

Unica Insurance Inc. (hereinafter called the Insurer)

COVERAGE SUMMARY (DECLARATIONS)

Method of Payment: Agency Bill

INSURED'S NAME AND ADDRESS	POLICY PERIOD
As per Certificate of Insurance	Effective Date as per Certificate of Insurance Expiry Date as per Certificate of Insurance at 12:01 A.M All times are local times at the Named Insured's postal address shown on the Certificate of Insurance

BROKER
Hunters International Ltd. Weston Centre, Ste 401, 22 St Clair Avenue East, Toronto, ON M4T 2S3 ID Number: 1941

MASTER POLICY PROGRAM
Master Policyholder: The Canadian Bar Insurance Association 5 Park Home Avenue, Suite 500, Toronto, ON M2N 6L4 Effective Date: February 1, 2021 Expiry Date: Continuous until terminated

The Master Policy may be terminated by Master Policyholder or the Insurer in accordance with the termination provisions of the program agreement between the Master Policyholder and the Insurer. Termination of the Master Policy Form shall not prematurely end coverage under Certificates of Insurance issued prior to termination of Master Policy Form.

This Policy is subject to all of the terms and conditions of the Master Policy. The Master Policy terms can only be changed at the request of the Master Policyholder. The Broker is responsible for handling coverage limit change requests from the insured(s) named on each separately issued Certificate of Insurance, subject to the terms of the Master Policy.

IN CONSIDERATION OF THE PAYMENT OF PREMIUM AND IN RELIANCE UPON STATEMENTS MADE IN THE APPLICATION, THIS POLICY INCLUDING ALL ENDORSEMENTS ISSUED HEREIN, SHALL CONSTITUTE THE CONTRACT BETWEEN UNICA INSURANCE INC. AND THE NAMED INSURED.

PARTICULARS OF THE DESCRIBED LOCATION	
• LOCATION ADDRESS:	As per Certificate of Insurance
• INSURED'S BUSINESS	Law Firm
• Mortgagee(s):	Standard Mortgage Clause Form As per Certificate of Insurance

Prepared by the Insurer  Dave Smiley Chief Operating Officer	ANNUAL POLICY PREMIUM As per Invoice Minimum Retained Premium \$100
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COVERAGE SUMMARY (DECLARATIONS) CONTINUED

COMMERCIAL INSURANCE

Property Insuring Agreement, Miscellaneous Clauses and Conditions Form 0001 (2021-01)

This policy contains a clause(s) that may limit the amount payable.

Insurance is provided only for those coverages indicated and specific limits of insurance are stated below or on the Certificate of Insurance.

COVERAGES	DEDUCTIBLE	LIMIT
-Commercial Property- Broad Form - Form 1000 (2011-01)		
Building	\$1,000	As per Certificate of Insurance
Contents	\$1,000	As per Certificate of Insurance
-Commercial Condominium Unit Owners Rider- Form 422 (2011-01)	\$1,000	\$25,000
-Functional Replacement Cost Endorsement - Same Site or Adjacent Site Amendment - Form 1100C (2011-01)		Included
-Stated Amount - Waiver of Co-Insurance Endorsement - Form 1105 (2011-01)		Included
-Sewer Back-Up Endorsement - Form 1104 (2011-01)	\$2,500	Included
-Flood Endorsement - Form 1103 (2011-01)	\$10,000	Included
-Earthquake Shock Endorsement - Form 1102 (2011-01)	As per Certificate of Insurance	Included
-Roof Water Endorsement - Form 1112 (2011-01)	\$1,000	Included
-Equipment Breakdown Form - Form 5000 (2019-10)	\$1,000	Included
-Extended Business Income Actual Loss Sustained Endorsement Form - Form 6092 (2017-06) Waiting Period (NB Hours): 24 Ordinary Payroll (NB Days): 90		Included
-Amendment to the Extended Business Income Actual Loss Sustained Endorsement Form Form 6093 (2021-01)		Included
-Environmentally Friendly Replacement Endorsement - Form 1106 (2011-01)	\$1,000	Included
-The Professionals Office Connection Endorsement - Form 6070 (2018-02) and The Amendment to The Professionals Office Connection Endorsement - Form 6072 (2021-01)	\$1,000	
Extension of Coverages*:		
Booster Extension		\$50,000
Roadways, Walkways, Parking Lots		\$100,000
Underground Utilities Extension (included in "Building Limit)		Included
New Construction		\$150,000
Building By-Laws (included in "Building" limit)		Included
Land and Water Pollution Clean Up (Aggregate Limit)		\$50,000
Building Inflation Protection		Included
Glass		Included
Property of Others for Which the Insured is Legally Liable		\$100,000
Fine Arts		\$100,000
Exhibitions		\$50,000
Service Interruption- Physical Damage		\$50,000
Arson and Burglary Award		\$25,000
Confiscation or Seizure of Property		\$10,000
Inventory Preparation Costs		\$50,000
Penalties for Non-Completion of Services (Aggregate Limit)		\$50,000
Personal Property of Officers and Employees		\$50,000
Building Damage by Theft		\$50,000
Growing Plants, Trees, Shrubs and Flowers Outside the Building		\$50,000
Co-Insurance Waiver - 5% or \$15,000		Included
Computer Systems Breakdown		\$50,000
Unnamed and Temporary Locations		\$100,000
Newly Acquired Locations - 90 Days		
- Building		\$2,000,000
- Contents		\$500,000
Courier Shipments and Parcel Post		\$25,000
Property in Transit		\$50,000
Sales Representative		\$50,000
Maximum Aggregate Limit \$500,000 for the following extensions of coverages*:		
- Accounts Receivable		Included
- Extra Expense		Included
- Professional Fees		Included
- Debris Removal		Included
- Lock and Key Replacement		Included
- Exterior Signs Including Street Clocks, Communication Towers, Antennae and Satellite Receivers		Included
- Fire Department Service Charges		Included
- Fire Equipment Recharge		Included
- Expediting Expenses		Included

*For each of the above applicable extensions of coverage, if there is a higher limit shown elsewhere in this document then that limit shall apply in place of the limit shown above.

COVERAGE SUMMARY (DECLARATIONS) CONTINUED

COVERAGES	DEDUCTIBLE	LIMIT
-Valuable Papers and Records Form – Form 448 (2011-01)	\$1,000	\$500,000
-Valuable Papers and Records Insurance Extension – Form 1808A (2021-01)	\$1,000	Included
-General Exclusion Privacy Breach – Form 6606 (2020-05)		Included
-Microorganism and Communicable Disease Endorsement – Form 6607 (2020-09)		Included
-Sixty (60) Days Cancellation Clause – Form 1206B (2011-01)		Included
-Crime Standard Conditions – Form 0002 (2011-01)		Included
- Professionals Commercial Connection- Comprehensive Dishonesty, Disappearance, Destruction and Forgery Form - Form 2000C (2017-01) and the Amendment to the Professionals Commercial Connection Comprehensive Dishonesty – Form 2108 (2021-01)		
Employee Dishonesty Coverage Form A	\$1,000	\$100,000
Loss Inside the Premises Coverage	\$1,000	\$10,000
Loss Outside the Premises Coverage	\$1,000	\$10,000
Money Orders and Counterfeit Paper Currency Coverage	\$1,000	\$100,000
Depositors Forgery Coverage	\$1,000	\$100,000
Credit Card Forgery Coverage	\$1,000	\$100,000
Securities in Safe Deposit Boxes	\$1,000	\$10,000
Newly Acquired Locations 60 Days	\$1,000	\$10,000
Crime Award	\$1,000	\$2,500
Expense of Preparing Inventory or Audit	\$1,000	\$50,000
Third Party Losses	\$1,000	\$25,000
Computer Fraud Coverage		
- Insured's Interest	\$1,000	\$100,000
- Customer's Interest	\$1,000	\$10,000
Computer Virus Fraud Coverage	\$1,000	\$100,000
Identity Theft Expense	\$1,000	\$10,000
-Restricted Money Coverage Endorsement (\$1,000) - Form 2106 (2014-06)		Included
-Crime Extortion Extension Endorsement – Form 2109 (2021-01)	\$1,000	\$100,000
-Commercial General Liability - Occurrence Form - Occurrence Limit – Form 3000 (2014-04)		
General Aggregate Limit	\$1,000	As per Certificate of Insurance
Personal Injury & Advertising Injury Limit	\$1,000	As per Certificate of Insurance
Medical Payments	\$1,000	\$10,000 any one person \$25,000 per accident
Tenants' Legal Liability	\$1,000	\$2,000,000
Products-Completed Operations Aggregate Limit	\$1,000	As per Certificate of Insurance
-Deductible Endorsement – Form 3901 (2011-01)	\$1,000	Included
-Additional Insured – Owners, Landlords, Lessors and Property Managers Extension Endorsement – Form 3238 (2014-06)		Included
-Employee Benefits Liability Extension Endorsement – Form 3160 (2014-09)	\$1,000	\$2,000,000
-Professional (Errors and Omissions) Liability Exclusion - Form 3235 (2011-01)		Included
-Fiduciary Exclusion – Form 3233 (2011-01)		Included
-Abuse Limited Liability Coverage Endorsement (Each Occurrence) – Form 3237 (2014-06)	\$1,000	\$50,000
-Employment Practices Limited Liability Extension Endorsement – (Claims Made) Aggregate Limit – Form 3181 (2014-06)	\$1,000	\$25,000
-The Office Connection Employers' Liability Extension Endorsement – Form 6065 (2011-01)	\$1,000	\$2,000,000
-The Office Connection Voluntary Compensation for Employees Endorsement – Form 6066 (2011-01)	\$1,000	As per benefits schedule
-Limited Fungi and Fungal Derivates Coverage (Each Occurrence) – Form 3115 (2011-01)	\$1,000	\$250,000
-Commercial Connection - Standard Non-Owned Automobile Policy – S.P.F. No 6 – All Provinces Except Quebec – Form 3070B (2017-12)	\$1,000	As per Certificate of Insurance
-Legal Liability for Damage to Hired Automobiles Endorsement - S.E.F No. 94 – Form 3070B (2011-01)	\$1,000	\$75,000
-Contractual Liability Endorsement - S.E.F No. 96 – Form 3070B (2011-01)		Included
-Excluding Long Term Leased Vehicle Endorsement - S.E.F No. 99 – Form 3070B (2011-01)		Included
-Commercial Umbrella Liability Policy – Occurrence Form – General aggregate limit- Form 4000 (2014-04)	\$10,000 Self Insured Retention per Occurrence	As per Certificate of Insurance
Coverage A-Bodily Injury and Property Damage- Each Occurrence limit		As per Certificate of Insurance
Coverage B-Personal and Advertising Injury Any One Person or Organization Each Occurrence limit		As per Certificate of Insurance
Schedule of Underlying Insurance – As per Certificate of Insurance		
-Standard Excess Automobile Policy - (SPF No. 7 In Applicable Provinces) – Form 4900 (2011-01)		As per Certificate of Insurance
Schedule of Underlying Insurance – as per certificate of insurance		
-Professional Liability Exclusion - Form 4247 (2011-01)		Included
-Fiduciary Exclusion - Form 4216 (2011-01)		Included

COVERAGE SUMMARY (DECLARATIONS) CONTINUED

COVERAGES	DEDUCTIBLE	LIMIT
-Intellect Cyber Liability – Claims Made and Reported Coverage underwritten by The Sovereign General Insurance Company – Form S70243 (2014-01)		
Program Policy Aggregate Limit		\$10,000,000
Policy Aggregate Limit		As per Certificate of Insurance
Retroactive Date: the date that the insured first entered the Lawyers Financial Program with Dion Insurance Program Managers. If prior to February 1, 2021 coverage based on expiring terms and conditions and limit will be lower of expiring limit or current limit on shown on the Certificate of Insurance		
E-Media Liability		Not Covered
Network Security & Privacy Breach Liability	\$0	As per Certificate of Insurance
Privacy Breach Expenses	\$0	As per Certificate of Insurance
Privacy Regulatory Defence Penalties		Not Covered
Business Interruption Loss (S70243-E.3) – 24 hour waiting period		As per Certificate of Insurance
Cyber Extortion Threat	\$1,000	As per Certificate of Insurance
Digital Asset Loss		Not Covered
- Policy and Statutory Conditions (applicable to Intellect Cyber Liability – Claims Made and Reported Coverage – Form S70243) – Form S10006.2)		

The following Insuring Agreement, Removal Clause, Debris Removal Clause, Property Occurrence Deductible, Common Exclusions, Definitions, Statutory Conditions and Additional Conditions apply to all property wordings and/or endorsements forming part of this policy.

1. INSURING AGREEMENT

The Insurer, in consideration of the payment of premium, in reliance upon the statements in the "Declarations Page(s)" made a part of this policy and subject to all the terms and conditions of this policy and the forms and endorsements attached, agrees with the Named Insured as follows:

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

- (a) the actual cash value of the property at the time of loss or damage (as determined in any Basis of Valuation clause);
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declarations Page(s)" or provided by the policy for the lost or damaged property.

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

2. REMOVAL

If any of the insured property is necessarily removed from the location(s) specified in the policy to prevent loss or damage to or further loss of or damage to such property, that part of the insurance under this policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven (7) days only, or for the unexpired term of the policy if less than seven (7) days, insure the property removed and any property remaining at the location(s) specified in the policy in the proportions which the value of the property in each of the locations bears to the value of the property in them all.

3. DEBRIS REMOVAL

The following extensions of coverage shall not increase the applicable amounts of insurance within this policy.

- (a) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the premises of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this policy.

The total amount payable under this extension shall not exceed twenty-five percent (25%) of the sum of:

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

- (b) **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 policy but which has been blown by windstorm upon a location specified on the "Declarations Page(s)"

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

- (ii) to "clean up" "pollutants" from land or water, or
- (iii) 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 actual cash value for the purpose of applying co-insurance.

4. PROPERTY OCCURRENCE DEDUCTIBLE

In the event of a claim under this policy, caused by an insured peril, the Insurer is liable only for the amount by which the loss or damage exceeds the amount of the deductible specified on the "Declarations Page(s)".

Should any occurrence give rise to the application of more than one deductible amount for any one location specified in the policy, only the highest deductible amount will be applied at the specified location.

This deductible does not operate to reduce the applicable limits of insurance.

5. COMMON EXCLUSIONS – PROPERTY SECTION

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

- (a) 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;
- (b) (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Clause 6 (h) "Named Perils";
(ii) by contamination by radioactive material;
- (c) 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;

- (d) (I) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
(ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
- (iii) by any dishonest or criminal act committed by anyone, except as stated in (d) (ii), when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.
This exclusion (d) (iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

- (e) (i) by or resulting from illegal "drug operations"; or
(ii) by or resulting from any activity or decision of a government agency or other entity to prevent, respond to or terminate illegal "drug operations";
where the Insured or any agent of the Insured knew or ought to have known of the illegal "drug operations" prior to the loss or damage. Unless the Insured or any agent of the Insured already knows that loss or damage has occurred, this exclusion (e) does not apply if, upon becoming aware of illegal "drug operations", the Insured or any agent of the Insured immediately notifies the police and the Insurer.

(f) POLLUTION EXCLUSION:

This policy does not insure against:

- (1) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up". This exclusion does not apply:
(i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", is directly caused a peril not otherwise excluded under this policy;
(ii) to loss or damage caused directly by a resultant peril not otherwise excluded under this policy;
- (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".

(g) DATA EXCLUSION:

SECTION A – Applicable to all coverages other than those indicated for Section B:

- (1) this policy does not insure "data".
(2) this policy does not insure loss or damage caused directly or indirectly by a "data problem". This exclusion (2) does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from fire protective equipment all as described in Clause 6 (h) "Named Perils";

SECTION B – Applicable to Business Interruption coverages:

Subject to (1) and (2) following, the Insurer shall not be liable for loss of income directly or indirectly caused by a "data problem".

- (1) If "data problem" results in direct physical loss of or damage to property at the premises caused by:
• fire;
• explosion;
• smoke;
• leakage from "fire protective equipment";
all as described in Clause 6 (h) "Named Perils", this exclusion shall not apply to resulting loss of income suffered through such resulting loss or damage.
- (2) If "data problem" is the direct result of:
• fire;
• lightning;
• explosion;
• impact by aircraft, spacecraft or land vehicle;
• smoke;
• leakage from "fire protective equipment";
• windstorm or hail,
all as described in Clause 6 (h) "Named Perils", at the premises this exclusion shall not apply.

(h) FUNGI AND SPORES EXCLUSION:

This policy does not insure against:

- (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:
(i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this policy, or
(ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy;
- (2) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

(i) **TERRORISM EXCLUSION:**

- (1) 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) In no event shall item (1) be construed to give coverage for any delay, loss of income, loss of market, or loss of use or occupancy, or any additional charges or expense.

6. DEFINITIONS

Wherever used in this policy:

- (a) "**Clean up**" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (b) "**Data**" means representations of information or concepts, in any form.
- (c) "**Data Problem**" means:
 - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - (ii) error in creating, amending, entering, deleting or using "data"; or
 - (iii) inability to receive, transmit or use "data".
- (d) "**Declarations Page(s)**" means the Declarations Page(s) applicable to this policy.
- (e) "**Drug Operations**" means cultivating, harvesting, processing, manufacturing, distributing or selling of any substance falling within the Controlled Drugs and Substances Act on the premises.
- (f) "**Fungi**" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spore(s)" or resultant mycotoxins, allergens, or pathogens.
- (g) "**Fire Protective Equipment**" includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the premises and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (h) "**Named Perils**" means:

A. FIRE OR LIGHTNING

B. EXPLOSION: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:

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

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

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

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

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

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his/her employees;
 - (ii) to aircraft, spacecraft or land vehicles causing the loss;
 - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a building.
- D. RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside of the premises at the location(s) specified on the "Declarations Page(s)" who have quitted work and of locked-out employees.
- There shall in no event be any liability for loss or damage:
- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 6. (h) B.;
 - (iii) due to theft or attempted theft.
- E. SMOKE:** The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage
- F. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term Leakage from "Fire Protective Equipment" means:
- (i) the leakage or discharge of water or other substances from;
 - (ii) the collapse of;
 - (iii) the rupture due to freezing of;
- "fire protective equipment" for the premises at the location(s) specified on the "Declarations Page(s)" or for adjoining structures.
- G. WINDSTORM OR HAIL:** There shall in no event be any liability for loss or damage:
- (i) to the interior of the building or to contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- (i) **"Pollutants"** means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
 - (j) **"Spores"** includes, but is not limited to, any reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
 - (k) **"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 governments(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- 7. STATUTORY CONDITIONS (All provinces except Manitoba, Alberta, British Columbia and Quebec)**
- The Statutory Conditions apply to the peril of fire and/or other perils as set out in the Insurance Act of the province in which this policy covers and as modified or supplemented by forms or endorsements attached apply as Policy Conditions to all other perils insured by this policy.
- 1. MISREPRESENTATION**
If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
 - 2. PROPERTY OF OTHERS**
Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured in such property is stated in the contract.
 - 3. CHANGE OF INTEREST**
The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.
 - 4. MATERIAL CHANGE**
Any change material to the risk and within the control and knowledge of the insured voids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen (15) days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
 - 5. TERMINATION**
 - (1) This contract may be terminated:
 - (a) by the Insurer giving to the Insured fifteen (15) days notice of termination by registered mail or five (5) days' written notice of termination personally delivered;
 - (b) by the Insured at any time on request.
 - (2) Where this contract is terminated by the Insurer,

- (a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practical the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen (15) days mentioned in clause 1 (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. REQUIREMENTS AFTER THE LOSS

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
- (a) immediately give notice of the loss or damage in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer, a proof of loss, verified by a statutory declaration;
 - (i) giving a complete inventory of the lost or damaged property and showing in detail quantities, cost, actual cash value and particulars of amount of loss claimed;
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
 - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means of connivance of the Insured;
 - (iv) showing the amount of other insurances and the names of other Insurers;
 - (v) showing the interest of the Insured and all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property;
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - (vii) showing the place where the insured property was located at the time of loss or damage;
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - (d) if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records verified by statutory declaration, as well as any relevant contracts or agreements with others.
- (2) The evidence furnished under clauses (1) (c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

7. FRAUD

Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

8. WHO MAY GIVE NOTICE AND PROOF

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

9. SALVAGE

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

10. ENTRY, CONTROL, ABANDONMENT

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

11. APPRAISAL

In the event of disagreement as to the value of the insured property or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions.

There shall be no right to an appraisal until a specific demand for one is made in writing and until after proof of loss has been delivered.

12. WHEN LOSS PAYABLE

The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.

13. REPLACEMENT

(1) The Insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention to do so within thirty (30) days after receipt of the proofs of loss.

(2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall proceed with all due diligence to the completion of the work.

14. ACTION

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one (1) year after the loss or damage occurs, unless legislation provides otherwise.

15. NOTICE

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

8. ADDITIONAL CONDITIONS

I. NOTICE TO AUTHORITIES

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

II. NO BENEFIT TO BAILEE

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

III. PAIR AND SET

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

IV. PARTS

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

V. SUE AND LABOUR

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

VI. BASIS OF VALUATION

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

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.

