) gross vehicle weight or less while used for private or pleasure purpose shall be deemed to be of the private passenger type.

5. ADDITIONAL INSUREDS

This contract also insures every employee, shareholder, officer, member, partner or mandatary of the Named Insured, who, with the consent of the owner of the automobile involved:

- (a) and in the business of the Named Insured stated in the Declarations, personally drives any automobile not owned in whole or in part by or registered in the name of (1) the Named Insured, or (2) such additional insured person, or (3) any person having the same domicile as the Named Insured or such additional insured person;
- (b) any automobile rented or hired in the name of the Named Insured and not owned in whole or in part by or registered in the name of such additional insured person.

6. PREMIUM ADJUSTMENT

The advance premiums stated in the Declarations and in Q.E.F. No. 6-94, if applicable, are computed on the estimated total "cost of hire" or "contract cost", as the case may be, for the contract period. The words "cost for 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 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 contract period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for "cost of hire" and "contract cost" during the contract period based on the provisions contained in Q.E.F. No. 6-100, Final adjustment of premium computation statement.

7. AUDIT

Provided the Insured has authorized the Insurer in writing, the Insurer may at any time during regular business hours and upon fourteen (14) days' prior notice examine the books and records of the Insured insofar as they relate to the subject matter of the contract.

8. CROSS LIABILITY

Every Named Insured sustaining loss or damage because of another Named Insured shall, in respect of such loss or damage, be deemed to be a third party under this contract; provided that this provision shall not operate to increase the limit of the Insurer's liability.

9. EXCLUDED USES

Unless coverage is indicated in the Declarations or expressly given by an endorsement, the Insurer shall not be liable under this contract while:

- (a) the automobile is rented or leased to another;
- (b) the automobile is used to carry explosives, or to carry radioactive material for research, education, development or industrial purposes, or for purposes incidental thereto;
- (c) the automobile is used as a taxicab, bus, livery or sightseeing conveyance.

CONDITIONS

This contract is subject to the *Civil Code of Québec*, the *Code of Civil Procedure of Québec*, the *Automobile Insurance Act* and its regulations and the *Act respecting off-highway vehicles* if applicable.

1. REPRESENTATION OF RISK

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

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, under Condition 21., cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty (30) days of the proposal, the policy ceases to be in force.

If the Insurer continues to accept the premiums or if he pays an indemnity after a loss, he is deemed to have acquiesced in the change notified to him.

3. MISREPRESENTATIONS OR CONCEALMENT

Section A of the policy may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1. and in the first paragraph of Condition 2. which are likely to materially influence a reasonable insurer in the decision to cover the risk. Unless such misrepresentation or concealment is established, 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.

Sections B of endorsement Q.E.F. No. 6-94 may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1. and in the first paragraph of Condition 2. which are likely to materially influence a reasonable insurer, even in respect of losses not connected with the risk so misrepresented or concealed. Unless the bad faith of the Insured or the client 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. BREACH OF WARRANTY

A breach of warranty aggravating the risk suspends the coverage. The suspension ceases upon the acquiescence of the Insurer or the remedy of the breach.

5. PROHIBITED USE

The Insured shall not drive or operate the automobile nor permit the use of the automobile by others:

- (a) unless the driver is for the time being authorized by law or qualified to drive or operate the automobile, or while he is under sixteen (16) years of age or under such other age as is prescribed by law to drive an automobile;
- (b) for any illicit trade or transportation;
- (c) in any race or speed test.

6. INSPECTION OF AUTOMOBILE

The Insurer shall be permitted at all reasonable times to inspect the automobile and its equipment.

7. NOTICE OF LOSS

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

The failure to fulfil the obligation set out in the preceding paragraph entails forfeiture of the right to indemnity where such failure has caused prejudice to the Insurer.

8. INFORMATION TO BE PROVIDED

At request of the Insurer, the Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, summons or proceeding received in connection with a claim.

9. DECEITFUL REPRESENTATION

Any deceitful representation relating to a loss 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 property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

10. ABANDONMENT, SAFEGUARDING AND EXAMINATION OF PROPERTY

The Insured may not abandon the damaged property if there is no agreement to that effect with the Insurer.

The Insured shall facilitate the salvage and inspection of the insured property by the Insurer. He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured automobile and its equipment.

In addition, the Insured shall at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and any such further loss or damage accruing directly or indirectly from a failure to protect shall not be recoverable hereunder. No repairs shall be undertaken or any physical evidence of the loss or damage removed without the written consent of the Insurer, except such repairs as are immediately necessary for the protection of the automobile from further loss or damage, or until the Insurer has had a reasonable time to make the examination provided for in Condition 6.

11. ADMISSION OF LIABILITY AND COOPERATION

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own cost.

The Insured shall cooperate with the Insurer in the processing of all claims.

12. VALUATION AND MANNER OF PAYMENT

The Insurer shall not be liable beyond the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated with proper deduction for depreciation, however caused, and shall in no event exceed what it would cost to repair or replace the automobile or any part thereof with material of like kind and quality provided that in the event of any part of the automobile being obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of original equipment manufacturer parts at the time of loss or damage not exceeding the manufacturer's latest list price.

For the purpose of the above coverage, the value of damages caused to the automobile shall be based on original equipment manufacturer parts where the age of the automobile and mileage are less than two (2) years and forty thousand (40 000) kilometres, or less than one (1) year in the case of an automobile used for commercial purposes. Where the age and mileage are greater, such value may be based on similar automobile parts. However, the Insured may opt for original equipment manufacturer, if available, by communicating such option to the Insurer at the time of the notice of loss. The Insurer shall then specify the applicable conditions and additional costs that the Insured shall assume as a result of such option.

In the event of a total or constructive total loss, the Insurer agrees, at the option of the Insured and subject to supporting evidence, to cover reasonable expenses incurred to restore the automobile to the same condition as it was before the loss.

Except where an arbitration has been made and subject to the rights of preferred and hypothecary creditors, the Insurer, instead to making payment may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality, giving written notice of its intention so to do within seven (7) days after the receipt of the proofs of loss.

In all cases, the salvage, if any, shall revert to the Insurer.

13. ARBITRATION

Arbitration may take place in the event of a disagreement as to the nature, extent or amount of the loss or damage, or the adequacy of the repairs or the replacement and independently of all other questions respecting the validity of the contract.

The party seeking arbitration must notify the other party of his intention in writing, specifying the matter in dispute. The Insured's request for arbitration must be granted. The Insurer's request for arbitration may be granted subject to the Insured's consent.

If the Insured requests arbitration, the Insurer must send the Insured an acknowledgement of receipt no later than fifteen (15) clear days after receipt of this notice. If the Insurer so requests, the Insured must confirm acceptance or refusal within the same amount of time.

Each party shall name an expert and the two (2) experts shall work jointly to estimate damage (establishing the actual cash value and the damage separately) or to assess the adequacy of the repairs or the replacement. Failing to agree, they shall submit their differences to a disinterested arbitrator they have appointed.

If either party fails to appoint an expert within thirty (30) clear days of the date of the notice or if the experts fail to agree upon an arbitrator within fifteen (15) days of their appointment, or if an expert or the arbitrator refuses to act or is unavailable, the vacancy thus created must be filled, on the request of one of the parties, by a court with jurisdiction in the place of the arbitration.

Notwithstanding the arbitration procedure and if the validity or application of the contract is not being contested, the Insurer shall pay the uncontested portion of the damage amount. This payment must be made not later than sixty (60) days after receipt of notice of loss or receipt of the information or supporting documents required by the Insurer.

Subject to this clause, the arbitration shall follow the procedure in sections 940 to 951.2 of the *Code of Civil Procedure of Québec*, taking into account any required modifications. In accordance with section 944.1 of this Code, the arbitration may proceed according to a procedure determined by the arbitrator, insofar as this procedure does not contravene the above sections. The arbitration proceedings shall be held at a place in accordance with the domicile of the Insured.