VII. SUBROGATION

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

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

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

VIII. INSPECTION AND VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during policy period, or within a year after termination or expiration, to inspect the insured property and to examine the Insured's books, records and such policies

as relate to any insured property. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this policy

IX. OTHER INSURANCE

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

X. PROTECTIVE SAFEGUARDS AND SERVICES

It is a condition of this insurance that the Insured shall maintain so far as is within the Insured's control such protective safeguards and/or services as were represented by the Insured to be in effect at the time of attachment of this insurance.

It is further agreed that the Insured shall, as soon as practicable, notify the Insurer of any interruption to or flaw or defect in any property protection service or system at the premises, and shall also notify the Insurer of the cancellation or nonrenewal of any contract which provides monitoring or maintenance services to any of these services or systems. This includes the suspension of fire or police service response to any such property protection services, systems or otherwise.

XI. CANADIAN CURRENCY CLAUSE

All limits of insurance, premium and other amounts expressed in this Policy are in Canadian currency.

STATUTORY CONDITIONS

(Applicable to Alberta and British Columbia only)

MISREPRESENTATION

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

PROPERTY OF OTHERS

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

CHANGE OF INTEREST

3. The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

MATERIAL CHANGE IN RISK

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

TERMINATION OF INSURANCE

5. (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.(2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
(4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

REQUIREMENTS AFTER LOSS

6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
- (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
 - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

FRAUD

7. Any fraud or willfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

WHO MAY GIVE NOTICE AND PROOF

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
- (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

SALVAGE

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

ENTRY, CONTROL, ABANDONMENT

10. After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

IN CASE OF DISAGREEMENT

- 11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

WHEN LOSS PAYABLE

- 12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

REPAIR OR REPLACEMENT

- 13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

NOTICE

- 14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

STATUTORY CONDITIONS
(Applicable to Manitoba only)

MISREPRESENTATION

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

PROPERTY OF OTHERS

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

CHANGE OF INTEREST

3. The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

MATERIAL CHANGE IN RISK

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

TERMINATION OF CONTRACT

5. (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

REQUIREMENTS AFTER LOSS

6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
- (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
 - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

FRAUD

7. Any fraud or willfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

WHO MAY GIVE NOTICE AND PROOF

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
- (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

SALVAGE

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

ENTRY, CONTROL, ABANDONMENT

10. After loss or damage to insured property, the insurer has
- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

IN CASE OF DISAGREEMENT

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
- (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

WHEN LOSS PAYABLE

12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

REPLACEMENT

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

NOTICE

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

STATUTORY CONDITIONS - MISCELLANEOUS CLAUSES AND CONDITIONS

(Applicable to Quebec only)

This policy is subject to the Civil Code of the Province of Québec

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

EFFECTIVE DATE, DURATION AND CANCELLATION OF THE CONTRACT

1. EFFECTIVE DATE AND DURATION

This contract produces its effect on the date appearing in the Declarations and for the duration stipulated therein.

2. CANCELLATION (ARTICLES 2477 AND 2479)

This contract may at any time be cancelled:

- 1) By each of the Named Insureds by means of a written notice. The cancellation takes effect upon receipt of this notice by the Insurer. The Insured is then entitled to a reimbursement of the excess over the earned portion of the paid premium for the elapsed period, calculated on the basis of the short-term table.
- 2) By the Insurer by means of a written notice sent to each Named Insured. The cancellation takes effect fifteen (15) days after the receipt of this notice by the Named Insured at his last known address. The Insurer must then reimburse the excess over the earned portion of the paid premium, calculated on a day-to-day basis for the elapsed period. If the premium is adjustable, the reimbursement must be made as soon as possible.

When one or more Named Insureds are mandated to receive or sent the notices provided in paragraphs 1 and 2, the notices to or by this Named Insured or these Named Insureds, may be set up against all the Named Insureds.

DECLARATIONS

3. STATEMENT OF RISK (ARTICLE 2408)

The policyholder, and the Insured if the Insurer so requires, 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 the Insurer is presumed to know, except in answer to inquiries.

The word policyholder refers to the person who files the insurance application.

4. INCREASE OF RISK (ARTICLES 2466 AND 2467)

The Insured must promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an Insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty (30) days of the application, the policy ceases to be in force.

5. MISREPRESENTATION OR CONCEALMENT (ARTICLES 2410, 2411 AND 2466)

Any misrepresentation or concealment of relevant facts by either the policyholder or the Insured referred to in article 3 and in the first paragraph of article 4, nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risks so misrepresented or concealed.

Unless the bad faith of the policyholder or the Insured is established or unless it is established that the Insurer would not have covered the risk if it had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium it collected bears to the premium it should have collected.

The expression "earned premium" means the premium effectively paid by the Insured to the Insurer or to the latter's agent, and not included in this definition is any premium paid by an agent who has not received it from the Insured.

6. PROTECTIVE SAFEGUARDS AND SERVICES

(applicable only to property insurance)

It is a condition of this insurance that the Insured shall maintain so far as is within the Insured's control such protective safeguards and/or services as were represented by the Insured to be in effect at the time of attachment of this insurance.

It is further agreed that the Insured shall, as soon as practicable, notify the Insurer of any interruption to or flaw or defect in any property protection service or system at the premises and shall also notify the Insurer of the cancellation or nonrenewal of any contract which provides monitoring or maintenance services to any of these services or systems. This includes the suspension of fire or police service response to any such property protection services, systems or otherwise.

7. FORMAL COMMITMENT (ARTICLE 2412)

An increase in the risk resulting from failure to observe a formal commitment suspends coverage until the Insurer gives its acquiescence or the Insured resumes compliance with his commitments.

LOSSES

8. IN THE EVENT OF A LOSS (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.

9. 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 the fault committed by that person.

10. OBLIGATIONS OF THE INSURED (ARTICLES 2470, 2471, 2499 AND 2504)

In the event of a loss:

(applicable only to property insurance)

1. Affecting the insured property, the Insured or any interested person must:

- (i) Give notice, as soon as he is aware thereof, to the Insurer with all the information that he is capable of procuring at the time. Failure to comply with the duty stated in the above paragraph entails the forfeiture of the Insured's entitlement to indemnification whenever such failure causes prejudice to the Insurer.
- (ii) Deliver to the Insurer within ninety (90) days of the loss a solemn declaration stating to the best of the Insured's knowledge or belief:
 - a) where, when, and how the loss occurred and the extent of the loss;
 - b) the interest of the Insured and of all other persons in the property;
 - c) particulars of all charges on the property;
 - d) all other insurances, whether valid or not, covering the insured property.
- (iii) State that the loss did not occur through his willful act or his connivance.
- (iv) Produce at such places reasonably designated by the Insurer or its representative, all relevant documents at his disposal and permit extracts and copies thereof to be made.
- (v) Facilitate the salvage of the insured property, it being up to the Insurer to contribute towards expenses incurred to this end proportionate to its interests.
- (vi) Promptly give notice to the police of any loss caused by theft, attempted theft or by malicious act.
- (vii) Give assistance to the Insurer, excepting monetarily, regarding any aspect of subrogatory appeal.

No abandoning of the property by the Insured is justifiable without the written consent of the Insurer.

(applicable only in liability insurance)

2. Affecting third parties, the Insured must:

- (i) Give detailed notice immediately, as soon as he is aware thereof, to the Insurer of any happening likely to therefrom.
- (ii) Immediately send to the Insurer every notice, letter, writ or legal document received by him from third parties.
- (iii) Not assume any liability or settle any claim, except at his own cost.
- (iv) Not interfere or take part in any settlement or legal proceeding or transaction.
- (v) At the Insurer's instance, cooperate with the Insurer in establishing the facts, securing and giving evidence and obtaining the attendance of witnesses.
- (vi) Give assistance to the Insurer, excepting monetarily, regarding any aspect of defending legal proceedings subrogatory appeal or counterclaim.

11. Safeguarding and examination of property (Article 2495)

(applicable only to property insurance)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

12. COUNTERCLAIM (ARTICLE 2502)

(applicable only in liability insurance)

The Insurer may set up against the injured third person any grounds it 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.

13. ACCREDITED CLAIMANTS

The following persons will be considered by the Insurer to be accredited claimants for an indemnity:

- 1) The agent of a Named Insured and any person entitled to the proceeds of this contract provided it is satisfactorily proven that the Named Insured is disabled or absent.
- 2) Any person entitled to the proceeds of this contract in the event of a refusal on the part of the Named Insured, unless it is expressly provided that such person's entitlement is bound by the will of the Named Insured.

A release granted by an accredited claimant is deemed to bind the Insured and to have the same effect as if the latter had given such release himself.

COMPENSATION AND SETTLEMENT

14. VALUATION (ARTICLES 2490)

(applicable only to property insurance)

The Insurer's liability is limited to the actual cash value of the property at the time of loss, except as otherwise provided. The damage will be determined or assessed according to the actual cash value by applying any fair deductions for depreciation, however it may have been caused, and the amount must not exceed the cost of repairing or replacing the property with material of the same nature and quality.

Actual cash value: Various factors will be taken into account when determining the actual cash value. These factors include, but are not limited to, the replacement cost minus any depreciation and the market value. When determining depreciation, the condition of the property immediately preceding the loss, its resale value, its normal service life and obsolescence will be taken into account.

15. INSURANCE AGREEMENTS (ARTICLES 2491 AND 2493)

(applicable only to property insurance)

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.

When the amount of insurance is less than the value of the property, the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity in the event of partial loss.

In addition, the Insurer will not be liable for the increase in costs inherent in the enforcement of legal provisions regarding zoning or the demolition, repair or construction of buildings, and opposing reconstruction as previously built.

16. PROPERTY OF OTHERS

(applicable only to property insurance)

The Insurer reserves the right to transact directly with the owner of the damaged property and, if applicable, to pay the indemnity directly to him.

17. AUTOMATIC REINSTATEMENT OF THE COVERAGE

(applicable only to property insurance)

Unless expressly stipulated to the contrary, losses DO NOT REDUCE the amounts indicated in the Declarations. Nonetheless, following a loss the Insurer will not reimburse the premium applicable to the amount of indemnities paid.

18. ITEM AND SET

(applicable only to property insurance)

In the case of loss or damage affecting items which are a part of a set, whether scheduled or unscheduled, the indemnity must take into account the relative value of the damaged items with regard to the total value of the set, without attaining the full value of the set.

19. ITEMS

(applicable only to property insurance)

In the case of loss or damage affecting items, whether scheduled or unscheduled, consisting of several parts when complete for use, the indemnity is limited to the insured value of the damaged items, including the cost of installation.

20. TERMS (ARTICLE 2494)

(applicable only to property insurance)

Subject to the rights of preferred and hypothecary creditors, the Insurer may, instead of paying indemnities in cash and by notifying in writing its intent within fifteen (15) days following receipt by it of the application for indemnity, repair, rebuild or replace the lost property with other property of similar nature and quality, it being the Insurer's responsibility to undertake and perform the required work in the shortest possible period.

21. TIME PERIODS (ARTICLE 2473)

The Insurer is bound to pay the indemnity within sixty (60) days after receiving the notice of loss, the relevant information and vouchers required by law or, if applicable, within fifteen (15) days following the serving of an arbitral award.

22. SUBROGATIONS (ARTICLE 2474)

Notwithstanding all stipulations to the contrary in this policy, except for form 421A, Condominium Corporation and for form 1815, Co-owners extension.

The Insurer is subrogated to the rights of the Insured against the person responsible for the loss, up to the compensation paid. 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.

The Insurer cannot be subrogated against any persons who are members of the Insured's household.

When the amount recovered minus related expenses is only partial, the net amount recovered is shared between the Insured and the Insurer according to the proportion of loss borne by each party respectively.

Any waivers to which the Insured agreed before the loss do not affect the Insured's rights.

23. OTHER INSURANCE (ARTICLE 2496)

(applicable only to property insurance)

An 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 it has contracted.

No clause suspending all or part of the performance of the contract by reason of more than one insurance may be set up 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 individual insurance which constitutes primary insurance.

24. PRESCRIPTION OF THE RIGHT OF ACTION (ARTICLE 2925)

Any action arising out of this contract is prescribed by three (3) years starting from the moment the right of action comes into existence.

MISCELLANEOUS PROVISIONS

25. INSURABLE INTEREST (ARTICLES 2481 AND 2484)

(applicable to property insurance only)

A person has an insurable interest in a property where the loss 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.

26. ENTIRETY OF CONTRACT (ARTICLE 2405)

No departure from or modification to this contract will bind the Insurer unless stipulated in the form of a rider.

27. ASSIGNMENT OF INSURANCE (ARTICLES 2475 AND 2476)

Notwithstanding all stipulations to the contrary in this policy

The contract 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.

28. BOOKS AND RECORDS

Notwithstanding any provisions to the contrary in this policy.

The Insurer and its mandataries are entitled to examine the books and records relating to the object of the insurance at all times during this contract and within the three years following the end thereof.

29. INSPECTION

The Insurer and its mandataries are entitled, without being required to do so, to inspect the risk, to report observations in writing to the Insured and to recommend modifications. Such inspections, reports and recommendations are intended only for the insurability and appraisal of the risk. They do not warrant that the premises, property or activities are sound and without danger nor that they are in compliance with the law, codes or standards.

30. WAIVER

No act of the Insured or the Insurer regarding the regularizing or issuing of claims for indemnity or the investigation or adjustment of claims may be invoked against them as a waiver of rights accruing to them under this contract.

31. PAYMENT OF PREMIUMS (ARTICLE 2469)

It is up to the first Named Insured in the Declarations to pay the premiums and he is the one to whom any return of premium will be paid.

The Insurer may bring an action for payment of the premium or deduct the amount of any unpaid premium from the indemnity payable.

32. NOTICES

Notices intended for the Insurer may be forwarded by any recognized means of communication, either to the Insurer or to an authorized agent of the latter. Notices to the Named Insured may be forwarded to him by personal delivery or by mail to his last known address.

Proof of delivery of such notices lies upon the sender.

33. CURRENCY

All amounts of money, namely premiums and amounts of coverages, are stated in Canadian currency.

34. ACTION LAYING AGAINST THE INSURER

(applicable only to property insurance)

No action for claiming an indemnity under this contract may be taken by the Insured unless he has satisfied all the provisions of the contract.

Words and Phrases in Quotation Marks have special meaning as defined in Clause 17

1. INSURED PROPERTY

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

"BUILDING"
"EQUIPMENT"
"STOCK"
"CONTENTS"
"ALL PROPERTY"

- B. This Form also insures those of the following items for which an amount of insurance is specified on the "Declarations Page(s)":

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

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

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

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

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

2. DEDUCTIBLE

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

3. CO-INSURANCE

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

The Insured shall maintain insurance concurrent with this Form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in Clause 14 by the co-insurance percentage specified on the "Declarations 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.

4. INSURED PERILS

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

5. EXCLUSIONS

5.A. EXCLUDED PROPERTY

This Form does not insure loss of or damage to:

- (a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the "building", outside communication towers, antennae (including satellite receivers) and attached equipment, streetclocks, or exterior signs. This exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 17 (j);
- (d) growing plants, trees, shrubs or flowers, all while outside the "building", except as provided in Clause 6 (e);
- (e) animals, fish or birds. This exclusion does not apply to loss or damage caused directly by "Named Perils" or by theft or attempted theft;
- (f) money, "cash cards", bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;
- (g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, or precious and semi-precious stones. This exclusion does not apply to:
 - (i) the first one thousand dollars (\$1,000) of any loss otherwise insured; or
 - (ii) loss or damage caused directly by "Named Perils";

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- (i) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (j) property from the time of leaving the Insured's custody if it is:
 - (i) loaned or rented or leased to others; or
 - (ii) sold by the Insured under conditional sale or instalment payment or other deferred payment plan.This exclusion (j) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (k) property in the custody of a sales representative outside the "premises", unless an amount of insurance is shown on the "Declarations Page(s)" for Sales Representative;
- (l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (m)
 - (i) any pressure vessel having normal internal working pressure greater than one hundred and three (103) kilopascals (fifteen (15) pounds per square inch) above atmospheric pressure;
 - (ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of six hundred and ten (610) millimetres (twenty-four (24) inches) or less used for the storage of hot water for domestic use);caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use.
This exclusion (m) does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;
- (n) roadways, walkways, parking lots or other exterior paved surfaces. This exclusion does not apply to the first ten thousand dollars (\$10,000) of any loss otherwise insured;
- (o) "equipment" or "stock" while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of "equipment" or "stock". This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 17 (j);
- (p) exterior glass or vitrolite and its lettering or ornamentation, except as provided in Clause 6 (d). This exclusion does not apply to loss or damage caused directly by "Named Perils".

5.B. EXCLUDED PERILS

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

- (a) in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 17 (j). This exclusion does not apply to property in transit;
- (b) in whole or in part by flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in Clause 17 (j). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;
- (c)
 - (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this Form;
 - (ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this Form;
 - (iii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form;
 - (iv) by the entrance of water or natural precipitation diffused over the surface of the roof, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement, in or on the "premises". This exclusion does not apply to loss or damage caused directly by resultant fire;
- (e)
 - (i) by dampness or dryness of atmosphere;
 - (ii) by changes in or extremes of temperature, heating or freezing;
 - (iii) by total or partial interruption to the supply of electricity, water, gas or steam;This exclusion (e) does not apply to:
 - (1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph (m) of Clause 5.A.;
 - (2) damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph (m) of Clause 5.A.;
 - (3) loss of or damage to "building" or "equipment" caused directly by "Named Perils", theft or attempted theft;
 - (4) loss or damage caused directly by an accident to a transporting conveyance;
- (f)
 - (i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
 - (ii) by contamination or odour;
 - (iii) by marring, scratching or crushing.This exclusion (f) does not apply to loss or damage caused directly by:
 - (1) "Named Perils";
 - (2) rupture of pipes or breakage of apparatus not excluded in paragraph (m) of Clause 5.A.;
 - (3) theft or attempted theft;
 - (4) an accident to a transporting conveyance;

- (g) by smoke from agricultural smudging or industrial operations;
- (h) by rodents, insects, bats, raccoons, skunks or vermin. This exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this Form;
- (i) by delay, loss of market, or loss of use or occupancy;
- (j) in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (k)
 - (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Clause 17 (j);
 - (ii) by contamination by radioactive material;
- (l)
 - (i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
 - (ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
 - (iii) by any dishonest or criminal act committed by anyone, except as stated in (l) (ii), when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.
This exclusion (l) (iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.
- (m) by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 17 (j).;
- (n) by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
 - (i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (ii) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (iii) other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds one hundred and three (103) kilopascals (fifteen (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 six hundred and ten (610) millimetres (twenty-four (24) inches) or less used for the heating and storage of hot water for domestic use;
 - (iv) moving or rotating machinery or its parts;
 - (v) any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply to other insured property that has been damaged by such explosion;
 - (vi) gas turbines.This exclusion (n) does not apply to loss or damage caused by resultant fire;
- (o) by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this Form;
- (p) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;
- (q) by the neglect of the Insured to use all reasonable means to save and preserve the insured property at the time of and after any loss or damage.

5.C. OTHER EXCLUDED LOSSES:

This Form does not insure:

- (a)
 - (i) wear and tear;
 - (ii) rust or corrosion;
 - (iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.This exclusion (a) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this Form;
- (b) the cost of making good:
 - (i) faulty or improper material;
 - (ii) faulty or improper workmanship;
 - (iii) faulty or improper design.This exclusion (b) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this Form;
- (c) mysterious disappearance, or shortage of "equipment" or "stock" disclosed on taking inventory.
- (d) loss of or damage to "building", "equipment" or "stock";
 - (i) caused directly or indirectly by or resulting from illegal "drug operations"; or
 - (ii) caused directly or indirectly by or resulting from any activity or decision of a government agency or other entity to prevent, respond to or terminate illegal "drug operations";where the Insured or any agent of the Insured knew or ought to have known of the illegal "drug operations" prior to the loss or damage.
Unless the Insured or any agent of the Insured already knows that loss or damage has occurred, this exclusion (d) does not apply if, upon becoming aware of illegal "drug operations", the Insured or any agent of the Insured immediately notifies the police and the Insurer.

6. EXTENSIONS OF COVERAGE

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

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(a) **Removal:** If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this Form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven (7) days only, or for the unexpired term of the policy if less than seven (7) days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.

(b) (i) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this Form.

The amount payable under this extension shall not exceed twenty-five percent (25%) of the sum of:

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

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

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

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

Debris removal expense shall not be considered in the calculation of the value as determined in Clause 14 for the purpose of applying co-insurance.

(c) **Personal Property of Officers and Employees:** At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:

- (i) shall not attach if it is insured by the owner, unless the Insured is obliged to insure it or is liable for its loss or damage;
- (ii) is, in any event, limited to a maximum recovery of two hundred and fifty (\$250) in respect of any one officer or employee subject to an aggregate limit of ten thousand dollars (\$10,000) in any one occurrence;
- (iii) shall apply only to loss or damage occurring at the "premises".

(d) **"Building" Damage by Theft:** This Form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this Form. This extension of cover shall be limited to a maximum recovery of twenty-five hundred dollars (\$2,500) for any one occurrence.

(e) **Growing Plants, Trees, Shrubs or Flowers outside the "Building":** This Form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the "building" caused directly by "Named Perils" (with the exception of windstorm or hail as described in Clause 17 (j)) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of:

- (i) five hundred dollars (\$500) for each growing plant, tree, shrub or flower; and
- (ii) five thousand dollars (\$5,000) for any one occurrence.

7. PERMISSION

Permission is granted:

- (a) for other insurance concurrent with this Form;
- (b) to make additions, alterations or repairs up to sixty (60) consecutive days;
- (c) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

8. BREACH OF CONDITION

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

9. REINSTATEMENT

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

10. SUBROGATION

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

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

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

11. PROPERTY PROTECTION SYSTEMS

It is a condition of this insurance, for the purpose of Clause 8, that the Insured shall immediately notify the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

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

- (d) intrusion detection system; or
- (e) vehicle immobilisation 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.

The Insured further agrees that:

- (i) any intrusion detection system will be connected and activated at all times when the premises are left unattended or when the Insured, last employee or representative of the Insured leaves the "premises" after the close of business each day.
- (ii) any vehicle immobilization system and intrusion detection system will be connected and activated at all times the vehicle is left unattended.

12. PREMIUM ADJUSTMENT

This clause is applicable if a specific amount of insurance is shown on the "Declarations 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 fifty percent (50%) of the premium paid or any higher minimum premium specified for this Form. 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.

13. VERIFICATION OF VALUES

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

14. BASIS OF VALUATION

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

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

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

15. PROPERTY OF OTHERS

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

16. LOCKED VEHICLE WARRANTY

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

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

17. DEFINITIONS

Wherever used in this Form:

- (a) "**All Property**" means "building", "equipment" and "stock".
- (b) "**Building**" means:
 - the building(s) described on the "Declarations Page(s)" and includes:
 - (i) fixed structures pertaining to the building(s) and located on the "premises";
 - (ii) additions and extensions communicating and in contact with the building(s);

COMMERCIAL PROPERTY (BROAD FORM)
Form 1000 (2011-01)

- (iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - (v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
- (c) "**Cash Cards**" means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- (d) "**Clean up**" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (e) "**Contents**" means "equipment" and "stock".
- (f) "**Declarations Page(s)**" means the Declarations Page(s) applicable to this Form.
- (g) "**Drug Operations**" means cultivating, harvesting, processing, manufacturing, distributing or selling of any substance falling within the Controlled Drugs and Substances Act on the "premises".
- (h) "**Equipment**" means:
- (i) generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than "building" or "stock";
 - (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - (iii) tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this form applies as though such tenant's improvements had been made at the expense of the Insured.
- (i) "**Fire Protective Equipment**" includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (j) "**Named Perils**" means:
- A. FIRE OR LIGHTNING**
- B. EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
- (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
 - (d) smelt dissolving tanks;
 - (ii) other vessels and apparatus, and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds one hundred and three (103) kilopascals (fifteen (15) pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - (iv) any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
 - (v) gas turbines.
- The following are not explosions within the intent or meaning of this section:
- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure or freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- C. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms Aircraft and Spacecraft include articles dropped from them. There shall in no event be any liability for cumulative damage or for loss or damage:
- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - (ii) to aircraft, spacecraft or land vehicles causing the loss;
 - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
- D. RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees. There shall in no event be any liability for loss or damage:

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 17. (j). B.;
 - (iii) due to theft or attempted theft.
- E. SMOKE:** The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.
- F. LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT":** The term Leakage from "Fire Protective Equipment" means:
- (i) the leakage or discharge of water or other substances from;
 - (ii) the collapse of;
 - (iii) the rupture due to freezing of;
- "fire protective equipment" for the "premises" or for adjoining structures.
- G. WINDSTORM OR HAIL:** There shall in no event be any liability for loss or damage:
- (i) to the interior of the "building" or to "contents" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- (k) "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.
- (l) "Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at:
- (i) each location described on the "Declarations Page(s)"
 - (ii) Temporary Locations and any Newly Acquired Location, if covered by this Form;
- and in or on vehicles within one hundred (100) metres (three hundred and twenty-eight (328) feet) of such locations.
- (m) "Stock"** means:
- (i) merchandise of every description usual to the Insured's business;
 - (ii) packing, wrapping and advertising materials; and
 - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.
- (n) "Surface Water"** means water or natural precipitation temporarily diffused over the surface of the ground.

The conditions, limitations and other terms expressed in this Form shall prevail wherever they conflict with the Property Insuring Agreement, Miscellaneous Clauses and Conditions contained in the policy. All other conditions and terms of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**Applicable to Commercial Property (Named Perils) – Form 420
or Commercial Property (Broad Form) – Form 1000
or Office Contents Form – Form 440**

This endorsement modifies insurance provided as follows:

This endorsement applies separately to each location for which Condominium Unit Owners Endorsement is specified on the "Declarations Page(s)".

1. INSURING AGREEMENT

This Form is extended to insure the following coverages:

Coverage A - Condominium Unit Owners Contingent

This Form insures the Insured's interest (excluding any "contents" or interest in improvements and betterments made or acquired by the Insured) in the described condominium "unit" as originally constructed and owned by the Insured, to the extent that it is not so insured by the "Condominium Corporation" or to the extent that the insurance placed by the "Condominium Corporation" is not effective or is inadequate.

In the event of loss or damage to the condominium "unit" by an insured peril, the liability of the Insurer shall be determined as follows:

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

Coverage B - Unit Improvements and Betterments

This Form insures loss or damage from an insured peril to improvements and betterments to the "unit" made or acquired by the Insured including:

- (i) any building, structure or item reserved exclusively for the Insured's use or occupancy situated on the "premises"; and
- (ii) materials and supplies on the "premises" intended for use in such improvements and betterments.

Coverage C - Condominium Unit Owners - Loss Assessment

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

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

2. LIMITS OF INSURANCE

The Insurer, regardless of the number of persons and interests insured under this Form, shall not be liable for more than the applicable amount of insurance specified on the "Declarations Page(s)". The Insured may apply at their discretion the amount of insurance to apply to each coverage up to the total amount of insurance.

3. DEDUCTIBLE

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

4. SUBROGATION

The Insurer, upon making any payment or assuming liability for payment under this Form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights.

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

Except with respect to criminal or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against the "Condominium Corporation", its Directors, Property Managers, agents and employees. Independent contractors shall not be considered agents or employees of the "Condominium Corporation" its Directors, Property Managers, or of the "unit" owners.

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

5. DEFINITIONS

Wherever used in this Form:

- (a) "Condominium Corporation" means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a syndicate in Quebec.

**CONDOMINIUM UNIT OWNERS ENDORSEMENT
Form 422 (2011-01)**

(b) "Unit(s)" 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.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable only to the Forms specified on the Declarations Page(s)

This endorsement modifies insurance provided as follows:

This endorsement applies separately to each item for which Replacement Cost Endorsement is specified on the Declarations Page(s)

1. The Insurer agrees to amend the basis of valuation from actual cash value to "replacement cost" subject to the following provisions:
 - (a) "replacement" shall be effected by the Insured with due diligence and dispatch;
 - (b) settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such "replacement";
 - (c) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect;
 - (d) any other insurance effected by or on behalf of the Insured in respect of the insured perils against by this policy on the property to which this endorsement is applicable shall be on the basis of "replacement cost".
2. in the event that new property of like kind and quality is not obtainable, new property which is of comparable material and quality which may have technological advantages representing an improvement in function and used for the same purposes, shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
3. **Exclusions**
This endorsement does not apply to:
 - (a) stock;
 - (b) patterns, dies, moulds;
 - (c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (d) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);
 - (e) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.
4. **Definitions**
In this endorsement:
 - (a) "**Replacement**" includes repair, construction or re-construction with new property of like kind and quality; and
 - (b) "**Replacement Cost**" means whichever is the least of the cost of replacing, repairing, constructing or re-constructing the property with new property of like kind and quality and for like occupancy without deduction for depreciation.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable only to the Forms specified on the Declarations Page(s)

This endorsement modifies insurance provided as follows:

This endorsement applies separately to each item for which Stated Amount – Waiver of Co-insurance Endorsement is specified on the Declarations Page(s).

The Co-insurance clause referred to in the applicable form is deleted provided that:

- (a) a Statement of Values attested by the Insured is filed with the Insurer; and
- (b) the amount of insurance is not less than the amount for that item shown on the signed Statement of Values

The signed Statement of Values must be completed by the Insured and filed with the Insurer each year. If the Insured fails to file a new Statement of Values within ninety (90) days of the effective date of each policy period, the terms and conditions of the Co-insurance clause referred to in the applicable form shall then apply.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to all Property and Business Interruption coverages of this Policy

This endorsement modifies insurance provided as follows:

This endorsement applies separately to each location for which Sewer Back-Up Endorsement is specified on the Declarations 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 Declarations Page(s) for this endorsement in any one occurrence.

This deductible clause applies separately to each premises to which this endorsement applies.

3. EXCLUSIONS

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

- (a) continuous or repeated seepage or leakage of water;
- (b) occurring while the building is under construction or is vacant, even if we have given permission for construction or vacancy.

4. LIMITS OF INSURANCE

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

5. DEFINITION

Wherever used in this Form:

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to all Property and Business Interruption coverages of this Policy

This endorsement modifies insurance provided as follows:

This endorsement applies separately to each location for which Flood Endorsement is specified on the Declarations 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 Declarations Page(s) for this endorsement in any one "flood occurrence".

This deductible clause applies separately to each premises to which this endorsement applies.

3. EXCLUSIONS

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

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

4. EXTENSION OF COVERAGE

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

5. DEFINITIONS

Wherever used in this Form:

- (a) "**Flood**" means the breaking out or overflow of any natural or artificial body of water and includes "surface water", waves, tides, tidal waves and tsunamis.
- (b) "**Flood Occurrence**" means all flooding which occurs within any one hundred and sixty-eight (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 one hundred and sixty-eight (168) hour period.
- (c) "**Fire Protective Equipment**" includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (d) "**Surface Water**" means water or natural precipitation temporarily diffused over the surface of the ground.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to all Property and Business Interruption coverages of this Policy

This endorsement modifies insurance provided as follows:

This endorsement applies separately to each location for which Earthquake Shock Endorsement is specified on the Declarations Page(s).

1. INSURED PERIL

This insurance is extended to include "earthquake".

2. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by "earthquake" exceeds the amount of the deductible specified on the Declarations Page(s) for this endorsement in any "earthquake occurrence". If a percentage deductible is specified, the amount of the deductible shall be that percentage of the actual cash value (or for those items subject to a replacement cost endorsement, the replacement cost) of the total value of the insured property or insured interest subject to a minimum dollar deductible if specified on the Declarations Page(s). If both an amount and a percentage are specified the Declarations Page(s), whichever is greater shall apply.

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

3. EXCLUSIONS

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

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

4. EXTENSION OF COVERAGE

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

5. DEFINITIONS

Wherever used in this Form:

- (a) "**Earthquake**" includes snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
- (b) "**Earthquake Occurrence**" means all earthquake shocks which occur within one hundred and sixty-eight (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 one hundred and sixty-eight (168) hour period.
- (c) "**Fire Protective Equipment**" includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (d) "**Surface Water**" means water or natural precipitation temporarily diffused over the surface of the ground.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to all Property and Business Interruption coverages of this Policy

This endorsement modifies insurance provided as follows:

This endorsement applies separately to each location for which Roof Water Endorsement is specified on the Declarations Page(s).

1. INSURED PERIL

This insurance is extended to include "roof water".

2. DEDUCTIBLE

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

This deductible clause applies separately to each premises to which this endorsement applies.

3. LIMITS OF INSURANCE

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

4. DEFINITION

Wherever used in this Form:

(a) "**Roof Water**" means the entrance of water or natural precipitation temporarily diffused over the surface of the roof.

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

Words and phrases in quotation marks have special meaning as defined in this Form. This Form is subject to all the terms, provisions and conditions (including Statutory Conditions, or General Conditions in Quebec) of the Policy, except as they may be varied herein, and to the Declarations, Exclusions and Conditions applicable to this Form.

SECTION I – INSURING AGREEMENT

1. INDEMNITY AGREEMENT

- (a) The Insurer will indemnify the Insured against direct physical loss or damage to “insured equipment”, including any resulting loss or damage to “insured property”, caused directly by a “breakdown” occurring at the “premises” during the period of coverage.
- (b) If and only to the extent “business interruption” or “extra expense” coverage is provided by the Policy to which this Form is attached for the “premises” where a “breakdown” has occurred, then the Insurer will indemnify the Insured against losses sustained by the Insured resulting from such “breakdown”, subject to all the terms, limitations, exclusions, provisions and other conditions of the “business interruption” or “extra expense” insurance that is applicable to the “premises” where the loss was sustained.

2. AMOUNT OF INSURANCE

- (a) The Amount of Insurance stated in the “declarations page” applicable for this Form is the maximum amount the Insurer will pay for direct physical loss or damage to “insured equipment”, including any resulting loss or damage to “insured property”, insured by this Form.
- (b) The Amount of Insurance stated in the Policy for “business interruption” is the maximum amount the Insurer will pay for “business interruption” insured by this Form.
- (c) The Amount of Insurance stated in the Policy for “extra expense” is the maximum amount the Insurer will pay for “extra expense” insured by this Form.

The Insurer’s liability for “business interruption” or “extra expense” shall be separate from and in addition to Part 2(a) above.

3. DEDUCTIBLE

Each claim for loss or damage arising out of “one breakdown” shall be adjusted in accordance with the terms, limitations, exclusions, provisions and other conditions of this Form, including any endorsements that are applicable to this Form. The Insurer will pay for the amount by which such adjusted loss exceeds the amount of the deductible specified on the “declarations page” as applicable to this Form.

Should loss or damage occur that involves more than one coverage under the Policy, the largest applicable deductible shall be applied.

SECTION II – EXCLUSIONS

1. EXCLUSIONS FOR LOSSES CAUSED BY PERIL TO WHICH THE PROPERTY FORM APPLIES

This Form does not insure loss or damage from a “breakdown” caused by a peril for which coverage is provided by a property form which is attached to the same Policy as this Form.

2. SPECIFIC EXCLUSIONS

A. This Form does not insure loss or damage from a “breakdown” caused by any of the following perils, irrespective as to whether coverage is provided by a property form which is attached to the same Policy as this Form.

- (a) Proximately or remotely, arising in consequence of or contributed by the enforcement of any by-law, 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.

This exclusion does not apply to coverage provided by 3. Building By-Laws extension of coverage.

- (b) Caused by or resulting directly or indirectly from:
 - (i) delay, loss of market, or loss of use or occupancy;
 - (ii) lack of power, light, heat, steam or refrigeration; or
 - (iii) any other indirect result of a “breakdown”.

This exclusion does not apply to coverage provided by Indemnity Agreement 1(b) or 19. Spoilage extension of coverage.

- (c) (i) Caused by or resulting directly or indirectly from contamination, including ammonia contamination, or damage by “hazardous substance” including the cost or expense of any resulting “clean up”; or

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- (ii) Attributable to any costs or expenses for any testing, monitoring, evaluating or assessing of any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "hazardous substance".

This exclusion does not apply to coverage provided by 1. Ammonia Contamination or 12. Hazardous Substance extension of coverage.

- (d) Caused by or resulting directly or indirectly from the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or any other similar devices due to:
 - (i) the erasure, destruction, corruption, misappropriation or misinterpretation of "data";
 - (ii) any error in creating, amending, entering, deleting or using "data";
 - (iii) the inability to receive, transmit or use "data"; or
 - (iv) the impact of any computer virus or malware, distributed denial of service (DDoS) attack or hacking event, or the functioning or malfunctioning of the internet, intranet, local area network, virtual private networks or similar facility, or of any internet address, website or similar facility;

however, loss that ensues solely from a "breakdown" to any other "insured equipment" is covered.

- (e) From a "breakdown" caused directly or indirectly by earth movement, including but not limited to earthquake or other seismic activity whether naturally occurring or resulting from man-made causes, landslide, subsidence, collapse of sinkholes, volcanic eruption or mudflow caused by an accumulation of water on or underground.
- (f) Caused directly or indirectly by the escape of water resulting from a "breakdown", unless:
 - (i) coverage is not provided by any other insurance in effect at the time of the loss; and
 - (ii) the water escapes from "insured equipment" that normally contains water or steam.
- (g) Caused directly or indirectly by fire, smoke or combustion explosion that occurs at the same time as a "breakdown" or that ensues from a "breakdown". However, with respect to any "insured equipment" which is electrical or electronic equipment, this exclusion shall only apply to fire damage outside the "insured equipment" or that ensues from a "breakdown".
- (h) Caused directly or indirectly by "flood", however, if a "breakdown" to "insured equipment" results from a flood, damage or expense caused by the "breakdown" is covered.
- (i) Caused directly or indirectly:
 - (i) by any nuclear incident (as defined in the Nuclear Liability and Compensation Act (Canada) or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion; or
 - (ii) by contamination by radioactive material.
- (j) From a "breakdown" caused directly or indirectly by riot, civil commotion or sabotage, however, direct physical loss or damage to "insured equipment" from a "breakdown" caused by strike, vandalism or malicious acts is covered.
- (k) To "insured property" caused directly or indirectly by a change in temperature or humidity resulting from a "breakdown".

This exclusion does not apply to coverage provided by 19. Spoilage extension of coverage.

- (l) 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;
- (m) Caused 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.

- B. This Form does not cover loss or damage to "data".

This exclusion does not apply to coverage provided by 7. Data Coverage extension of coverage.

SECTION III – SPECIAL CONDITIONS

1. BASIS OF VALUATION

A. “Insured Property” except Stock

The value of “insured property” except stock will be determined as follows:

- (a) for business records, including those which exist on electronic or magnetic “media” (other than pre-packaged software programs):
 - (i) the cost of blank materials for reproducing the records; and
 - (ii) the costs of labour to transcribe or copy the records when there is a duplicate.
- (b) for all other “insured property” except stock, the lesser of the cost at the time of the “breakdown” to:
 - (i) repair the damaged property; or
 - (ii) replace the damaged property with similar property of like kind, capacity, size, quality and function.

The Insurer will not pay:

- 1) more than the amount actually expended by the Insured;
- 2) 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;
- 3) more than the cost that would have been incurred to replace the damaged “insured property” with other property of like kind, capacity, size, quality and function in the event that replacement is by property of a better kind or quality or of a larger capacity or size;
- 4) more than the cost to repair the damaged property at the same or adjacent site; nor
- 5) for loss or damage to property which is useless or obsolete to the Insured.

B. Stock

The value for stock will be determined as follows:

- (a) for unsold stock: the cost to repair or replace with material of like kind and quality at the time and place of loss or damage;
- (b) for sold stock: the usual selling price of the Insured’s market after allowance for discounts.

If the damaged “insured property” is not repaired or replaced within 12 months after the date of the “breakdown”, the Insurer’s liability will only be for the “actual cash value” of the damaged “insured property”.

For the purpose of Section 1. Basis of Valuation, Stock means:

- (a) merchandise of every description usual to the Insured’s business;
- (b) packing, wrapping and advertising materials; and
- (c) similar property of others in the Insured’s care, custody or control and for which the Insured is legally liable.

2. SPECIAL PROVISIONS

- (a) The Insurer shall not be liable for loss from a “breakdown” of any newly acquired “insured equipment” until such “insured equipment” has been installed at the “premises”, tested, including performance and operational testing, and contractually accepted by the Insured. This provision shall not apply to any “insured equipment” which is acquired to spare existing operating equipment.
- (b) As respects any boiler which uses a heat transfer medium other than water, such heat transfer medium and its vapour shall be considered as substituted for the words water and steam wherever such words appear in the definition of “insured equipment”.
- (c) If a “breakdown” occurs to Spare Insured Equipment that is in use for the sole purpose of avoiding or diminishing loss under “business interruption” or “extra expense”, such loss shall be considered as part of the original “breakdown” and any applicable deductible shall be continuous and only apply one time to the total “business Interruption or “extra expense” loss, if and only to the extent such coverage is provided by the Policy.

For the purpose of Special Provision 2(c) Spare Insured Equipment means: “Insured Equipment” acquired by the Insured prior to the initial “breakdown” and held specifically to spare existing operating equipment.

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3. INSPECTION

The Insurer shall have the right, but not the obligation to make inspections of "insured equipment" at any reasonable time. Neither the Insurer's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such "insured equipment" is safe and not hazardous or injurious to health.

The Insurer may conduct inspections itself or retain a third party to conduct the inspection on its behalf.

4. SUSPENSION

Upon the discovery of any "insured equipment" in or exposed to a dangerous condition, any representative of the Insurer may immediately suspend the insurance against loss from a "breakdown" to that "insured equipment" by giving written notice to the Insured either by mail, by facsimile or in person at the mailing address shown in the Policy or at the "premises" of the "insured equipment". Once this coverage has been suspended, it can only be reinstated by an endorsement to the Policy issued by the Insurer.

The Insured shall be allowed the unearned pro-rata portion of the premium for that "insured equipment" for the period that the coverage is suspended, such allowance to be paid at the expiration of the policy period.

SECTION IV - DEFINITIONS

The following Definitions only apply to this Form and if there is any conflict between these definitions and those found elsewhere in the Policy, then for the purpose of this Form these definitions will apply.

1. "**Actual Cash Value**" means replacement cost less any depreciation or the 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.
2. "**Brand**" means brands, labels or trademarks, or other identifying characteristics.
- 3.1 "**Breakdown**" means a sudden and accidental failure of "insured equipment" or part of "insured equipment", which manifests itself by physical damage at the time that it occurs and necessitates repair or replacement.