The arbitrator shall settle the dispute in accordance with the applicable laws in the province of Québec. The arbitrator and the parties may use the language of their choice during the arbitration proceedings. Measures must be taken to ensure that all the participants understand the language used.

The arbitration award shall be made in writing by the arbitrator. It must indicate the date and place where it has been made. It must state the reasons on which it is based and be signed by the arbitrator, then sent to the parties within thirty (30) days of the date on which it has been made.

Each party shall pay the expenses and fees of its expert and half the fees and expenses of the arbitration proceedings. The arbitrator is authorized to award the fees and expenses of the arbitration if he deems that the sharing method established by this clause is not justified or fair for each of the parties in the circumstances.

14. NON-WAIVER

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this contract by any act relating to arbitration or to the delivery and completion of proofs of loss, or to the investigation or adjustment of the claim.

15. TIME OF PAYMENT

Claims under Section B shall be paid within sixty (60) days after receipt of notice of loss or of information or proof of loss required by the Insurer or, where an arbitration is held, within fifteen (15) days after award is accepted by the Insured.

16. CONTINUATION OF COVERAGE

Coverage is maintained after a loss.

17. PRESCRIPTION

Every action against the Insurer under this contract is prescribed by three (3) years from the date the right of action has arisen.

18. SUBROGATION

The Insurer shall be subrogated to the extent of the amount paid under this contract to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household.

The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

19. OTHER LIABILITY INSURANCE

Insurance under a contract evidenced by a valid owner's policy is, in respect of liability arising from or occurring in connection with the ownership, use or operation of an automobile owned by the Insured named in the policy and within the description or definition thereof in the policy, a first loss insurance, and insurance attaching under any other valid motor vehicle liability policy is excess insurance only.

However, insurance evidenced by a valid garage policy, not describing the specific automobile(s) insured, shall in respect to non-owned or customers' automobiles while being used, operated or worked upon in the course of the policyholder's business as a garage be a first loss insurance and insurance attaching under any other valid motor vehicle policy shall be excess insurance only.

20. RENEWAL OF CONTRACT

This contract shall be renewed of right, for the same premium and for the same period, at expiry, unless notice to the contrary is given by the Insurer or the Insured; if given by the Insurer, the notice of non-renewal or of a change in the premium must be sent to the Insured, at his last known address, not later than the thirty (30) days preceding the date of expiry, counting that date.

Where the Insured deals through a broker, the notice provided for in the first paragraph is sent by the Insurer to the broker, the latter being entrusted to remit it to the Insured.

21. CANCELLATION

This contract may be cancelled at any time:

(a) by each of the Named Insureds giving mere written notice to the Insurer. Cancellation takes effect upon receipt of the notice by the Insurer and the Insured shall therefore be entitled to a refund of the excess of the **premium actually** paid over the premium earned for the time the contract has been in force, on the basis of the Cancellation Table herein;

(b) within sixty (60) days after its coming into force, by the Insurer giving written notice to each Named Insured. Cancellation takes effect fifteen (15) days following receipt of such notice by the Named Insured at his last known address.

At the expiry of such period of sixty (60) days, the contract shall not be cancelled by the Insurer except in the case of an aggravation of risk which is likely to materially influence a reasonable insurer in the decision to continue to insure, or when the premium has not been paid. The Insurer so wishing to cancel the contract shall notify each Named Insured in writing; cancellation takes effect thirty (30) days following receipt of such notice by the Named Insured at his last known address or, if the Described Automobile, with the exception of a school bus, is an automobile contemplated in Title VIII.1 of the *Highway Safety Code*, fifteen (15) days after receipt of the notice.

The Insurer shall refund the excess of the **premium actually paid** over the earned premium computed on a day to day basis.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words **premium actually paid** mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

22. 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.