"Breakdown" does not mean or include any of the following:

- (a) the failure of any structure, foundation or setting supporting or housing "insured equipment" or part of "insured equipment";
- (b) the functioning of any safety or protective device;
- (c) wear and tear; nor
- (d) the depletion, deterioration, corrosion or erosion of material.

- 3.2 Other than as noted below, "breakdown" is extended to include the sudden and accidental failure of "electronic circuitry", within or controlling "insured equipment", which causes the "insured equipment" to lose its ability to function as it had been functioning immediately prior to the failure and necessitates repair or replacement.

The failure of "electronic circuitry" does not mean or include any failure:

- (a) that can be remedied by maintenance, including but not limited to replacing consumable parts, rebooting, upgrading or updating software or firmware or providing necessary power supply;
- (b) caused by or related to compatibility between hardware or software introduced within the 30 days prior to the "breakdown";
- (c) caused by or related to insufficient capacity, size, capability of "insured equipment";
- (d) caused by exposures to a change in temperature or environment, unless such condition results in a loss of functionality; nor
- (e) caused by non-compliance of any warranty condition or requirement which would null or void the warranty contract applicable to the "insured equipment".

However, in no event, shall "breakdown" be extended to include the sudden and accidental failure of "electronic circuitry" for the following coverages:

- (i) 5. Cloud Computing Service Interruption extension of coverage; nor
- (ii) 18. Service Interruption extension of coverage.

4. "**Business Interruption**" means insurance provided by the Business Interruption Form(s) which may be attached to the same Policy as this Form.

5. **“Clean Up”** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “hazardous substance”, including testing which is integral to any of these processes.
6. **“Cloud Computing Services”** means professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (Infrastructure as a Service), PaaS (Platform as a Service), SaaS (Software as a Service) and NaaS (Network as a Service). This includes business models known as public clouds, community clouds and hybrid clouds. Cloud Computing Services include private clouds if such services are owned and operated by a third party used by the Insured.
7. **“Contingent Property”** means:
 - (a) a property which provides the Insured with products, materials or services;
 - (b) a property which receives the Insured’s products, materials or services that the Insured produces or sells; or
 - (c) a property that is in the vicinity of the Insured’s business and attracts business to the Insured’s “premises”.
8. **“Coverage Territory”** means anywhere within Canada or the United States of America.
9. **“Data”** means representations of information or concepts in any form.
10. **“Declarations Page”** means the declarations page(s) applicable to this Form including any supplementary page(s) or schedule(s) of coverages attached to them, applicable to the Policy.
11. **“Electronic Circuitry”** means tangible microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives. “Electronic circuitry” does not include any software or other intangible components.
12. **“Extra expense”** means insurance provided by the Policy to which this Form is attached. “Extra expense” does not mean any loss of income, or expense otherwise payable elsewhere in the Policy.
13. **“Flood”** means a general and temporary condition of partial or complete inundation of normally dry land areas or structures caused by:
 - (a) the breaking out or overflow of any natural or artificial body of water;
 - (b) waves, tides, tidal waves, tsunamis; or
 - (c) the unusual or rapid accumulation or runoff of water or natural precipitation temporarily diffused over the surface of the ground.
14. **“Hazardous Substance”** means:
 - (a) any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
 - (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.
15. **“Insured Equipment”** means any equipment owned, leased, operated or controlled by the Insured as described below:
 - (a) any boiler, any fired or unfired vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigeration or air conditioning vessels and piping or any other piping and its accessory equipment, any heat exchanger that forms part of forced air heating equipment, but not including:
 - (i) any boiler setting, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii) any buried piping, any draining piping, any sprinkler piping and its accessory equipment.
 - (b) any mechanical or electrical equipment used for the generation, transmission or utilization of mechanical or electrical power, but not including:
 - (i) any vehicle or self-propelled mobile equipment; nor
 - (ii) any lifting or safety cables, anchorage, car buffers or counterweight buffers forming part of an elevator system;
 - (c) any electronic machine device, or instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

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16. **"Insured Property"** means:
- (a) property of the Insured; or
 - (b) property of others in the Insured's care, custody or control and for which the Insured is legally liable;
- for which there is coverage under the Policy to which this Form is attached.
17. **"Media"** means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
18. **"One breakdown"** means:
- (a) "breakdown" of "insured equipment" that causes a "breakdown" of other "insured equipment"; or
 - (b) a series of "breakdowns" occurring at the same time as a result of the same cause;
- will be considered as "one breakdown".
19. **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at each location described on the "declarations page".
20. **"Recognized Environmental Standards Program"** means:
- (a) the ENERGY STAR® program;
 - (b) the Canada Green Building Council LEED® program; or
 - (c) any nationally or internationally recognized environmental standards program designed to achieve energy saving and related objectives of the type included in the programs listed above
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.

SECTION V - EXTENSIONS OF COVERAGE

The Amount of Insurance stated below is the maximum recovery for any extension of coverage provided by this Form in respect of any "one breakdown" taking place during the policy period.

The extensions of coverage:

- (a) do not apply if coverage is available, in whole or in part, elsewhere in the Policy;
- (b) are a part of and do not increase the Amount of Insurance; and
- (c) are subject to the highest applicable deductible of the Equipment Breakdown Form.

1. AMMONIA CONTAMINATION

Where ammonia is used as a refrigerant, the Insurer will pay:

- (a) for loss or damage caused by ammonia contacting "insured property"; and
 - (b) any resulting "business interruption" or "extra expense" loss if and only to the extent such coverage is provided by the Policy,
- as a direct result of a "breakdown" to "insured equipment" at the "premises".

In no event shall the Insurer be liable for an amount in excess of \$100,000 for part (a) of this Ammonia Contamination extension of coverage.

2. BRANDS AND LABELS

In the event of direct physical loss or damage arising out of a "breakdown" covered by this Form to "insured property" bearing a "brand", the sale of which carries or implies the guarantee or the responsibility of the Insured or the manufacturer, the Insurer will pay the cost of removing or re-identifying the "brand" from such damaged "insured property".

Any salvage of such damaged "insured property" will not be disposed of by sale without the Insured's consent. If removing or re-identifying of the "brand" is not possible or is impractical, the Insurer will pay the cost to dispose of the damaged "insured property". The Insured shall have the right to dispose of the salvage in the manner it considers appropriate.

If the salvage of the damaged "insured property" is not disposed of by sale by the Insurer, the Insured will allow the Insurer to deduct the salvage value from the amount payable to the Insured. Salvage value will be determined as the value that could have been realized after removal or re-identifying of the "brand".

In no event shall the Insurer be liable for an amount in excess of \$100,000 for Brands and Labels extension of coverage.

3. BUILDING BY-LAWS

In the event of direct physical loss or damage arising out of a "breakdown" covered by this Form, coverage is extended to insure:

- (a) loss occasioned by the necessary demolition of any undamaged portion of the "insured property";
- (b) the cost of the necessary demolishing and clearing of the site of any undamaged portion of the "insured property";
- (c) any necessary increase in the cost of repairing, replacing, constructing or reconstructing the "insured property" on the same site, or on an adjacent site, of like, capacity, size, height, floor area, quality, style and function for like occupancy;
- (d) any resulting "business interruption" or "extra expense" loss if and only to the extent such coverage is provided by the Policy, caused by the additional time required, with the exercise of due diligence and dispatch, to effect such repair or replacement;

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

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

This extension of coverage does not cover against:

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

4. CLAIMS PREPARATION COSTS

This Insurance is extended to cover:

- (a) reasonable costs incurred in the preparation of a proof of loss; and
- (b) reasonable fees payable to external auditors, accountants, architects or engineers, for producing and certifying particulars or details of the Insured's business in order to establish the quantum of a claim.

All such costs and fees must be:

- (i) incurred by the Insured at the request of the Insurer; and
- (ii) associated with a claim under this Form for which liability has been otherwise accepted by the Insurer, including any "business interruption" or "extra expense" loss if and only to the extent such coverage is provided by the Policy.

This extension of coverage does not apply to fees payable to lawyers, public adjusters, loss appraisers, loss consultants or professionals, other than external auditors, accountants, architects, engineers, engaged by the Insured without the prior written approval of the Insurer.

In no event shall the Insurer be liable for an amount in excess of \$100,000 for this Claims Preparation Costs extension of coverage.

5. CLOUD COMPUTING SERVICE INTERRUPTION

This insurance is extended to cover "business interruption" or "extra expense" losses sustained by the Insured, if and only to the extent coverage is provided by the Policy, resulting from a "breakdown" of equipment not owned, operated or controlled by the Insured which is used to supply "Cloud Computing Services" to a "premises" provided that the equipment is:

- (a) of a type described in the definition of "insured equipment"; and
- (b) located within the "coverage territory" or within any other country in which a "premises" is located.

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6. CONTINGENT BUSINESS INTERRUPTION

This insurance is extended to cover "business interruption" losses sustained by the Insured, if and only to the extent coverage is provided by the Policy, resulting from a "breakdown" to equipment not owned, operated or controlled by the Insured at a "contingent property" provided that:

- (a) the equipment is of a type described in the definition of "insured equipment";
- (b) is located at the premises of any company that is within the "coverage territory". Such premises:
 - (i) is not a property owned, controlled, or occupied by the Insured; or
 - (ii) is not a facility furnishing communication services, electricity, water, heat, gas or steam or any other type of utility service to the Insured; and
- (c) no other satisfactory products, materials or services are available that could be used to reduce the period of interruption without causing prejudice to the Insured.

The inclusion of more than one supplier or customer in any "one breakdown" shall not increase the Insurer's liability under this extension of coverage.

In no event shall the Insurer be liable for an amount in excess of \$25,000 for this Contingent Business Interruption extension of coverage.

7. DATA COVERAGE

If, as a result of a "breakdown", "data" is lost or damaged, the Insurer will pay for the cost of gathering or reproducing the "data", including any resulting "business interruption" or "extra expense" loss if and only to the extent such coverage is provided by the Policy.

The Insurer will not pay for "data" which is lost or damaged as a result of programming errors.

The Insurer will also not pay for loss or damage to "data" caused by a "breakdown" to equipment not owned, operated or controlled by the Insured resulting from a failure of "electronic circuitry".

In no event shall the Insurer be liable for an amount in excess of \$50,000 or the Amount of Insurance specified on the "declarations page" for this Data Coverage extension of coverage.

8. DEBRIS REMOVAL

If there is a "breakdown" to "insured equipment", the Insurer will pay for the reasonable and necessary extra costs for debris removal expense as a direct result of such "breakdown".

In no event shall the Insurer be liable for an amount in excess of \$100,000 for this Debris Removal extension of coverage.

9. ENVIRONMENTAL, SAFETY AND EFFICIENCY IMPROVEMENTS

If "insured equipment" requires replacement due to a "breakdown", the Insurer will pay the Insured's additional cost to replace with equipment that the Insurer agrees is better for the environment, safer for people or more energy efficient than the equipment being replaced, subject to the following conditions:

- (a) the Insurer will not pay more than 150% of what the cost would have been to replace with like kind and quality;
- (b) the Insurer will not pay to increase the size or capacity of the equipment;
- (c) this provision does not apply to any property valued on an "actual cash value" basis; and
- (d) this provision does not apply to the replacement of component parts.

The Insurer will not be liable for any additional "business interruption" or "extra expense" which may result from the Insured electing to replace damaged equipment with improved equipment for which this Environmental, Safety and Efficiency Improvements extension of coverage applies.

10. EXPEDITING EXPENSE

This insurance is extended to cover the reasonable additional costs incurred by the Insured to make temporary repairs and to expedite the permanent repair or replacement of "insured equipment" or other "insured property" that has been directly lost or damaged by "breakdown", including overtime and the extra cost of express or other rapid means of transportation.

11. GREEN COVERAGE

If as a result of a "breakdown" "insured property" requires repair or replacement for which coverage is provided by this Form, the Insurer will pay the Insured's additional cost:

- (a) to repair or replace such damaged "insured property", whichever is the lesser of the cost at the time of the "breakdown", using equipment, materials and service firms required or recommended by a "recognized environmental standards program";
- (b) to dispose of such damaged "insured property" or "insured equipment, if practicable, through a recycling process; and
- (c) to flush out reconstructed space where such damaged "insured property" is ordinarily located with up to 100% outside air new filtration media.

With respect to any building that is "insured property" and was, at the time of the "breakdown", certified by a "recognized environmental standards program", this insurance is extended to include the additional costs arising from a "breakdown":

- (i) to prevent lapse of such certification;
- (ii) to reinstate such certification or replace it with an equivalent certification by a "recognized environmental standards program" including costs for:
 - 1) an engineer authorized by a "recognized environmental standards program" to oversee the repair or replacement of the damaged "insured property"; and
 - 2) to commission or recommission the Insured's damaged mechanical, electrical or electronic building systems;to support the reinstatement of the certification or replacement with an equivalent certification by a "recognized environmental standards program".

In no event shall the Insurer be liable for an amount in excess of \$25,000 for this Green Coverage extension of coverage.

12. HAZARDOUS SUBSTANCE

If a "hazardous substance" is involved in or released by a "breakdown" the Insurer will pay the increase in cost to repair, replace, "clean up" or dispose of, affected "insured property" which exceeds that for which the Insurer would have been liable had no "hazardous substance" been present, including any resulting "business interruption" or "extra expense" loss if and only to the extent such coverage is provided by the Policy.

This Hazardous Substance extension of coverage shall not apply to the extent coverage could be provided by the Ammonia Contamination extension of coverage.

In no event shall the Insurer be liable for an amount in excess of \$100,000 for this Hazardous Substance extension of coverage.

13. INGRESS/EGRESS

Other than as provided under 14. Interruption by Civil Authority extension of coverage; "business interruption" and "extra expense" if and only to the extent such coverage is provided by the Policy, is extended to cover loss sustained by the Insured due to the prevention of ingress to or egress from the "premises" as a result of a "breakdown" to equipment not owned, operated or controlled by the Insured provided that the equipment is:

- (a) of a type described in the definition of "insured equipment"; and
- (b) away from, but within 1,000 metres of the "premises".

Ingress or Egress Coverage will commence 48 hours after the time ingress to or egress from the "premises" is first prevented and will apply for a maximum of 30 consecutive days.

14. INTERRUPTION BY CIVIL AUTHORITY

"Business interruption" and "extra expense" if and only to the extent such coverage is provided by the Policy, is extended to include loss sustained by the Insured while access to the "premises" is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by a "breakdown" to equipment not owned, operated or controlled by the Insured provided that the equipment is of a type described in the definition of "insured equipment".

The coverage provided under this extension of coverage will commence at the time the order is issued by the civil authority and will apply for a maximum of 30 consecutive days.

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15. NEWLY ACQUIRED LOCATION

This insurance is extended to cover a "breakdown" of "insured equipment", including any resulting "business interruption" or "extra expense" loss if and only to the extent such coverage is provided by the Policy, at any newly acquired location within the "coverage territory" that is owned, rented or controlled by the Insured in whole or in part. This coverage commences from the time of the acquisition and extends for a period ending on the earliest of:

- (a) 90 days;
- (b) the date an endorsement adding coverage under this Form to such location is added to the Policy; or
- (c) the expiry date of the Policy.

There is no coverage under this extension of coverage for any building during the course of construction. Premium will be payable from the date of acquisition.

In no event shall the Insurer be liable for an amount in excess of \$1,000,000 for this Newly Acquired Location extension of coverage.

16. OFF PREMISES TRANSPORTABLE INSURED EQUIPMENT

The Insurer shall be liable for direct physical loss or damage, including any resulting "business interruption" and "extra expense" if and only to the extent coverage is provided by the Policy, from a "breakdown" to transportable "insured equipment" that at the time of the "breakdown" is not at a "premises" and provided that the transportable "insured equipment" is at a location which is within the "coverage territory" or within any other country in which a "premises" is located.

The Insurer's liability for loss to any transportable "insured equipment" that is 3 years old or more from the date of purchase new, is its "actual cash value".

The Insurer shall not be liable under this extension of coverage for loss to transportable "insured equipment":

- (a) which are manufactured or distributed by the Insured for sale; or
- (b) resulting from collision, upset or external impact.

In no event shall the Insurer be liable for an amount in excess of \$10,000 for Off Premises Transportable Insured Equipment extension of coverage.

17. PUBLIC RELATIONS

If and only to the extent "business interruption" and "extra expense" coverage is provided by the Policy, this insurance is extended to cover reasonable costs incurred by the insured for professional public relations services to create and disseminate communications, when the need for such communication arises directly from interruption of the Insured's business as a direct result of a "breakdown".

These communications must be directed to one or more of the following:

- (a) the media;
- (b) the public; or
- (c) the customers, clients or members of the Insured.

Such costs must be incurred during the period that begins at the time of the "breakdown" and continues until:

- (i) 30 consecutive days after the date the "insured property" is repaired or replaced; or
- (ii) the length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such "insured property" as has been destroyed or damaged by the "breakdown".

In no event shall the Insurer be liable for an amount in excess of \$10,000 for this Public Relations extension of coverage.

18. SERVICE INTERRUPTION

This insurance is extended to cover "business interruption" or "extra expense" losses sustained by the Insured, if and only to the extent coverage is provided by the Policy, resulting from a "breakdown" to equipment not owned, operated or controlled by the Insured provided that the equipment is:

- (a) of a type described in the definition of "insured equipment";
- (b) located on or within 1,000 metres of the "premises";

- (c) owned by the building owner at the "premises" or by a public or private utility company; and
- (d) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the "premises".

19. SPOILAGE

- A. The Insurer shall pay for spoilage of perishable "insured property" that spoils solely as a result of a "breakdown" of "insured equipment" occurring at the "premises". If the "insured property" is not replaced, the Insurer shall only pay for its "actual cash value".
- B. The Insurer shall also be liable for spoilage of perishable "insured property" resulting directly from a "breakdown" of equipment not owned, operated or controlled by the Insured provided that the equipment is:
 - (a) of a type described in the definition of "insured equipment";
 - (b) located on or within 1,000 metres of the "premises";
 - (c) owned by the building owner at the "premises" or by a public or private utility company; and
 - (d) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the "premises".

The Insurer will not pay under part B of this Spoilage extension of coverage for loss or damage caused by a "breakdown" resulting from a failure of "electronic circuitry".

20. UNINTENTIONAL ERRORS AND OMISSIONS

This insurance is extended to cover direct physical loss of or damage to "insured property", including any resulting "business interruption" or "extra expense" loss if and only to the extent such coverage is provided by the Policy, which is not payable under the Policy solely because of an unintentional error or omission by the Insured:

- (a) in the description or address of the "insured property";
- (b) to include any location the Insured owns or occupies; or
- (c) in the deletion of any interest.

Coverage applies only to the extent that the Policy would have provided coverage had the unintentional error or omission not been made.

It is a condition of this extension of coverage that the Insured must report such error or omission to the Insurer as soon as practicable after its discovery and pay such additional premium as may be required by the Insurer.

In no event shall the Insurer be liable for an amount in excess of \$250,000 for this Unintentional Errors or Omissions extension of coverage.

Applicable to Commercial Property (Broad Form) – Form 1000

1. INDEMNITY AGREEMENT

In the event that the "business" shall be interrupted as a direct result of "damage", the Insurer shall pay to the Insured the actual loss of "business income" sustained during the "indemnity period" in consequence thereof, in accordance with the terms and conditions of this Form.

2. PROPERTY DAMAGE PROVISION

It is a condition precedent to any payment under this policy form that at the time of the happening of the "damage" there shall be in force insurance covering the interest of the Insured in the property at the "premises" against such "damage" and that payment shall have been made or liability admitted therefor under such insurance. However, this clause shall not apply where no payment is made or liability admitted under such insurance solely owing to the application of a deductible.

3. DETERMINATION OF PAYMENT

This insurance is limited to loss of "business income" due to (a) reduction of "revenue" and (b) increase in cost of operations and the amount payable will be:

- (a) IN RESPECT OF REDUCTION OF "REVENUE": The amount obtained by multiplying the "revenue shortfall" by the "business income percentage";
- (b) IN RESPECT OF INCREASE IN COST OF OPERATIONS: The additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the reduction in "revenue" which but for that expenditure would have taken place during the "indemnity period" in consequence of the "damage", but not exceeding the sum obtained by multiplying the amount of the reduction thereby avoided by the "business income percentage";

less any sum saved during the "indemnity period" in respect of such of the charges and expenses of the "business" payable out of "business income" as may cease or be reduced in consequence of the "damage".

4. PAYROLL

"Ordinary payroll" is insured for a period of time not exceeding ninety (90) consecutive days (or such other period specified on the "Declarations Page(s)" for "ordinary payroll") immediately following the date of "damage", which may continue during a total or partial suspension of "business", insuring only to the extent necessary to resume the "normal" "business" of the Insured with the same quality of service which existed immediately preceding the "damage", and which would have been earned had no "damage" occurred.

The Insurer shall not be liable, in the event of loss, for a greater proportion of the loss under this clause than the amount hereby insured under this clause bears to one hundred percent (100%) of "ordinary payroll" that would have been earned (had no "damage" occurred) during the ninety (90) consecutive days (or such other period specified on the "Declarations Page(s)" for "ordinary payroll") immediately following the date of "damage".