Q.E.F. NO. 6-94 – COMMERCIAL LIABILITY INSURANCE

CIVIL LIABILITY RESULTING FROM DAMAGE TO HIRED AUTOMOBILES AND/OR AUTOMOBILES OPERATED UNDER CONTRACT ENDORSEMENT

Up to the Each Occurrence Limit stated in the Declarations, in addition to the amounts stated for the Commercial General Liability Insurance, the Insurer agrees to indemnify the Insured against the pecuniary consequences of the contractual or extracontractual liability of the Insured for loss of or damage caused by all perils (Subsection 1) to **hired automobiles** or **automobiles operated under contract**, as defined in General Provisions, Definitions and Exclusions of Form Q.P.F. No. 6 to which this endorsement is attached.

SUBSECTION 1 – ALL PERILS

SUBSECTION 2 – COLLISION OR UPSET

Collision includes collision with (a) a vehicle to which the automobile is attached and (b) the surface of the ground.

Upset means the total or partial upset of the automobile.

SUBSECTION 3 – COMPREHENSIVE meaning any peril other than collision or upset.

For the purpose of subsection 3, 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 caused by perils for which insurance is provided under subsection 3. In addition, coverage under subsection 3 is extended to include loss or damage caused by collision with a person or with an animal.

SUBSECTION 4 – SPECIFIED PERILS – meaning fire, lightning, theft or attempted theft, explosion, earthquake, windstorm, hail, rising water, riot or civil commotion, falling or forced landing of aircraft or of parts of aircraft, 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

The Insured shall be required to contribute the deductible amount stated in the Declarations with respect to loss or damage insured under section B, except for loss or damage by fire or lightning, in any one occurrence.

EXCLUSIONS

The Insurer shall not be liable for loss or damage:

1. to any automobile while personally driven by the Named Insured if the Named Insured is an individual;
2. under any subsection hereof for loss or damage:
 - 2.1. to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing, or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection;
 - 2.2. to any automobile while being used without the consent of the owner thereof;
 - 2.3. to contents of trailers;
 - 2.4. to tapes and equipment for use with a tape player or recorder, or to compact discs, unless such tapes, equipment or discs are in the tape player, recorder or disc player;
 - 2.5. caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by operation of armed forces while engaged in hostilities, whether war be declared or not.
3. under subsections 3 and 4 for loss or damage caused by theft by anyone whose domicile is the same as the Insured's, or by any employee of the Insured engaged in the operation, maintenance, repair, servicing or parking of the automobile whether the theft occurs in the course of such service or employment or not.

ADDITIONAL AGREEMENTS

1. Where loss or damage arises from a peril insured against hereunder, the Insurer further agrees:
 - 1.1. to pay general average and salvage charges, and customs duties of Canada or of the United States of America, for which the Insured is civilly liable;
 - 1.2. to bear any fees the Insured is charged by a municipality under the *Act respecting municipal taxation* for the use of its fire protection service when the fire department is called to prevent or fight fire in the automobile.
2. The Additional Agreements of the LI-6 form shall, insofar as they are applicable to the subject matter of this endorsement, extend to the indemnity provided herein.

All other terms and conditions of the policy remain unchanged.

COMMERCIAL GENERAL LIABILITY COVERAGE

PYRITE OR PYRRHOTITE EXCLUSION

This Endorsement changes the Policy. Please Read It Carefully.

The following exclusion is added to the COMMON EXCLUSIONS COVERAGES A, B, C and D section contained under the Commercial General Liability Max Form.

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 insurance does not apply to:

8. PYRITE OR PYRRHOTITE

Bodily injury, property damage or personal injury arising directly or indirectly, in whole or in part, from any reactive aggregate or granular substance, including those containing pyrite, pyrrhotite, ferrous sulfide or any materials containing such reactive aggregates or granular substances, in any form or in any 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**.

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.

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.

Q.E.F. No. 6-96 – CONTRACTUAL LIABILITY ENDORSEMENT

This Endorsement changes the Policy. Please Read It Carefully.

It is agreed that exclusion (5) of section A of Form 094.9e, Q.P.F. No. 6, Québec Automobile Insurance Policy – Non-owned Form, is deleted.

All other terms and conditions of the Policy remain unchanged.

COMMERCIAL GENERAL LIABILITY COVERAGE

ABUSE LIMITATION ENDORSEMENT (CLAIMS-MADE)

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 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

- 2.1. 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**.
- 2.2. This insurance applies only:
 - 2.2.1. To claims or **actions** made against you during the time that this Endorsement's coverage is in effect; and
 - 2.2.2. If notice of claim is first made against you during the time this Endorsement's coverage is in effect; and
 - 2.2.3. If notice of claim is given to us during time that this Endorsement's coverage is in effect or, in the event of cancellation or non-renewal of this Policy:
 - 2.2.3.1. fifteen (15) days after the effective date of such cancellation or non-renewal, except in Québec; or
 - 2.2.3.2. in Québec, if the cancellation takes place fifteen (15) days after receipt of such written notice by the Insured to his last known address.

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

- 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) 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 you 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.

NON-PROFIT ORGANIZATION

LIABILITY INSURANCE POLICY

TABLE OF CONTENTS

	pages
PART 1 – INSURING AGREEMENTS.....	3
A – INSURED PERSON NON-INDEMNIFIABLE LIABILITY.....	3
B – INSURED PERSON INDEMNIFIABLE LIABILITY.....	3
C – INSURED ORGANIZATION LIABILITY.....	3
PART 2 – EXTENSIONS OF COVERAGE.....	3
PART 3 – EXTENDED REPORTING PERIOD.....	4
PART 4 – EXCLUSIONS.....	4
PART 5 – LIMITS OF LIABILITY AND DEDUCTIBLES.....	5
PART 6 – DEFENCE AND SETTLEMENT.....	6
PART 7 – NOTICE OF CLAIMS/NOTICE OF FACTS & CIRCUMSTANCES.....	6
PART 8 – GENERAL CONDITIONS.....	7
POLICY CHANGES.....	7
DECLARATIONS, REPRESENTATIONS AND SEVERABILITY.....	7
NON-RESCINDABILITY.....	7
ASSIGNMENT.....	7
CHANGE OF CONTROL.....	7
NOTICE OF NON-RENEWAL.....	7
CANCELLATION.....	7
PAYMENT OF PREMIUM.....	7
NOTICE.....	7
OTHER INSURANCE.....	7
SUBROGATION.....	8
CURRENCY.....	8
BANKRUPTCY AND INSOLVENCY.....	8
ACTION AGAINST THE INSURER.....	8
STATUTORY CONFORMITY.....	8
ARBITRATION CLAUSE.....	8
TERRITORY.....	8
LIBERALISATION CLAUSE.....	8
PART 9 – DEFINITIONS.....	8
Administration.....	8
Antipollution Measures.....	8
Application.....	8
Bankruptcy.....	8
Based upon.....	8
Benefits.....	8
Claim.....	8
Crisis Consulting Expenses.....	9
Defence Costs.....	9
Derivative Demand Evaluation Expenses.....	9
Employee.....	9
Employee Benefit Plan.....	9
Employed Lawyer.....	9
Employed Lawyers Wrongful Act.....	9

Employment Practices Wrongful Act.....	9
Executive.....	9
Executive Wrongful Act.....	9
Expense Coverage.....	9
Extended Reporting Period.....	9
Extradition Expenses.....	9
Fiduciary.....	10
Fiduciary Wrongful Act.....	10
Insolvency.....	10
Insured.....	10
Insured Organization.....	10
Insured Person.....	10
Loss.....	10
Outside Organization.....	10
Outside Organization Executive.....	10
Parent Organization.....	10
Personal Injury Wrongful Act.....	10
Policy Period.....	10
Pollutants.....	10
Premises.....	10
Prior and Pending Proceedings Date.....	10
Publishers Wrongful Act.....	11
Stalking Threat.....	11
Subsidiary.....	11
Third Party Employment Practices Wrongful Act.....	11
Workplace Violence Expenses.....	11
Workplace Violence Incident.....	11
Wrongful Act.....	11