5. PROVISIONS

- (a) 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 or on behalf of the Insured, the money paid or payable in respect of such sales or service shall be brought into account in arriving at the "revenue" during the "indemnity period".
- (b) The liability of the Insurer shall in no case exceed the actual loss sustained or such other sum or sums as may be otherwise endorsed.
- (c) Any loss hereunder shall not reduce the amount of insurance applicable to this Form. In the event of loss originating within the term of this policy, the premium for the full term of this insurance on the full amount paid or payable for such loss shall be regarded as earned and no return premium shall be allowed in respect thereof.
- (d) In the event of "damage" in consequence of which a claim is or may be made under this Form, the Insured shall with due diligence do and concur doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the "business" or to avoid or diminish the loss.
- (e) No term or condition of this Form 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 Form 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.
- (f) If, on the happening of any loss, there is in force more than one policy covering the same interest irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach, or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this policy that the claim hereunder shall be adjusted with the Insured on the basis that such policy or policies will contribute a rateable proportion of the loss unless it is otherwise expressly agreed in writing.

6. ADDITIONAL EXCLUSIONS

This Form does not insure that part of any loss due to:

- (a) fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- (b) depreciation of stock;
- (c) bad debts.

7. WAITING PERIOD

If a number of hours is specified on the "Declarations Page(s)" with respect to this Form, the "indemnity period" shall begin that number of hours after the physical loss or damage caused by an insured peril has ended.

**EXTENDED BUSINESS INCOME
ACTUAL LOSS SUSTAINED ENDORSEMENT FORM
Form 6092 (2017-06)**

8. EXTENSIONS OF COVERAGE

- a. Interruption by Civil Authority:** This Form is extended to insure the loss of "business income" sustained by the Insured during the period of time, not exceeding four (4) consecutive weeks, while access to the "premises" is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighboring premises by a peril insured against under this Form.
- b. Service Interruption – Loss of Income:** This Form is extended to indemnify the Insured for loss of "business income" sustained during the policy period, caused by or resulting from loss, damage or destruction by an insured peril under this Form to any off-premises power, gas, water or communication supply locations, facilities or distribution lines furnishing or transmitting power, gas, water or communications to the Insured's "premises".

The Insurer shall not be liable under this extension for loss or expenses incurred during the first forty-eight (48) hours of loss of such service(s), however, if the lack of such service(s) causes a peril insured by this policy to occur on the insured "premises" this forty-eight (48) hour waiting period shall not apply.

The maximum recovery period under this extension shall be ninety (90) consecutive days from the commencement of coverage.

- c. Contingent Business Interruption:** This Form is extended to indemnify the Insured for loss of "business income" sustained during the policy period, not exceeding ninety (90) consecutive days, while "business" at the "premises" of the Insured specified on the "Declarations Page(s)" is interrupted by destruction or damage to building(s), structure(s), machinery, equipment or stock from an insured peril under this Form at the "contributing property" or "recipient property" which wholly or partially prevents the delivery of Insured's product.
- d. Extra Expense:** This Form is extended to insure the necessary "extra expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the Insured's "business" following "damage" or destruction by an insured peril to the building(s) or contents thereof at the "premises" specified on the "Declarations Page(s)". The Insurer shall be liable for "extra expense" so incurred, for not exceeding such length of time, herein referred to as the period of restoration, commencing with the date of loss and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or contents thereof as may be destroyed or damaged.
- e. Expediting Expense:** This Form shall also pay for the reasonable extra costs to make temporary repairs and to expedite the permanent repair or replacement of insured property damaged by an insured peril, including overtime and extra cost of express or other rapid means of transportation.
- f. Newly Acquired Locations:** This Form is extended to include coverage for any newly acquired location that is owned, rented or controlled by the Insured in whole or in part. Coverage attaches at the time of acquisition and extends for a period of sixty (60) days or until the date of any endorsement of this policy adding such location, whichever occurs first.
- g. Damaged Reputation/Negative Publicity:** This Form is extended to indemnify the Insured for loss of "business income" sustained by the Insured, including the amount of "extra expense" incurred by the insured in order to continue or resume as nearly as practicable the "normal" conduct of the Insured's business, due to negative publicity as a result of;
- (i) the poisoning of any person directly caused by the consumption of food or drink provided by the insured at the premises;
 - (ii) an outbreak of a notifiable contagious or infectious disease at the "premises";
 - (iii) a murder or suicide occurring at the "premises";
 - (iv) an illegal discharge of a firearm at the "premises";
 - (v) an escape or release at the "premises" of a substance or odor, produced and originating from air quality or water control equipment, that causes bodily injury or sickness.

The maximum recovery under this extension is payable up to a maximum of sixty (60) days, and is limited to an aggregate limit of fifty thousand dollars (\$50,000) or the amount of insurance specified on the "Declarations page(s)" (if any), during any one period of insurance.

- h. Mortgage Rate Guarantee:** This Form is extended to indemnify the Insured for the increase in mortgage interest costs resulting from a total loss by an insured peril to the building where the Insured, as a result of the loss, is required to close the existing mortgage and arrange a new mortgage at a higher competitive interest rate.

Coverage is for the difference between the interest cost of the mortgage loan existing on the date of loss, and the interest cost of a new mortgage loan based on the former's outstanding balance. With the exception of interest rate, principal amount, and the amortization period, the terms and conditions of the new mortgage loan must be the same as those of the mortgage loan existing on the date of loss. The amortization period of the new mortgage loan must be equal to the amortization period of the mortgage loan existing on the date of loss less the number of years elapsed from the latter's commencement date to the date of loss.

Coverage under this extension will continue until:

- (i) the maturity date of the mortgage existing on the date of loss, or
- (ii) the Insured relinquishes title or interest in the building, or
- (iii) sixty (60) months from the date of loss, or
- (iv) the Insurer ceases to insure the building,

whichever occurs first.

The maximum recovery under this extension is payable up to a maximum of sixty (60) months, and is limited to an aggregate limit of fifty thousand dollars (\$50,000) or the amount of insurance specified on the "Declarations page(s)" (if any), during any one period of insurance.

- i. **Emergency Evacuation:** This Form is extended to insure the loss of "business income" and any necessary reasonable "extra expense" sustained by the Insured during the policy period, while access to the to the "premises" is prohibited by order of civil authority, but only when such order is given for mass evacuation as a direct result of a sudden and accidental event occurring in Canada. This extension does not insure earthquake or flood, if otherwise insured under this policy.

Coverage begins seventy-two (72) hours after the date of the order of evacuation and is limited to five thousand dollars (\$5,000) for evacuations lasting one hundred and sixty-eight (168) hours or less or ten thousand dollars (\$10,000) for evacuations lasting more than one hundred and sixty-eight (168) hours, during any one period of insurance or limited to the amount of insurance specified on the "Declarations page(s)" (if any).

- j. **Leasehold Interest (Rents):** This Form is extended to indemnify the Insured if as a result of an insured peril, the landlord terminates the lease, in which case this policy will pay the difference between current rental value, and the rent actually paid prior to the loss. Coverage applies for the balance of the lease term, or twelve (12) months, whichever occurs first. No lease renewal options will be considered in any loss settlement unless an offer to renew has been made to and accepted by the landlord, in writing, prior to the loss. The Insurer is not liable for any loss of leasehold interest resulting from the Insured exercising an option to cancel the lease.
- k. **Research and Development Extension:** The Insurer agrees to indemnify the Insured for the loss of "business income" directly attributed to research, development and administrative activities, due to direct physical loss or damage caused by or resulting from any insured peril at the "premises" specified on the "Declarations Page(s)" which results in an interruption of research, development and administrative activities, which in themselves would not have produced "business income".

- l. **Building By-laws Additional Time Required for Rebuilding:** In the case of loss, destruction or damage by an insured peril, the insurance provided extends to include loss:

- (a) occasioned by the enforcement of any by-law, regulation, ordinance or law which:
- (i) regulates zoning or the demolition, repair or construction of damaged buildings or structures;
 - (ii) is in force at the time of such loss or damage; and
 - (iii) necessitates the demolition of any portion of the buildings or structures which has not suffered damage by an insured peril; and
- (b) due to any additional period of time that would be required for repairing, replacing, construction or reconstructing any portion of the buildings or structures where such loss is occasioned by the enforcement of the minimum requirements of any such by-law, regulation, ordinance or law as is referred to in sub-paragraphs (i) and (ii) of paragraph (a).

The policy is subject to a maximum period of indemnity of twelve (12) months which shall not be extended by this form.

The Insurer shall not be liable under this Form for:

- (c) any loss occasioned by the enforcement of any by-law, regulation, ordinance or law which
- (i) regulates zoning or the demolition, repair or construction of damaged buildings or structures;
 - (ii) is in force at the time of loss or damage by an insured peril; and
 - (iii) prohibits the Insured from rebuilding on the same site or on an adjacent site or prohibits continuance of like occupancy;
- (d) more than the amount insured under the policy to which this Form is attached;
- (e) any greater proportion of any loss to the interest covered by the policy than that which the amount insured under the policy on said interest bears to the total amount of insurance on said interest, whether such insurance contains this Form or not.

If the policy insures two or more items, the foregoing shall apply separately to each item to which this Form applies.

- m. **Retailer Product Impairment:** This Form is extended to indemnify the Insured for loss of "business income" sustained during the policy period due to the "recall" of a product or a component of a product that the Insured sells to the ultimate consumer where as a result of the "recall" the product cannot be sold by the Insured, or the public becomes aware of the "recall" causing the Insured to suffer a loss of "business income"

The "recall" must be either:

- (i) a result of a notice received by the Insured, after the effective date of this coverage, from the manufacturer/wholesaler or someone with the authority to order a "recall", or
- (ii) because the Insured discovers there is a threat of bodily injury or property damage, in which case the Insured must notify the police or other appropriate public authorities within a reasonable time before or after the "recall" and after the effective date of this coverage.

This extension of coverage does not insure loss of "business income" if:

- (i) the product recalled was manufactured by the Insured;
- (ii) the product recalled is a component of a product manufactured by the Insured;
- (iii) prior to the effective date of this coverage the Insured knew, or should have known, that a product recall was planned or had already begun unless this coverage is a renewal of a similar previous coverage provided by the Insurer which was effective immediately preceding the inception date of this coverage. In such case the Insurer's liability is limited to the amount of insurance applicable to product impairment under the previous coverage, and provided no payment was made under the previous coverage;
- (iv) the Insured has violated a law or regulation in connection with the sale or distribution of a recalled product;
- (v) the product or component of a product recalled is handled, sold, or held for sale by the Insured in any capacity other than as a retailer. This exclusion will apply even if the Insured is also a retailer of the product, unless the other capacity is incidental assembly which is related to the Insured's operation as a retailer of the product recalled;
- (vi) the loss is a result of actual expenses incurred for recalling a product, including any refunds, reimbursements or the cost of repairing, or replacing the recalled product.

The maximum period for which the Insured can recover loss of "business income" under this extension of coverage with respect to any one "recall" is limited to sixty (60) consecutive days. However, the sixty (60) consecutive days period may begin no earlier than sixty (60) days before and no later than sixty (60) days after the Insured receives manufacturer/wholesaler "recall" notice or "recall" notification given to proper authorities by the Insured if no notice received from the manufacturer/wholesaler.

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The sixty (60) consecutive day period referred to above is not limited by the expiration of this policy; however, this sixty (60) day consecutive period may not begin prior to the effective date of this coverage unless this coverage is a renewal of a similar previous coverage provided by the Insurer which was effective immediately preceding the inception date of this coverage.

The maximum recovery under this extension is an aggregate limit of fifty thousand dollars (\$50,000) or the amount of insurance specified on the "Declarations page(s)" (if any), during any one period of insurance.

9. DEFINITIONS

Whenever used in this Form:

- (a) **"Business"** means the business of the Insured as specified on the "Declarations Page(s)".
- (b) **"Business Income"** means the amount by which:
 - (i) the sum of the "revenue" and the amounts of closing stock and work in progress shall exceed
 - (ii) the sum of the amounts of opening stock and work in progress and the amount of the "variable operating expenses".Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's "normal" accountancy methods, due provision being made for depreciation.
- (c) **"Business Income Percentage"** means the percentage obtained by dividing the "business income" by the "revenue" during the financial year immediately before the date of the "damage" to which such adjustments shall be made as may be necessary to provide for the trend of the "business" and for variations in or other circumstances affecting the "business" either before or after the "damage" or which would have affected the "business" had the "damage" not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the "damage" would have been obtained during the relative period after the "damage".
- (d) **"Contributing Property"** means a premises occupied by a supplier of materials to the insured located in Canada or the continental United States of America of materials to the Insured.
- (e) **"Damage"** means the direct physical loss of or damage to property at the "premises" from an insured peril.
- (f) **"Declarations Page(s)"** means the Declarations Page(s) applicable to this Form.
- (g) **"Expected Revenue"** means the "revenue" during the period corresponding with the "indemnity period" in the twelve (12) months immediately before the date of the "damage" appropriately adjusted where the "indemnity period" exceeds twelve (12) months to which such adjustments shall be made as may be necessary to provide for the trend of the "business" and for variations in or other circumstances affecting the "business" either before or after the "damage" or which would have affected the "business" had the "damage" not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the "damage" would have been obtained during the relative period after the "damage".
- (h) **"Extra Expense"** means the excess cost (if any) during the period of restoration 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. In no event, however, shall the Insurer be liable under this Form for loss of income nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the "normal" cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "extra expense"; liability for such excess cost however, shall not exceed the amount by which the total "extra expense" otherwise payable under this Form is reduced. The Insurer shall also be liable for "extra expense" incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Insured's "business". Any salvage value of such property remaining after resumption of "normal" operations shall be taken into consideration in the adjustment of any loss hereunder.
- (i) **"Indemnity Period"** means the period beginning with the occurrence of the "damage" and ending not later than twelve (12) consecutive calendar months (or such other period if so specified on the "Declarations Page(s)" as the maximum indemnity period) thereafter during which the results of the "business" shall be affected in consequence of the "damage". However, if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon is lost or damaged by a peril insured against then the "indemnity period" in respect thereof shall not extend beyond:
 - (i) thirty (30) consecutive days after the occurrence of such "damage"; or
 - (ii) the date upon which liability ceases under this Form for loss arising from other property lost or damaged by the same occurrence;whichever is later.
- (j) **"Normal"** means the condition which would have existed had no loss occurred.
- (k) **"Ordinary Payroll"** means the entire payroll expense for all employees of the Insured 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.
- (l) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location(s) specified on the "Declarations Page(s)" and in or on vehicles within one hundred (100) metres (three hundred and twenty-eight (328) feet) of such location(s).
- (m) **"Recall" means the withdrawal of a product from the market because:**
 - (i) its use or consumption has resulted in bodily injury or property damage; or
 - (ii) of a criminal act, committed by someone other than the Insured or employees of the Insured acting with the Insured's knowledge or consent, that has created a threat of bodily injury or property damage if the product is used or consumed, or
 - (iii) it has become public knowledge that the use or consumption of the product could result in bodily injury or property damage.A series of recalls of the same product or similar products of the same manufacturer/wholesaler will be considered one "recall".
- (n) **"Recipient Property"** means a premises occupied by apurchaser of materials from the insured located in Canada or the continental United States of America.

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- (o) **"Revenue"** means the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the "business" at the "premises" after allowing for returns and discounts.
- (p) **"Revenue Shortfall"** means the amount by which the "revenue" during the "indemnity period" in consequence of the "damage" falls short of the "expected revenue".
- (q) **"Variable Operating Expenses"** means
 - (i) all purchases (less discounts received);
 - (ii) packing materials;
 - (iii) delivery and freight (other than by own vehicles);
 - (iv) "ordinary payroll".

Note: The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured, unless specifically defined in this Form.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to the The Extended Business Income Actual Loss Sustained Endorsement Form – Form 6092

This endorsement modifies insurance as follows:

8. Extensions of Coverage – item h. Mortgage Rate Guarantee: The aggregate limit is increased from fifty thousand dollars (\$50,000) to one hundred thousand dollars (\$100,000).

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**Applicable to Commercial Property (Named Perils) – Form 420 or
Commercial Property (Broad Form) - Form 1000 or
Equipment Dealers (Broad Form) – Form 428 or Office Contents Form – Form 440**

This endorsement modifies insurance provided as follows:

This endorsement applies separately to each location for which the Environmentally Friendly Replacement Endorsement is specified on the Declarations Page(s).

1. This insurance is extended to include:

- (a) any increase in the direct costs to repair or replace damaged property insured using “environmentally-friendly” material or modes of construction or “energy-efficient” materials or modes of construction;
- (b) additional reasonable fees incurred by the Insured for an accredited professional certified by Canada Green Building Council/LEED Canada to participate in the design and construction for repairing or rebuilding physically damaged insured property as “environmentally-friendly” or “energy-efficient”; and
- (c) the additional cost incurred by the insured for certification or re-certification of the repaired or replaced insured property as “environmentally-friendly” or “energy-efficient”.

This endorsement is subject to the following provisions:

- (i) replacement or repair shall be at the option of the Insured and affected by the Insured with due diligence and dispatch;
- (ii) settlement for the increased costs of repair or replacement of insured property shall be made only when the repair or replacement has been affected by the Insured, and in no event shall it exceed the amount actually expended;
- (iii) coverage applies to “building” and “equipment”;
- (iv) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect.

2. Co-insurance

If a Co-insurance clause applies to the insurance to which this endorsement attaches, any increase in coverage extended by this endorsement is not to be considered in determining co-insurance compliance.

3. Limits of Insurance

The Insurer, regardless of the number of persons and interests Insured under this Form, shall not be liable for more than the applicable amount(s) of insurance specified on the “Declarations Page(s)” for this endorsement.

4. Exclusions

This endorsement does not apply:

- (a) to “stock”, raw materials, finished goods, merchandise, production machinery and equipment, electronic data processing equipment not used in the support of real property, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of officers and employees;
- (b) to any increase in the cost of repair or replacement of insured property occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
- (c) in instances where no “environmentally-friendly” or “energy-efficient” equivalent exists. In those instances, we will pay only to replace with standard materials, modes of construction, equipment and products.

5. Definitions

Wherever used in this endorsement:

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

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

Applicable to Commercial Property (Broad Form) – Form 1000

EXTENSIONS OF COVERAGE ENDORSEMENT

This policy is extended to include extensions of coverage as stated below:

The following extensions of coverage shall:

- (i) not be considered for the purpose of determining the application of any Co-insurance clause;
- (ii) not apply if there is more specific coverage insured elsewhere in this policy and/or if specific amount(s) or limit(s) are indicated on the "Declarations Page(s)" for any of them;
- (iii) increase the amount(s) of insurance for this policy by the amount(s) or limit(s) stated in this endorsement (except Item 3 – Underground Utilities Extension and Item 5 – Building By-Laws, which does not increase the amount of insurance).

1. Booster Extension

This extension applies if the limit of any other extension described in the Commercial Property (Broad Form) 1000 and its endorsements is insufficient to indemnify the Insured following loss or damage insured against by the Commercial Property (Broad Form) 1000. The insufficiency must be determined after all policy definitions, conditions and limitations have been taken into account in the adjustment of the claim for such loss or damage. In that event, the Insurer will pay to the Insured, in addition to the limit of the other extension, the lesser of (i) The difference between the limit of the other extension and the value of the adjusted amount of the claim or (ii) \$50,000.

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

The maximum amount of insurance for this extension of coverage during any one policy period shall not exceed, in the aggregate, fifty thousand dollars (\$50,000).

2. Roadways, Walkways, Parking Lots

This Form extends to cover direct physical loss or damage from an insured peril to roadways, walkways, parking lots, other paved surfaces, retaining walls or permanently installed landscape structures outside the "building" located on the "premises" specified in the "Declarations Page(s)". The limit of insurance for this extension of coverage is a maximum aggregate limit of one hundred thousand dollars (\$100,000) during any one period of insurance.

3. Underground Utilities Extension

This Form extends to insure loss or damage from an insured peril, without increasing the amount(s) of insurance specified on the "Declaration Page(s)" for "building", to sewers, drains or watermains within the property lines at the locations specified on the "Declarations Page(s)".

4. New Construction

At the option of the Insured, fifteen percent (15%) of the amount of insurance specified on the "Declarations Page(s)", but in no event exceeding one hundred and fifty thousand dollars (\$150,000) may be applied to additions to the buildings and structures insured, located on the "premises". This option shall not increase the amount of insurance specified on the "Declarations Page(s)". This coverage attaches at the date construction commences and extends for a period of ninety (90) days, or to the date of endorsement of this Form or issuance by the Insurer of a separate Builders Risk policy adding the new values with an appropriate additional premium paid from the date construction commences, or until the expiry date of this policy, whichever occurs first.

5. Building By-laws

This Form shall, and only as a result of an insured peril, extend to indemnify the Insured, without increasing the amount(s) of insurance specified on the "Declarations Page(s)" for "building" for:

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

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

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

This extension, however, does not insure against:

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

Definition

Wherever used in this extension:

"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.

6. Land and Water Pollution Clean Up

Indemnity Agreement

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

- (i) is occasioned by loss or damage to property insured at the "premises" for which insurance is afforded under the Commercial Property (Broad Form);
- (ii) is sudden, unexpected and unintended from the standpoint of the Insured; and
- (iii) first occurs during the policy period.

Limit of Insurance

The maximum amount of insurance for this extension of coverage during any one policy period shall not exceed, in the aggregate, fifty thousand dollars (\$50,000).

No Automatic Reinstatement

Notwithstanding the Reinstatement Clause in this policy, following a loss under this extension of coverage, the amount of insurance specified above will be reduced by the amount payable.

Additional Exclusions

The Insurer shall not be liable for:

- (i) expenses for "clean up" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", even if the "pollutants" emanated from the "premises".
- (ii) expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" that began before the effective date of this extension of coverage.
- (iii) fines, penalties, punitive or exemplary damages;
- (iv) 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, processing or treatment of waste.

Additional Conditions

(i) Reporting Period

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

(ii) Other Insurance

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

Definitions

Wherever used in this extension:

- (i) "**Clean Up**" means the removal, containment, treatment, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (ii) "**Premises**" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations specified on the "Declarations Page(s)".
- (iii) "**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.

7. Building Inflation Protection

- (a) The amount of insurance applicable to "building" shall be increased during the policy period by the proportion by which the latest published Statistics Canada Non-Residential Building Construction Price Indexes has increased since the last "premium due date".
- (b) At the "premium due date", the amount of insurance shall be increased automatically in accordance with the latest published Statistics Canada Non-Residential Building Construction Price Indexes and the appropriate premium charged.
- (c) If the amount of insurance applicable to "building" is changed at the request of the Insured during the policy period, the effective date of this extension is deemed to coincide with the effective date of such change.
- (d) If the policy insures two or more items, the foregoing shall apply separately to each item to which this extension applies.
- (e) In this extension,
"Premium due date" means the inception, renewal or anniversary date of the policy.

8. Glass

This Form provides coverage for accidental breakage of all exterior glass set in frames, sashes or bars including lettering, ornamentation, tape or foil thereon provided the Insured is owner of the "building" or is legally liable for such damage. This extension shall also include any reasonable expenses incurred for temporary boarding up damaged openings or installing temporary plates.

9. Property of Others for which the Insured is Legally Liable

This Form extends to cover direct physical loss or damage from an insured peril to property of others for which the Insured is legally liable. This extension does not apply to loss or damage to property received for storage, or for which a storage charge has been or will be made.

The limit of insurance for this extension of coverage is one hundred thousand dollars (\$100,000) for any one loss.

10. Fine Arts

This Form extends to cover direct physical loss or damage from an insured peril to "Fine Arts". The term "**Fine Arts**" includes paintings, etchings, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.

Territorial Limits

Coverage on insured property applies within the territorial limits of Canada and the continental United States of America, excluding the premises of fair grounds or of any national or international exposition.

In addition to those exclusions found in the Commercial Property (Broad Form), the following also apply:

This extension does not insure:

- (i) breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles unless caused by:
 - (a) fire, explosion, falling objects striking the exterior of the building, impact by aircraft or land vehicle, lightning, smoke, vandalism or malicious acts, windstorm or hail or by accident to land, water or air conveyances, or by theft or attempt thereat;
 - (b) earthquake or flood, if otherwise insured under this policy.
- (ii) loss or damage to any property while undergoing any process or while being actually worked upon where any loss or damage is due thereto.

Packing Condition

It is agreed by the Insured that the property insured hereunder is to be packed and unpacked by competent packers.

The limit of insurance for this extension of coverage is one hundred thousand dollars (\$100,000) for any one loss.

11. Exhibitions

This Form extends to cover direct physical loss or damage from an insured peril to "contents" while temporarily on exhibition at locations not owned or usually occupied by the Insured, but only while the described property is within Canada and the continental United States of America.

The limit of insurance for this extension of coverage is fifty thousand dollars (\$50,000) at any one exhibition.

12. Service Interruption – Physical Damage

This Form provides coverage for loss occasioned by the interruption of service to the described "premises". The interruption must result from direct physical loss or damage, by an insured peril, to the following property, which is not located on the "premises":

- (a) Water Supply Services, meaning the following types of property supplying water to the described "premises":
 - (i) pumping stations; and
 - (ii) water mains
- (b) Communication Supply Services, meaning property supplying communication services including telephone, radio, microwave or television services to the described "premises", such as
 - (i) communication transmission lines, including optic fibre transmission lines;
 - (ii) coaxial cables; and
 - (iii) microwave radio relays, except satellites.
- (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described "premises":
 - (i) utility generating plants;
 - (ii) switching stations;
 - (iii) substations;
 - (iv) transformers; and
 - (v) transmission lines.

The limit of insurance for this extension of coverage is fifty thousand dollars (\$50,000) for any one loss.

13. Arson and Burglary Award

In the event of loss or damage by fire that results from an act of arson or a burglary occurs for which coverage is afforded under this policy, the Insurer will pay for information that leads to a criminal conviction in connection with such loss.

The limit of insurance for this extension of coverage is ten percent (10%) of such loss up to a maximum of twenty-five thousand dollars (\$25,000) in any one occurrence. The Insurer's liability under this extension shall not be increased by the number of persons who provide information.

14. Confiscation or Seizure of Property

This Form extends to indemnify the Insured for loss of "contents" confiscated or seized from the Insured by public authority, if the Insured purchased such property from a person who had acquired such property illegally.

This extension shall not apply:

- (i) if the Insured was aware it was purchasing illegally acquired property;
- (ii) to portable computers.

The limit of insurance for this extension of coverage is a maximum aggregate limit of ten thousand dollars (\$10,000) during any one period of insurance.

15. Inventory Preparation Costs

This Form extends to indemnify the Insured for the necessary expenses incurred to prepare inventories, if the Insurer requests preparation of such inventories to help determine the amount of loss or damage insured against by this policy. The Insurer shall not be liable under this extension for expenses to prove this policy insures against a loss, nor for expenses incurred under the condition of this policy relating to appraisal.

The limit of insurance for this extension of coverage is fifty thousand dollars (\$50,000) for any one loss.

16. Penalties for Non-Completion of Services

This Form extends to indemnify the Insured for monetary penalties incurred under written contracts with unaffiliated customers or clients because of failure to perform or provide the business service specified on the "Declarations Page(s)" as a result of loss or damage insured against by this policy.

The limit of insurance for this extension of coverage is a maximum aggregate limit of fifty thousand dollars (\$50,000) during any one period of insurance.

17. Personal Property of Officers and Employees

At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:

- (i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
- (ii) is, in any event, limited to a maximum recovery of two thousand five hundred dollars (\$2,500) in respect of any one officer or employee subject to an aggregate limit of twenty-five thousand dollars (\$25,000) for any one occurrence.
- (iii) shall apply only to loss or damage occurring at the "premises" location specified on the "Declarations Page(s)" or included in Newly Acquired Locations.

This extension covers loss or damage by a peril not excluded to "equipment" belonging to employees of the Insured provided there is no insurance in the name of the employee for such "equipment".

18. "Building" Damage by Theft

This Form extends to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this policy. This extension of coverage shall be limited to a maximum recovery of ten thousand dollars (\$10,000) for any one occurrence.

19. Growing Plants, Trees, Shrubs and Flowers outside the "Building"

This Form extends to insure loss or damage to growing plants, trees, shrubs and flowers outside the "building" caused directly by "Named Perils", (with the exception of Windstorm or Hail as described in the Commercial Property (Broad Form)) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of:

- (i) one thousand dollars (\$1,000) for each growing plant, tree, shrub or flower; and
- (ii) fifty thousand dollars (\$50,000) for any one occurrence.

20. Co-insurance Waiver

The first paragraph of the Co-insurance clause of the Commercial Property (Broad Form) is deleted and replaced by the following:

This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations Page(s)" and only where the total loss exceeds the lesser of five percent (5%) of the applicable Limit of Insurance or fifteen thousand dollars (\$15,000).

21. Computer Systems Breakdown

This Form extends to insure loss or damage caused by "system breakdown", to "media", data processing, word processing or computing "equipment", including components, extensions, connections, ancillary equipment and educational or training materials. This extension does not insure loss or damage:

- (i) to accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents;
- (ii) to "media" which cannot be replaced with like kind and quality;
- (iii) directly or indirectly caused by programming error or by incorrect instruction to the computer.

Definitions

Wherever used in this extension:

"**Media**" means all forms of material on which data is electronically recorded, such as magnetic tapes, disk packs, diskettes and cassettes.

"**System Breakdown**" means loss, damage or destruction caused by,

- (i) mechanical breakdown or machinery breakdown;
- (ii) short circuit, blow out or other electrical disturbance;
- (iii) faulty construction, error in design, or actual work upon property covered (this does not apply to "media");
- (iv) electrical or magnetic injury, disturbance or erasure of electronic recordings;

This extension of cover shall be limited to a maximum recovery of fifty thousand dollars (\$50,000) in respect of any one loss.

22. The limit(s) or amount(s) referred to herein shall not apply if specific limit(s) or amount(s) are indicated on the "Declarations Page(s)" for any of the following Extensions of Coverage items a) to e) below which apply only while the described property is within Canada or the continental United States of America:

a) Unnamed and Temporary Locations

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

The limit of insurance for this extension of coverage is one hundred thousand dollars (\$100,000) for any one loss.

b) Newly Acquired Location

"Building" and "contents" at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within one hundred (100) metres (three hundred and twenty-eight (328) feet) of such location. The following limits of insurance attach at the time of the acquisition and extends for a period of ninety (90) days, or to the date of endorsement of this policy adding such location, until the expiry date of this policy, whichever occurs first. There is no coverage under this item for any "building" that is in the course of construction.

The limit of insurance for this extension of coverage is two million dollars (\$2,000,000) for "Building" and five hundred thousand dollars (\$500,000) for "Contents" for any one loss.

c) Courier Shipments and Parcel Post

"Contents" in any one shipment in the course of transit by courier or parcel post until delivered.

The limit of insurance for this extension of coverage is twenty-five thousand dollars (\$25,000) for any one loss.

d) Property in Transit

"Contents" in the course of transit other than by courier or parcel post, including while airborne or while waterborne, until delivered. The following conditions apply:

- (a) coverage applies only while the described property is in transit within Canada or the continental United States, provided the point of origin is within Canada;
- (b) coverage ceases for export property once the property has been loaded on an overseas vessel or aircraft;
- (c) there is no coverage in respect of property that is insured under any Marine Insurance.

The limit of insurance for this extension of coverage is fifty thousand dollars (\$50,000) for any one loss.

e) Sales Representative

"Contents", whether in transit or otherwise, while in the custody of a sales representative of the Insured.

The limit of insurance for this extension of coverage is fifty thousand dollars (\$50,000) for any one loss.

23. The Insurer's limit of liability for Extensions of Coverage items a) to j) below shall not exceed an aggregate limit of five hundred thousand dollars (\$500,000) for any one loss:

a) Accounts Receivable

This Form extends to cover direct physical loss or damage from an insured peril to the Insured's records of accounts receivable occurring during the policy period.

This extension insures:

- (i) all sums due to the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable;
- (ii) interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- (iii) collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- (iv) other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

This insurance shall apply only while records of accounts receivable are contained in the "premises" specified on the "Declarations Page(s)". It is a condition precedent to any right of recovery hereunder that, except while in actual use, such records be kept in receptacles (minimum of metal filing cabinets), when the premises are not open for business.

This insurance also applies while records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned therefrom, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal.

In addition to those exclusions found in the Commercial Property (Broad Form) the following also apply:

This extension does not provide coverage for:

- (i) loss due to bookkeeping, accounting or billing errors or omissions;
- (ii) loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of a claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk or loss to records of accounts receivable not otherwise excluded;
- (iii) loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of wrongful giving, taking, obtaining or withholding;

Basis of Valuation

When there is a proof of loss covered by these extensions but the Insured cannot accurately establish the total amount of accounts receivable outstanding on the date of loss, such amount shall be based on the Insured's monthly statements and shall be computed as follows:

- (i) 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;
- (ii) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
- (iii) the amount determined under (i) above, increased or decreased by the percentage calculated under (ii) above, shall be the agreed total amount of accounts receivable on the last day of the fiscal month in which said loss occurs;

- (iv) the amount determined under (iii) 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 a 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 uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

Inspection and Audit

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

Recoveries

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

b) Valuable Papers and Records

This Form extends to cover direct physical loss or damage from an insured peril to "Valuable Papers and Records". The term "**Valuable Papers and Records**" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but excludes money and securities, electronic data control tapes or discs.

The insurance provided by this extension applies:

- (a) while the insured "Valuable Papers and Records" are contained in the "premises" specified on the "Declarations Page(s)". It is a condition precedent to any right of recovery hereunder, that the "Valuable Papers and Records" shall be kept in receptacles (minimum of metal filing cabinets) at all times when the premises are not open for business, except while such "Valuable Papers and Records" are in actual use or as stated in (b) or (c) below;
- (b) while the insured "Valuable Papers and Records" are being removed to, and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal;
- (c) while the "Valuable Papers and Records" are being conveyed outside the Insured's "premises" or temporarily in other premises (except for storage).

In addition to those exclusions found in the Commercial Property (Broad Form), the following also apply:

This extension does not insure:

- (a) loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for the direct loss caused by such ensuing fire or explosion;
- (b) loss of property held as samples or for sale or for delivery after sale;
- (c) property which cannot be replaced with other of like kind and quality.

Basis of Valuation

The limit of the Insurer's liability for loss shall not exceed the actual cash value of the property at the time of loss, nor what it would cost to repair or replace the property with other of like kind and quality.

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

c) Extra Expense

This Form extends to insure the necessary "extra expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the Insured's business following "damage" to or destruction from an insured peril to the building(s) or "contents" at the "premises" specified on the "Declarations Page(s)". The Insurer shall be liable for "extra expense" so incurred, for not exceeding such length of time, herein referred to as the period of restoration, commencing with the date of loss and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or contents thereof as may be destroyed or damaged.

Definitions

Wherever used in this extension:

"**Extra Expense**" means the excess (if any) of the total cost during the period of restoration 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. The cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall the Insurer be liable under this Form for loss of income nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the "normal" cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "extra expense"; liability for such excess cost however, shall not exceed the amount by which the total "extra expense" otherwise payable under this Form is reduced. The Insurer shall also be liable for "extra expense" incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Insured's "business". Any salvage value of such property remaining after resumption of "normal" operations shall be taken into consideration in the adjustment of any loss hereunder.

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

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

THE PROFESSIONALS OFFICE CONNECTION ENDORSEMENT
Form 6070 (2018-02)

This extension is extended to include the actual loss as insured hereunder during the period of time, not exceeding two (2) weeks, while access to the specified "premises" is prohibited by order of civil authority, but only when such order is given as a direct result of damage to a neighbouring premises by an insured peril.

In addition to those exclusions found in the Commercial Property (Broad Form), the following also apply:

The Insurer shall not be liable for:

- (a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of "business" or free access to or control of the "premises" or due to the action of sympathetic strikers elsewhere;
- (b) loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- (c) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect, the Insured's income after the period following any loss during which indemnity is payable.

d) Professional Fees

In the event of loss or damage from an insured peril, the Insurer will pay reasonable fees to auditors, accountants, architects, engineers or other professionals other than public adjusters and the Insured's own employees for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the amount of loss payable under this policy.

This extension applies only to fees incurred in establishing the quantum of a loss, liability for which is otherwise accepted by the Insurer. This extension may also apply to any Business Interruption loss covered under this policy.

e) Debris Removal

This Form extends to provide additional debris removal expense coverage as outlined in the Property Insuring Agreement, Miscellaneous Clauses and Conditions Form 0001.

f) Lock and Key Replacement

This Form extends to cover loss caused by the necessary replacement or re-tooling of locks, keys, electronic passes or access cards that control doors at the "premises" location from any loss except as excluded in the Commercial Property (Broad Form). The Insurer will also indemnify the Insured for expenses incurred in the adjustment of locks or other electronic devices to accept new keys, passes or cards, or if required, new locks including cost of installation.

This extension shall not apply to any loss caused by misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or his employees or agents.

It is warranted by the Insured that:

- (a) all keys, passes or cards shall be locked in a place of security when not actually on the person of their custodian.
- (b) no keys, passes or cards shall be identified, except by a coded reference to indicate the suites or location of the locks to which they give access.

g) Exterior Signs Including Street Clocks, Communication Towers, Antennae and Satellite Receivers

This Form extends to cover the aforementioned property on the "premises" for loss or damage from an insured peril excluding loss or damage caused by wear and tear, latent defect, corrosion or rust, mechanical breakdown or during installation, repairing or dismantling.

h) Fire Department Service Charges

This Form extends to cover fire department service charges imposed by a municipality for "fire fighting expenses" to save and protect insured property from an insured peril.

Definition

Wherever used in this extension:

"**Fire Fighting Expenses**" means charges for use of fire fighting equipment and supplies of others, salaries of personnel required to operate such equipment, and the cost of transporting such equipment to and from the location of the fire.

i) Fire Equipment Recharge

This Form extends to cover expenses actually incurred as a result of an insured peril to recharge a fire protection or fire fighting system.

j) Expediting Expenses

This Form extends to cover the reasonable extra cost to make temporary repairs and to expedite the permanent repair or replacement of insured property, damaged by an insured peril, including overtime and the extra cost of express or other rapid means of transportation.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to the The Professionals Office Connection Endorsement – Form 6070

This endorsement modifies the following extensions of coverage provided as follows:

1. **Item 17. Personal Property of Officers and Employees** sub item (ii) is deleted in its entirety and replaced with:
(ii) is, in any event, limited to a maximum aggregate limit of fifty thousand dollars (\$50,000) for any one occurrence.
2. **Item 18. "Building" Damage by Theft** maximum recovery shall be increased from ten thousand dollars (\$10,000) to fifty thousand dollars (\$50,000) for any one occurrence.
3. **Item 19. Growing Plants, Trees, Shrubs and Flowers outside the "Building"** shall be limited to a maximum recovery, including debris removal expense of fifty thousand dollars (\$50,000) for any one occurrence. The sublimit of one thousand dollars (\$1,000) for each growing plant, tree, shrub or flower has been deleted in its entirety.

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

1. INSURED PROPERTY

This Form insures valuable papers and records consisting of written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but excluding money, securities, electronic data control tapes or discs, owned by the Insured or property of others, while the care, custody or control of the Insured and for which the Insured is legally liable at the "premises" specified on the "Declarations Page(s)" page.

This Form is automatically extended to cover the valuable papers and records while:

- (a) being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned provided the Insured gives written notice to the Insurer of such removal within thirty (30) days.
- (b) in transit outside the Insured's "premises" or temporarily in other premises (except for storage), provided the Insurer's liability for such loss or damage shall not exceed ten percent (10%) of the highest limit of insurance applicable to a location stated on the "Declarations Page(s)" or five thousand dollars (\$5,000), whichever is less.

2. LIMITS OF INSURANCE

The Insurer, regardless of the number of persons and interests insured under this Form, shall not be liable for more than the applicable amount(s) of insurance specified on the "Declarations Page(s)".

3. DEDUCTIBLE

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

4. INSURED PERILS

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

5. EXCLUDED PROPERTY

This Form does not insure loss of or damage to:

- (a) property not specifically declared and described on the "Declarations Page(s)" if such property cannot be replaced with other of like kind and quality;
- (b) property held as samples, or for sale or for delivery after sale;
- (c) property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- (d) property at locations which to the knowledge of the Insured are vacant, unoccupied or shut down for more than thirty (30) consecutive days.

6. EXCLUDED PERILS

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

- (a) inherent vice, wear, tear, rodents, insects, bats, raccoons, skunks, vermin, gradual deterioration or depreciation;
- (b) any dishonest, fraudulent or criminal act including willful act or omission by any Insured, a partner therein or an officer, director or trustee thereof, whether acting alone or in collusion with others;
- (c) electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;
- (d) errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
- (e) loss or damage to any insured property whilst being worked upon and where loss or damage is due thereto unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
- (f) loss or damage resulting from loss of use of the insured property or loss of sums due to the Insured which the Insured is unable to collect because of loss of or destruction or damage to the insured property;
- (g) delay, loss of market, loss of income, interruption of business, or consequential loss of any nature;
- (h) mysterious disappearance, unaccountable loss, pilferage, or loss or shortage disclosed on taking inventory;
- (i) theft (including attempt thereof) of insured property while unattended in or on any motor vehicle or trailer, unless contained in a fully enclosed and securely locked body or compartment of such vehicle and resulting from forcible entry, evidenced by visible marks, into the body or compartment (property in the custody of carriers or bailees for hire excepted);
- (j) neglect of the Insured to use all reasonable means to save and preserve the insured property at the time of and after any loss or damage;
- (k) (i) any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
(ii) theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
(iii) any dishonest or criminal act committed by anyone, except as stated in (k) (ii), when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.
This exclusion (k) (iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer;
- (o) loss or damage caused 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;
- (p) loss or damage by:
 - (i) any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - (ii) contamination by radioactive material;
- (l) loss or damage by or resulting from:
 - (i) illegal "drug operations"; or

(ii) any activity or decision of a government agency or other entity to prevent, respond to or terminate illegal "drug operations"; where the Insured or any agent of the Insured knew or ought to have known of the illegal "drug operations" prior to the loss or damage. Unless the Insured or any agent of the Insured already knows that loss or damage has occurred, this exclusion (n) does not apply if, upon becoming aware of illegal "drug operations", the Insured or any agent of the Insured immediately notifies the police and the Insurer.

7. BASIS OF VALUATION

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

- (a) books of accounts, drawings, card index systems and other records, other than as described in (b) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
- (b) media, data storage devices, and programme devices for electronic or electro-mechanical data processing or for electronically controlled equipment, notwithstanding that "data" is not covered, 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.