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 Persons** 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 of 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. CHANGE OF CONTROL 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 one (1) year;
2. 125% for an **Extended Reporting Period** of three (3) years;
3. 150% for an **Extended Reporting Period** of six (6) years;

The right to purchase the **Extended Reporting Period** shall lapse unless written notice together with payment of the additional premium (including any applicable taxes) is given by the **Insured** to the Insurer within 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 judgment 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.C. 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. **Defense 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.C. 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. the liability assumed in accordance with the agreement or declaration of trust of the **Employee Benefit Plan**; or
- 7.3. **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**; and
- 1.3. subject to the clause 1.2. above, the Limit of Liability stated in the Declarations Page for an Insuring Agreement is the most the Insurer will pay for all **Claims** made during the **Policy Period** under such Insuring Agreement. If no amount is stated, then no coverage shall be available for such Insuring Agreement.

2. APPLICABILITY OF THE LIMITS OF LIABILITY

The Limits of Liability shall apply separately to each **Policy Period**. If the **Policy Period** is extended for an additional period of less than 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:

- 6.1. **Claim** first made against the **Insured** before the effective date of the increase;
- 6.2. any fact, circumstance, situation or event known to the **Insured** on the effective date of the increase and likely to give rise to a **Claim**.

7. REDUCTION OF THE LIMITS OF LIABILITY

If the Limit of Liability has been reduced, the reduced Limit of Liability shall apply to 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 Persons** who are not indemnified by the **Insured Organization**; 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 held 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 cancelled by the **Parent Organization**, the Insurer will send the **Parent Organization** any premium refund due, such refund will be computed pro rata. The cancellation is effective even if the Insurer has not made or offered a refund;
- 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 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 as a condition precedent thereto, there shall have been full compliance by the **Insured** with all of 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 **Employee Benefit Plans**;
- 1.2. interpreting the **Employee Benefit Plans**;
- 1.3. handling the records in connection with the **Employee Benefit Plans**;
- 1.4. enrollment, termination or cancellation of **Employees** under the **Employee 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, addenda, 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 or servicing 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 or 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 it is 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 or service was, is or will be directed by the **Insured Organization**. This includes any full-time, part-time, seasonal, temporary worker, volunteer or dependent contractor 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**;
 - 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 Coverage**.
- 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 their 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.C. (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.C. (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.S.C., 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, alkalis, 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 counselling 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;
 - 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, martial 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 Wrongful Act**;
 - 42.7. any **Employed Lawyers Wrongful Act**.

DIRECTORS AND OFFICERS COVERAGE-AMENDATORY ENDORSEMENT

This Endorsement changes the policy. Please read it carefully.

It is agreed that:

1. The following words or terms when referenced and appearing in Form 350.2e, attached to and forming part of this Policy, shall mean:
 - 1.1. "Policy" shall mean the immediate coverage per the terms and conditions provided in Form 350.2e only;
 - 1.2. **Parent Organization** shall mean the not for profit entity listed as an **Insured** in the Declarations Page and given the meaning afforded under Form 350.2e.
2. Any other **Insured** listed in the Declarations Page shall not be construed to be an **Insured** as defined under the coverage provided by Form 350.2e, unless it meets the definition of **Insured** in Form 350.2e or identified and defined by an endorsement attached to and forming part of Form 350.2e.
3. Any endorsements attached to and forming part of Form 350.2e shall apply strictly to and for Form 350.2e only.
4. Form no. 003.1e, which is listed in the Declarations Page, does not apply to Form 350.2e.

All terms of this policy shall remain unchanged except as otherwise provided in this Endorsement.

ABUSE – EXCLUSION

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**; or
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.