The limit of liability of the Insurer shall not exceed the actual cash value of the property at the time of loss nor what it would cost to repair or replace the property with other of like kind and quality, nor shall it exceed the applicable limit of insurance stated on the "Declarations Page(s)".

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

8. VERIFICATION OF VALUES

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

9. BREACH OF CONDITION

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

10. PROPERTY OF OTHERS

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

11. OTHER INSURANCE

This Form does not insure against loss, if at the time of loss or damage there is any other valid and collectible insurance which would apply in the absence of this Form. The insurance under this Form shall apply only as excess insurance over such other insurance and not as contributing insurance, and then only after all other insurance has been exhausted.

12. REINSTATEMENT

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

13. SUBROGATION

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

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

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

14. PROTECTION OF VALUABLE PAPERS AND RECORDS

This Form shall apply only while valuable papers and records are contained in the "premises" specified on the "Declarations Page(s)", it being a condition precedent to any right of recovery under this Form that such valuable papers and records shall be kept in receptacle(s) (minimum of metal filing cabinets) at all times when the premises are not open for business, except while such valuable papers and records are in actual use or while coverage provided is automatically extended under this Form.

15. 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:

- (a) sprinkler or other fire extinguishing system; or
- (b) fire detection system; or
- (c) temperature change detection system; or
- (d) intrusion detection system; or
- (e) vehicle immobilisation 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.

The Insured further agrees that:

- (i) any intrusion detection system will be connected and activated at all times when the "premises" are left unattended or when the Insured, last employee or representative of the Insured leaves the "premises" after the close of business each day.
- (ii) any vehicle immobilization system and intrusion detection system will be connected and activated at all times the vehicle is left unattended.

16. TERRITORIAL LIMITS

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

17. DEFINITIONS

Wherever used in this Form:

- (a) "**Data**" means representations of information or concepts, in any form.
- (b) "**Declarations Page(s)**" means the Declarations Page(s) applicable to this Form.
- (b) "**Drug Operations**" means cultivating, harvesting, processing, manufacturing, distributing or selling of any substance falling within the Controlled Drugs and Substances Act on the "premises".
- (d) "**Premises**" means the interior of that portion of the building at the location specified on the "Declarations Page(s)" which is occupied by the Insured for the business purposes specified.

The conditions, limitations and other terms expressed in this Form shall prevail wherever they conflict with the Property Insuring Agreement, Miscellaneous Clauses and Conditions contained in the policy. All other conditions and terms of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Valuable Papers and Records Insurance – Form 448

This endorsement applies separately to each location for which the "Valuable Papers and Records Insurance Extension" is specified on the "Declarations Page(s)."

This endorsement modifies "Valuable Papers and Records Insurance - Form 448 as follows:

Insured property

This endorsement extends the above-mentioned coverage to valuable digital documents and records owned by the Insured or to those owned by a third party when they are under the care, custody or control of the Insured and for which the Insured is legally liable at the "premises" specified on the "Declarations Page(s)."

Basis of valuation

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

- The cost of reproducing valuable digital papers and records, including the cost of gathering or assembling valuable digital papers and records required for reproducing them.

Warranty – Back-up copy

The Insured undertakes to have a back-up copy of valuable digital papers and records made weekly. The back-up copy must be stored away from the "premises" specified on the "Declarations Page(s)." Any breach of this warranty suspends coverage.

Except as otherwise provided in this endorsement all limits, terms, conditions, provisions, definitions and exclusions of the policy remain the same.

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the insurance as follows:

GENERAL EXCLUSION

Applicable to all business interruption coverage of this contract to which this endorsement is attached, if applicable.

The following exclusion is added:

Any increase in business interruption caused directly or indirectly by any actual or alleged unauthorized privacy breach event, by access, use or disclosure of personal information protected under privacy laws, which have been communicated to any representative or agency charged with applying these laws or to any other individual, is excluded.

Applicable to all legal liability coverage of this contract and any extended endorsement, complementary, of directors and officers or professionals of this contract to which this endorsement is attached, if applicable.

The following exclusion is added:

Any damage resulting from an actual or alleged unauthorized privacy breach event, by access, use or disclosure of personal information protected under privacy laws.

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

APPLICABLE TO PROPERTY AND BUSINESS INTERRUPTION COVERAGES AND INSURANCE

This endorsement is meant to reiterate that losses or damages directly or indirectly caused by or resulting from microorganisms or communicable diseases are not covered by any property and business interruption coverage or insurance.

It is understood that:

Losses, damages, costs or expenses of any kind directly or indirectly caused by or resulting from any "microorganism" or "communicable disease", including contamination of property, loss of market and loss of use or occupancy, are not covered by the property and business interruption coverages and insurance, regardless of the means or vector by which such "microorganism" or "communicable disease" was transmitted, whether directly or indirectly, including, without limitation, airborne particles, bodily fluids, a surface, object, solid, liquid, gas, animal or human.

We do not cover losses, damages, costs or expenses of any kind directly or indirectly caused by or resulting from any "microorganism" or "communicable disease", including but not limited to:

1. Any actual, suspected or potential contamination by any "microorganism" or "communicable disease"; or
2. That are incurred, sustained or imposed in relation to any "communicable disease order" or any other measure or action taken to avoid, prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with any "microorganism" or "communicable disease"; or
3. That are in any way related to any "microorganism" or "communicable disease", or any fear or threat thereof.

DEFINITIONS

For the purposes of this endorsement:

"Microorganism" means any virus, bacterium, parasite, germ, microbe or other organism (or any variant or mutation thereof), whether or not it is deemed living.

"Communicable disease" means any disease directly or indirectly caused by or resulting from any "microorganism", any infectious or contagious substance or any physical, chemical or pathogenic agent.

"Communicable disease order" means any law, ordinance, order, decree, regulation, announcement, pronouncement, advice, recommendation, suggestion or guidance, whether written or oral, of or made by any federal, provincial or municipal government, governmental entity, public authority, civil authority, public health agency, instrumentality of any governmental entity, the police or the military in respect of any "communicable disease" or any fear of threat thereof, whether issued or applicable prior to, during or after the spread of any "communicable disease", including, without limitation, any such law, ordinance, order, decree, regulation, announcement, pronouncement, advice, recommendation, suggestion or guidance that:

- (a) recommends, limits or prohibits, in whole or in part, access to or use of any property or premises; or
- (b) recommends or requires that some or all businesses or premises close or operate at reduced capacity; or
- (c) recommends or imposes social distancing, self-isolation, lockdown, restrictions on travel or mass gatherings, restrictions on activities, border restrictions or closures, or trade restrictions; or
- (d) recommends or imposes stay at home or work from home requirements.

All other terms and conditions under the contract remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to all Coverages of the Policy

It is agreed that any Cancellation Clause forming part of the CONDITIONS of the policy shall be deleted and replaced by the following Cancellation Clause:

- (a) The first Named Insured shown in the Declarations Page(s) may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.
- (b) The Insurer may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) Fifteen (15) days before the effective date of cancellation if the Insurer cancels for non-payment of premium by registered letter, or five (5) days written notice of termination personally delivered; or
 - (2) Sixty (60) days before the effective date of cancellation if the Insurer cancels for reason other than non-payment of premium.
- (c) Except in Quebec, if notice is mailed, cancellation takes effect either fifteen (15) or sixty (60) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation. In Quebec, the Insurer's notice of cancellation takes effect either fifteen (15) or sixty (60) days after receipt of the notice at the last known address of the first named Insured, depending upon the reason for cancellation.
- (d) The Insurer will mail or deliver the Insurer's notice to the first named Insured's last mailing address known to the Insurer.
- (e) Where this contract is terminated by the Insurer:
 - (1) The Insurer shall refund the excess of premium actually paid by the Insured over the proportional premium for the expired time, but in no event shall the proportional premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (2) The refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (f) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be considered to be less than any minimum retained premium specified.
- (g) The refund may be made by money, postal or express company money order, or cheque payable at par. The cancellation will be effective even if the Insurer has not made or offered a refund.
- (h) If notice is mailed, proof of mailing will be sufficient proof of notice.

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

All of the Crime Standard Conditions set forth hereunder apply with respect to all of the perils insured under Crime (Burglary, Fidelity, Robbery and Theft) riders and/or endorsements attached to this policy except as these Crime Standard Conditions may be modified or supplemented by the riders and/or endorsements attached.

1. REPRESENTATIONS

By accepting this policy, the Insured agrees:

- (a) that the statements on the "Declarations Page(s)" are accurate and complete;
- (b) those statements are based upon representations the Insured made to the Insurer; and
- (c) the Insurer has issued this policy in reliance upon the Insured's representations.

2. OWNERSHIP OF PROPERTY INSURED / INTEREST COVERED

The property covered hereby may be owned by the Insured or held by the Insured in any capacity. However, the insurance applies only to the Insured's interest in such property, or the Insured's legal liability for such property and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss.

3. DISCOVERY PERIOD FOR LOSS

The Insurer will pay only for an insured loss discovered no later than one (1) year from the end of the policy period.

4. POLICY PERIOD AND TERRITORY

This policy applies only to loss which occurs during the policy period shown on the "Declarations Page(s)" and within Canada or the United States of America.

5. JOINT INSURED

- (a) If more than one Named Insured is stated on the "Declarations Page(s)", the first Named Insured will act for itself and for every other Named Insured for all purposes for this insurance. If the first Named Insured ceases to be covered, then the next Named Insured becomes the first Named Insured.
- (b) If any Named Insured or partner or officer of that Named Insured has knowledge of any information relative to this insurance, that knowledge is considered knowledge of every Named Insured.
- (c) An employee of any Named Insured is considered to be an employee of every Named Insured.

6. INSPECTION

The Insurer or its duly appointed representative shall be permitted to inspect the "premises" at any reasonable time.

7. WAR RISK EXCLUSION

This policy does not insure against loss or damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power or by any act or condition incident to any of the foregoing.

8. NUCLEAR INCIDENT EXCLUSION

This policy does not insure against loss or damage caused by any nuclear incident as defined in any nuclear liability act, law or statute or any law amendatory thereof, nuclear explosion or contamination by radioactive material.

9. REINSTATEMENT

The "occurrence" of a loss covered by this policy shall reduce the amount of insurance but, unless notice is given to the Insurer to the contrary as soon as practicable, the insurance shall be automatically reinstated as of the time of the loss as to acts committed or events occurring thereafter, and additional premium, on a pro rata basis, shall on demand become payable therefor.

10. PROOF OF LOSS AND PROSECUTION

Proof of loss under oath on forms provided by the Insurer, in such detail as required by the Insurer, particulars of the interest of the Insured and of all others in the property in respect of which indemnity is claimed, of the encumbrances thereon and of all other insurance whether valid or not, shall be furnished to the Insurer within sixty (60) days from the date of the discovery of such loss.

The Insured, upon request of the Insurer, shall render every assistance to facilitate the investigation and adjustment of any claim, exhibiting for that purpose any and all records, papers and vouchers bearing in any way upon the claim made and submitting themselves and their associates in interest and also, so far as possible, the insured's employees to examination and interrogation under oath by any representative of the Insurer if required.

In the event of loss for which claim is made, the Insured shall, if the Insurer so requests in writing, take legal action at the Insurer's expense to secure the arrest and prosecution of the offenders and the recovery of the property.

11. VALUATION OF PROPERTY INSURED

With respect to "securities", the Insurer will not be liable for more than their actual cash value at the close of business on the business day immediately preceding discovery of the loss. The Insurer may, at its election pay such actual cash or secure the replacement of the "securities" by arranging for the issuance of a lost "securities" bond.

With respect to other property, the Insurer will not be liable for more than the actual cash value thereof at the time of loss. However, the actual cash value of such other property the Insured held as a pledge, or as collateral for an advance or a loan, will be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

With the Insured's consent, the Insurer may settle any claim for loss of property with the owner thereof. Any property for which we have made indemnification will become our property.

In case of damage to the "premises", the Insurer will not be liable for more than the actual cost of repairing such "premises", or of replacing same with property or material of like quality and value.

The Insurer may, at its election, pay the actual cash value, or pay for such repair or replacement. If the Insured cannot agree with the Insurer upon the cash value or the cost of repair or replacement, the cash value or the cost will be determined by arbitration.

12. APPRAISAL

If the Insured and Insurer fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Insurer, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Insured or the Insurer, such umpire shall be selected by a judge of a court of record in the county and province in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at time of loss and the amount of the loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Insurer shall each pay his or its chosen appraiser and shall bear equally the expenses of the umpire and the other expenses of appraisal.

The Insurer shall not be held to have waived any of its rights by any act relating to appraisal.

13. PROCEDURE IN EVENT OF CLAIM FOR PROPERTY OF PERSONS OTHER THAN THE INSURED

In the event of a claim for loss involving property not owned by the Insured, the Insurer may adjust such loss or damage either with the Insured or with the owner of such property and payment of such loss or damage to the insured or owner shall constitute full satisfaction of the claim. If legal proceedings are taken against the Insured to recover for such loss or damage, the Insured shall immediately notify the Insurer in writing and the Insurer may conduct and control the defense in the name and on behalf of the Insured.

14. PROVISION FOR INSURER TO REPAIR OR REPLACE

The Insurer may elect to repair any damaged property or replace any lost or damaged property with other of like quality and value or pay for the same in money.

15. OTHER INSURANCE

If there is any other valid and collectible insurance which applies to any loss insured by this policy, the insurance under this policy shall apply only as excess insurance over such other insurance, except in the province of Quebec where each of the insurers under its policy is liable to the Insured for its rateable proportion of the loss.

16. CANCELLATION / TERMINATION

(a) The Insured may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.

(b) The Insurer may cancel this policy by mailing or delivering to the Insured written notice of cancellation at least:

(1) Five (5) days before the effective date of cancellation if the Insurer personally delivered; or

(2) Fifteen (15) days before the effective date of cancellation if the Insurer cancels for non-payment of premium; or

(3) Thirty (30) days before the effective date of cancellation if the Insurer cancels for any other reason.

Except in Quebec, if notice is mailed, cancellation takes effect fifteen (15) or thirty (30) days after the receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation as shown in (b)(2) or (3) above. Proof of mailing will be sufficient proof of notice.

In Quebec, cancellation takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the Insured's last known address depending upon the reason for cancellation. Delivery by the Insurer shall be equivalent to mailing.

(c) The Insurer will mail or deliver their notice to the Insured's last mailing address known to the Insurer.

(d) The policy period will end on the date cancellation takes effect.

(e) If this policy is cancelled, the Insurer will send the Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made a refund.

17. CHANGE OF INTEREST

The Insurer will not be liable to anyone other than the Insured unless the Insurer has been advised of a change of interest and consented to it. However, if the Insured dies, or is declared insolvent or bankrupt, this policy will insure the Insured's legal representative.

18. CHANGES

This policy contains all the agreements between the Insured and the Insurer concerning the insurance provided by this policy. The Insured may request changes to this policy however, such changes will be effective only upon the insured's consent as evidenced by their issuing an endorsement which will form part of this policy.

19. RECORDS

The Insured must keep records of all insured property so the Insurer can verify the amount of any loss.

20. DUTIES IN THE EVENT OF LOSS

After the Insured discovers a loss or a situation that may result in loss of or damage to insured "property" the Insured must:

(a) Notify the Insurer as soon as possible;

(b) Submit to examination under oath at the Insurer's request and give the Insurer a signed statement of their answers;

(c) Give the Insurer a detailed, sworn proof of loss within one hundred and twenty (120) days;

(d) Co-operate with the Insurer in the investigation and settlement of any claim;

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- (e) Give immediate notice to the public police, or other peace authorities having jurisdiction, of any loss due to violation of law;
 - (f) If "securities" are insured under this policy, take all reasonable measures to prevent their negotiation, sale or conversion.

21. LOSS SUSTAINED DURING PRIOR INSURANCE

If the Insured had similar insurance, consisting of one or more policies providing continuous insurance, which terminated with the beginning of this policy period, loss, to the extent that it is not insured by such prior insurance solely because of late discovery, shall be deemed to have occurred on the first day of this Policy Period.

22. LEGAL ACTION AGAINST THE INSURER

The Insured may not bring any legal action against the Insurer:

- (a) Unless the Insured has complied with all the terms of this insurance; and
- (b) Until ninety (90) days after the Insured has filed proof of loss with the Insurer; and
- (c) Unless brought within two (2) years from the date the Insured discovers the loss.

23. TRANSFER OF THE INSURED'S RIGHTS OF RECOVERY AGAINST OTHERS TO THE INSURER

The Insured must transfer to the Insurer all its rights of recovery against any person or organization for any loss it sustained and for which the Insurer has paid or settled. The Insured must also do everything necessary to secure those rights and do nothing after loss to impair them.

24. RECOVERIES

- (a) Any recoveries, less the cost of obtaining them, made after settlement of loss insured by this policy will be distributed as follows:
 - (1) To the Insured, until the Insured is reimbursed for any loss that they have sustained that exceeds the Limit of Insurance and the deductible amount, if any;
 - (2) Then to the Insurer, until they are reimbursed for the settlement made;
 - (3) Then to the Insured, until they are reimbursed for that part of the loss equal to the deductible amount, if any.
- (b) Recoveries do not include recovery:
 - (1) From insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
 - (2) Of original "securities" after duplicates of them have been issued.
- (c) The Insured is entitled to the recovered property upon reimbursing the insurer for the amount of indemnity paid the Insured for such property. Whoever recovers such property will immediately notify the other party in writing.

25. DEDUCTIBLE

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

26. ALARM SYSTEM AND PROTECTIVE SERVICES

The Insured shall notify forthwith to the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured to the alarm system or any other protective service, equipment or intrusion detection system that has been described to the Insurer and maintained for protection. The insurance under this policy shall apply only in the reduced amount which the premium for this policy would have purchased in the absence of such protection, in accordance with the Insurer's manual. The full amount of insurance under this policy shall apply if the Insured, until such time as the alarm or other protection system has been restored to proper working conditions, provides at least one "watchman" within the "premises" at all times when such "premises" are not open for business, and such "watchman" is in addition to any number of watchmen previously specified.

The Insured shall notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any alarm and protection systems. Also, the Insured upon receipt of advice that alarm signals from the alarm system will be disregarded by police, shall give immediate notice thereof to the Insurer and the Insurer may suspend the policy by written notice. A pro rata refund will be allowed for the period of suspension.

27. TERMS OF POLICY CONFORMED TO STATUTE

Terms of this Policy which are in conflict with the statutes of the province wherein this policy is issued are hereby amended to conform to such statutes.

28. CANADIAN CURRENCY CLAUSE

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

GENERAL DEFINITIONS

- (a) "**Banking Premises**" means the interior of that portion of any building occupied by a banking institution of similar safe depository.
- (b) "**Burglary**" (except as used in a Stock Burglary Rider) means the unlawful taking of insured property from within the "Premises" by a person unlawfully entering or leaving the "Premises" as evidenced by marks of forcible entry or exit.

In the event that insurance is provided by a Stock Burglary Rider, "burglary" shall mean the unlawful taking of insured property from within the "premises", showcases or show windows, by a person unlawfully entering or leaving the "premises", showcases or show windows as evidenced by marks of forcible entry to or exit from the "premises", showcases or show windows.

- (c) "**Custodian**" means the Insured or the Insured's partner or any employee authorized by the Insured to have the care and custody of insured property, excluding any person while acting as a "guard", janitor, porter, or "watchman".
- (d) "**Declarations Page(s)**" means the Declarations page(s) applicable to this policy and its riders.
- (e) "**Equipment**" means:

- (1) all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than building or "stock";
 - (2) similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable.
- (f) **"Guard"** means any able bodied person who accompanies a "custodian" at the Insured's direction, but who is not a driver of a public conveyance.
- (g) **"Jewellery"** means jewellery, watches, gems, pearls, precious or semi-precious stones and articles containing one or more gems, pearls, or precious or semi-precious stones.
- (h) **"Kidnapping"** means the compelling of a "custodian" outside the "premises", by violence or threat of violence, to admit a person or to furnish such person with the means of entry into the "premises" while closed for business, resulting in unlawful taking by such person of insured property from within the "premises", provided such loss shall occur before the "premises" are next open for business.
- (i) **"Money"** means currency and coins in current use and having a face value.
- (j) **"Occurrence"** means any act or series of related acts involving one or more persons which results in a loss insured by this policy.
- (k) **"Premises"** means the interior of that portion of any building the Insured can occupy in conducting their business at the address designated on the "Declarations Page(s)" but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls or stairways.

If insurance is provided by an Inside/Outside Robbery Rider, or a Money and Securities Rider, the definition of "premises" is extended to include the space immediately surrounding such building occupied by the Insured in conducting their business but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls or stairways.

If insurance is provided by a Church Theft Rider, the definition of "premises" is extended to include: the rectory, parish-house, parsonage, manse, or residence occupied by a duly constituted financial or administrative officer of the Insured's; that portion of any other building which is owned by or leased to the Insured and used for the religious, educational, recreational or social activities of the Insured's congregation; and the grounds and out-buildings incidental to the above.

If insurance is provided by Damage to Building by Burglary or Robbery Rider the definition of "premises" is extended to include the building and permanent fittings and fixtures attached thereto and forming part thereof.

- (l) **"Property"** means any property usual to the Insured's business other than "money" and "securities", that has intrinsic value but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them or any property that is excluded under any rider.
- (m) **"Robbery"** means the taking of insured property from a "custodian" by a person or persons who have:
- (1) caused or threatened to cause the "custodian" bodily harm; or
 - (2) committed an overt unlawful act witnessed by the "custodian"; or
 - (3) taken such property from a "custodian" who has been killed or rendered unconscious.
- (n) **"Robbery Of A Watchman"** means the unlawful taking of insured property by violence or threat of violence inflicted upon a "watchman" and while such a "watchman" is on duty within the "premises".
- (o) **"Safe Burglary"** means:
- (1) the unlawful taking of insured property from a vault or safe, which has a combination lock and is located within the "premises", by a person making unlawful entry into the vault or the safe and a vault which contains the safe, provided that:
 - (i) all doors of the vault, safe, or vault and safe are closed and locked by a combination lock; and
 - (ii) the unlawful entry was forcible and is evidenced by visible marks on the exterior of the vault or safe and any vault containing the safe; or
 - (2) the unlawful taking of the safe from the "premises".
- In the event that insurance is provided by a Safe Burglary Rider, the definition of "safe burglary" is restricted to any safe or vault described on the "Declarations Page(s)" or endorsement schedule attached.
- (p) **"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".
- (q) **"Stock"** means:
- (1) merchandise of every description usual to the Insured's business; but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them;
 - (2) packing, wrapping and advertising materials; and
 - (3) similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable; but does not include "securities".
- (r) **"Watchman"** means any person employed exclusively by the Insured to have care and custody of insured property inside the "premises", while the "premises" are closed for business, and who has no other duties.

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

1. INSURING AGREEMENTS

INSURING AGREEMENT I

Employee Dishonesty Coverage – Form A (Commercial Blanket Bond)

“Loss” of “money”, “securities” and other “property” which the Insured shall sustain, to an amount not exceeding in the aggregate the amount specified on the Declarations Page(s) applicable to this Insuring Agreement I, Form A, resulting directly from one (1) or more “fraudulent or dishonest acts” committed by an “employee”, acting alone or in collusion with others.

INSURING AGREEMENT II

Loss Inside The Premises Coverage – Broad Form

“Loss” of “money” and “securities” by the actual destruction, disappearance or wrongful abstraction thereof within the “premises” or within any “banking premises” or similar recognized places of safe deposit.

“Loss” of:

- (a) other “property” by “safe burglary” or “robbery” within the “premises” or attempt thereat, and
- (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the “premises” or attempt thereat or by felonious abstraction of such container from within the “premises” or attempt thereat.

Damage to the “premises” by such “safe burglary”, “robbery” or felonious abstraction, or by or following burglarious entry into the “premises” or attempt thereat, provided with respect to damage to the “premises”, the Insured is the owner thereof or is liable for such damage.

INSURING AGREEMENT III

Loss Outside The Premises Coverage – Broad Form

“Loss” of “money” and “securities” by the actual destruction, disappearance or wrongful abstraction thereof outside the “premises” while being conveyed by a “messenger” or any armoured motor vehicle or while within the living quarters in the home of any “messenger”.

“Loss” of other “property” by “robbery” or attempt thereat outside the “premises” while being conveyed by a “messenger” or any armoured motor vehicle company or by theft within the living quarters in the home of any “messenger”.

INSURING AGREEMENT IV

Money Orders and Counterfeit Paper Currency Coverage

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

INSURING AGREEMENT V

Depositors Forgery Coverage

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

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

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

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

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

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

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INSURING AGREEMENT VI

Credit Card Forgery Coverage

"Loss" which the Insured shall sustain through forgery or alteration of, on or in any written instrument required in conjunction with any credit card issued to the Insured or to any partner, officer or employee of the Insured or to the Insured's spouse or any child residing permanently in the residence of the Insured; provided, however, that the Insured shall fully comply with the provisions, conditions and other terms under which such credit card shall have been issued.

Reasonable attorney's fees, court costs or similar legal expenses incurred and paid by the Insured in the defence of any suit brought against the Insured to enforce payment on any written instrument specified in the preceding paragraph, alleging that such instrument is forged or altered; provided, however, that such suit shall have resulted from the refusal of the Insured to pay such instrument, that the Insurer shall have given its written consent to the defence of such suit and that the Insured shall have fully complied with the provisions, conditions and other terms under which any credit card, as aforesaid, shall have been issued. The liability of the Insurer under this Insuring Agreement for such attorney's fees, court costs or similar legal expenses shall be in addition to any other liability under this Insuring Agreement.

INSURING AGREEMENT VII

Securities In Safe Deposit Boxes – Broad Form

"Loss" of "securities" by the actual destruction, disappearance or wrongful abstraction thereof:

- (a) from within the Insured's safe deposit box in a vault within the "depository premises"; or
- (b) while temporarily elsewhere within the "depository premises" and in the course of deposit in or removal from such safe deposit box.

2. EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amount(s) of insurance specified on the Declarations Page(s).

a. Newly Acquired Locations

This Form is extended to include coverage for any newly acquired location that is owned, rented or controlled by the Insured in whole or in part, for a period of sixty (60) days or to the date such location is specifically added to this Form by endorsement or to the expiration of this policy, whichever occurs first.

The limit of insurance for this extension of coverage is ten thousand dollars (\$10,000) for any one loss.

b. Crime Award

If a crime occurs resulting in a "loss" covered by this Form, the Insurer will pay up to twenty-five hundred dollars (\$2,500) in any one occurrence for information that leads to a criminal conviction in connection with such "loss". The Insurer's liability under this extension shall not be increased by the number of persons who provide information.

c. Expense of Preparing Inventory or Audit

If, as the result of "loss" or damage insured against by this Form, the Insurer requests the preparation of inventories or an audit to help determine the amount of the "loss", the Insurer will indemnify the Insured for the necessary expenses incurred to prepare such inventories or audit up to twenty-five hundred dollars (\$2,500) in any one occurrence.

The Insurer shall not be liable under this extension for expenses incurred to prove this Form insures against a "loss".

d. Third Party Losses

The Insurer will pay up to twenty-five thousand dollars (\$25,000) in any one occurrence for the theft of "money", "securities", or other "property" by an "employee" from any person or organization.

The person or organization must own or be legally liable for the stolen "money", "securities", or other "property". The "employee" must have committed the offence while working on behalf of the Insured.

e. Computer Fraud Coverage

(i) Insured's Interest

Loss of "money", "securities" and other property which the insured shall sustain resulting from theft following and directly related to the use of any "computer system" to fraudulently cause a transfer of "money", "securities" or other property from inside the "premises" or "banking premises" to a person (other than an "employee", "messenger" or "custodian") outside those "premises" or to a place outside those "premises".

The maximum amount of insurance for this extension of coverage during any one policy period shall not exceed ten thousand dollars (\$10,000) for any one occurrence.

(ii) Customers Interest

Loss of "money" and "securities" belonging to a customer or customers of the Insured resulting from theft following and directly related to the use of any "computer system" to fraudulently cause a transfer of "money" or "securities" from inside the "premises" or "banking premises" to a person (other than an "employee", "messenger" or "custodian") outside those "premises" or to a place outside those "premises".

The maximum amount of insurance for this extension of coverage during any one policy period shall not exceed one thousand dollars (\$1,000) per any one customer and ten thousand dollars (\$10,000) for any one occurrence.

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f. Computer Virus Fraud Coverage

"Loss" due to the Insured having, in good faith, transferred "money", "securities" or other "property" or established credit, debted any account or given any value as a direct result of the destruction or attempted destruction of the data stored in the Insured's "computer system" due to any "computer virus".

The limit of insurance for this extension of coverage is a maximum aggregate limit of ten thousand dollars (\$10,000) during any one period of insurance

g. Identity Theft Expense

The insurer will reimburse the Insured amounts paid by the Insured to compensate their customer's reasonable expenses to re-establish name, credit and accounts following an "identity theft" provided that:

- (i) the "Identity theft" results from loss of customer's personal information by "burglary" or "robbery" from within the "premises";
- (ii) and the loss takes place during the policy period; and
- (iii) the expenses are incurred and reported to us within one year of the date of the loss.

The limit of insurance for this extension of coverage is a maximum of one thousand dollars (\$1,000) per customer and a maximum aggregate limit of ten thousand dollars (\$10,000) during any one period of insurance

Coverage under these extensions is subject to all other terms and conditions of the policy.

3. GENERAL AGREEMENTS

A. Consolidation – Merger

If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become "employees" or if the Insured shall thereby acquire the use and control of any additional "premises", the insurance afforded by this Form shall also apply as respects any "employee" and "premises", provided the Insured shall give the Insurer written notice thereof within thirty (30) 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 premium period.

B. Joint Insured

If more than one (1) Insured is covered under this Form, the Insured first named shall act for itself and for every other Insured for all purposes of this Form. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 7, 8 and 15 of Clause 4, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any "employee" as provided in Section 15 of Clause 4 shall apply to every Insured. If, prior to the cancellation or termination of this Form, this Form or any Insuring Agreement hereof is cancelled or terminated as to any Insured, there shall be no liability for any "loss" sustained by such Insured unless discovered within one (1) year from the date of such cancellation or termination. Payment by the Insurer to the Insured first named for any "loss" under this Form shall fully release the Insurer on account of such "loss". If the Insured first named ceases for any reason to be covered under this Form, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Form.

C. Loss Under Prior Bond or Policy

If the coverage of any Insuring Agreement of this Form, other than Insuring Agreement V or VI, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the Insurer agrees that such Insuring Agreement applies to "loss" which is discovered as provided in Section 1 of Clause 4 and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover "loss" thereunder had expired, provided:

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

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

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

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3. CONDITIONS, EXCLUSIONS, DEFINITIONS AND LIMITATIONS

Notwithstanding any other Conditions described in this Form the following Conditions and Limitations shall apply in respect of insurance provided by this Form.

Section 1 - POLICY PERIOD, TERRITORY, DISCOVERY

Loss is covered under this Form only if discovered not later than one (1) year from the end of the policy period.

Subject to General Agreement C:

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

Section 2 - EXCLUSIONS

This insurance does not apply:

- (a) to "loss" due to any fraudulent, dishonest, or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I, to "loss", or to that part of any "loss", as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- (c) under Insuring Agreements II, III, V, VI and VII, to "loss" due to any fraudulent, dishonest or criminal act by an employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this exclusion does not apply to "safe burglary" or "robbery" or attempt thereof;
- (d) under Insuring Agreements II, III, V, VI and VII, to "loss" due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (e) under Insuring Agreements II, III and VII, to "loss":
 - (1) due to the giving or surrendering of "money" or "securities" in any exchange or purchase;
 - (2) due to accounting or arithmetical errors or omissions; or
 - (3) of manuscripts, books of account or records, except for blank value;
- (f) under Insuring Agreement II, to "loss" of "money" contained in coin operated amusement devices or vending machines, unless the amount of "money" deposited within the device or machine is recorded by a continuous recording instrument therein;
- (g) under Insuring Agreement III, to "loss" of insured property while in the custody of any armoured motor vehicle Insurer, unless such "loss" is in excess of the amount recovered or received by the Insured under
 - (1) the Insured's contract with said armoured motor vehicle Insurer,
 - (2) insurance carried by said armoured motor vehicle Insurer for the benefit of users of its service, and
 - (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle Insurer's service, and then this rider shall cover only such excess;
- (h) under Insuring Agreement II, III and VII, to "loss" due to any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- (i) under Insuring Agreement II, to "loss", other than to "money", "securities", a safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
- (j) to "loss" due to the surrender of "money", "securities" or other "property" away from the "premises" as a result of the threat to do:
 - (1) bodily harm to any person, or
 - (2) damage to the "premises" or "property" owned by the Insured or held by the Insured in any capacity;provided, however, these exclusions do not apply:
 - (i) to Insuring Agreement I if coverage is afforded thereunder, or
 - (ii) under Insuring Agreement III if coverage is afforded thereunder, to "loss" of "money", "securities" or other "property" while being conveyed by a "messenger" when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- (k) to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a "loss" to the Insured covered by this policy, except as may be specifically stated to the contrary in this policy;
- (l) to potential income, including but not limited to interest and dividends, not realized by the Insured because of a "loss" covered under this policy;
- (m) to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a "loss" covered under this policy;
- (n) to all costs, fees and other expense incurred by the Insured in establishing the existence of, or amount of "loss" covered under this policy;
- (o) under Insuring Agreements II and VII, to "loss" of "money", "securities" and other "property" which has been transferred by any computer to a person or to a place outside the covered "premises" on the basis of unauthorized electronic instructions.
- (p) under Insuring Agreement VII, to "loss" of "securities" held by the Depository as collateral or held by the depository in trust for more than thirty (30) days;
- (q) under Insuring Agreement VII, to "loss" of "securities" owned by the Depository;
- (r) under Insuring Agreement I, to "loss" on account of the fraudulent or dishonest signing, issuing, cancelling or non-cancelling of any warehouse receipt or any papers or advices in connection therewith;
- (s) under Insuring Agreement I, to "loss" sustained by any client of the Insured through "fraudulent or dishonest acts" committed by any of the Insured's "employees" while performing their duties on the "premises" of such client, whether or not the Insured is liable for such "loss".

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Section 3 - DEFINITIONS

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

- (a) **"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution in conducting its business.
- (b) **"Burglary"** means the unlawful taking of insured property from within the "premises" by a person unlawfully entering or leaving the "premises" as evidenced by marks of forcible entry or exit.
- (c) **"Computer System"** means any computer; and any input, output, processing, storage or communication device, or any related network, operating system or application software, that is connected to, or used in connection with, such computer, which is rented by, owned by, licensed to, or under the direct operational control of the insured.
- (d) **"Computer Virus"** means any malicious code which could destroy, alter, contaminate, or degrade the integrity quality or performance of electronic data used, or stored, in any computer system or network; or a computer network, any computer application software, or a computer operation system or related network.
- (e) **"Custodian"** means the Insured or a partner of the Insured or any "employee" who is duly authorized by the Insured to have the care and custody of the insured property within the "premises", excluding any person while acting as a watchman, porter or janitor.
- (f) **"Depository Premises"** means the interior of that portion of any building occupied by the Depository, or by its safe depository affiliate, in conducting a banking or safe deposit business.
- (g) **"Employee"** means any natural person (other than a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business, including persons hired through an intervening employment agency or employer, during the policy period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to "loss" under Insuring Agreement I, the above words "while in the regular service of the Insured" shall include the first thirty (30) days thereafter; subject however, to Sections 15 and 16 of Clause 4.

"Employee" shall also be extended to include any director, officer or volunteer who is acting in the interests of or on behalf of a registered condominium corporation.

- (h) **"Fraudulent or Dishonest Acts"** means fraudulent or dishonest acts committed by such "employee" with the manifest intent:
 - (1) to cause the Insured to sustain such "loss"; and
 - (2) to obtain financial benefit for the "employee", or for any other person or organization intended by the "employee" to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

This definition of "Fraudulent or Dishonest Acts" does not apply to Section 7 or Section 15 of Clause 4 of this Form.

- (i) **"Identity Theft"** means that a person has or persons have assumed another person's identity by acquiring personal information which is then used unlawfully under any federal, provincial, state, territory laws, or the legal binding requirements of a regulatory body.
- (j) **"Loss"** except under Insuring Agreements I, V and VI, includes damage.
- (k) **"Messenger"** means the Insured or a partner of the Insured or any "employee" who is duly authorized by the Insured to have the care and custody of the insured property outside the "premises".
- (l) **"Money"** means currency, coins, bank notes and bullion; and travelers' cheques, register cheques and money orders held for sale to the public.
- (m) **"Premises"** means the interior of that portion of any building which is occupied by the insured in conducting its business. As respects to "Robbery" only, the premises shall also include the space immediately surrounding such building.
- (n) **"Property"** means any property usual to the Insured's business other than "money" and "securities", that has intrinsic value but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them or any property that is excluded.
- (o) **"Robbery"** means the taking of insured property:
 - (1) by violence inflicted upon a "messenger" or a "custodian";
 - (2) by putting a "messenger" or a "custodian" in fear of violence;
 - (3) by any other overt felonious act committed in the presence of a "messenger" or a "custodian" and of which that person was actually cognizant, provided such other act is not committed by a partner or "employee" of the Insured;
 - (4) from the person or direct care and custody of a "messenger" or "custodian" who has been killed or rendered unconscious; or
 - (5) under Insuring Agreement II:
 - (i) from within the "premises" by means of compelling a "messenger" or "custodian" by violence or threat of violence while outside the "premises" to admit a person into the "premises" or to furnish that person with means of ingress into the "premises"; or
 - (ii) from a showcase or show window within the "premises" while regularly open for business, by a person who has broken the glass thereof from outside the "premises".

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(p) **"Safe Burglary"** means:

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

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

Section 4 - LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

If a "loss" is alleged to have been caused by the "fraudulent or dishonest acts" of any one (1) or more of the "employees" and the Insured shall be unable to designate the specific "employee" or "employees" causing such "loss", the Insured shall nevertheless have the benefit of Insuring Agreement I subject to the provisions of Section 2 (b) of Clause 4 of this Form, provided that the evidence submitted reasonably proves that the "loss" was in fact due to the "fraudulent or dishonest acts" of one (1) or more of the said "employees", and provided further, that the aggregate liability of the Insurer for any such "loss" shall not exceed the limit of liability applicable to Insuring Agreement I.

Section 5 - OWNERSHIP OF PROPERTY/INTERESTS COVERED

The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the "loss" thereof, or may be property as respects which the Insured is legally liable; provided Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of the said property unless included in the Insured's proof of loss, in which event the third paragraph of Section 8 of Clause 4 is applicable to them.

Section 6 - BOOKS AND RECORDS

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

Section 7 - PRIOR FRAUD, DISHONESTY OR CANCELLATION

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

If, prior to the issuance of this policy, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one (1) or more of the Insured's "employees" shall have been cancelled as to any of such "employees" by reason of the giving of written notice of cancellation by the Insurer issuing such fidelity insurance, whether the Insurer or not, and if such "employees" shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall not be liable on account of such "employees" unless the Insurer shall agree in writing to include such "employees" within the coverage of Insuring Agreement I.

Section 8 - LOSS – NOTICE – PROOF – ACTION AGAINST INSURER

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

- (a) give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under Insuring Agreements I, V and VI, also to the police if the "Loss" is due to a violation of law;
- (b) file a detailed proof of loss, duly sworn to, with the Insurer within four (4) months after the discovery of the "loss".

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

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

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Form, nor until ninety (90) days after the required proof of loss has been filed with the Insurer, nor at all unless commenced within two (2) years from the date when the Insured discovers the "loss". If any limitation of time for notice of "loss" or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Form, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

Section 9 - VALUATION – PAYMENT – REPLACEMENT

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

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

In case of damage to the "premises" or "loss" of "property" other than "securities", the Insurer shall not be liable for more than the actual cash value of such "property", or for more than the actual cost of repairing such "premises" or "property", or of replacing same with "property" or material of like quality and value. The 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.

Section 10 - RECOVERIES

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

Section 11 - LIMITS OF LIABILITY

Payment of "loss" under Insuring Agreement I, V or VI shall not reduce the Insurer's liability for other losses under the applicable Insuring Agreement whenever sustained. The Insurer's total liability:

- (a) under Insuring Agreement I, for all "loss" caused by any "employee" or in which such "employee" is concerned or implicated, or
- (b) under Insuring Agreements V and VI, for all "loss" by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one (1) or more instruments,

is limited to the applicable amount of insurance specified on the Declarations Page(s) or endorsement amendatory thereto. The liability of the Insurer for "loss" sustained by any or all of the Insureds shall not exceed the amount for which the Insurer would be liable had all such "loss" been sustained by any one (1) of the Insureds.

Except under Insuring Agreements I and V, the applicable limits of insurance specified on the Declarations Page(s) is the total limit of the Insurer's liability with respect to all "loss" of "property" of one (1) or more persons or organizations arising out of any one (1) occurrence. All "loss" incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the "premises", whether committed by one (1) or more persons, shall be deemed to arise out of one (1) occurrence.

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

The limits of insurance as expressed in the policy are in Canadian currency.

Section 12 - LIMITS OF LIABILITY UNDER THIS FORM AND PRIOR INSURANCE

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

With respect to "Loss" caused by any person (whether one (1) of the "employees" or not) or in which such person is concerned or implicated or which is chargeable to any "employee" as provided in Section 4 of Clause 4 and which occurs partly during the policy period and partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such "loss" thereunder is discovered, the total liability of the Insurer under this Form and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Form on such "loss" or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such "loss", if the latter amount be the larger.

Section 13 - OTHER INSURANCE

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

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Form shall apply only as excess insurance over such other insurance, except in the province of Quebec where each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the "loss", provided the insurance shall not apply:

- (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or
- (b) to property otherwise insured unless such property is owned by the Insured.

Section 14 - SUBROGATION

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

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Section 15 - CANCELLATION AS TO ANY EMPLOYEE

Insuring Agreement I shall be deemed cancelled as to any "employee":

- (a) immediately upon discovery by the Insured, or by a partner or officer thereof not in collusion with such "employee", of any "fraudulent or dishonest act" on the part of such "employee"; or
- (b) except in the province of Quebec, at 12:01 a.m., standard time as aforesaid, upon the effective date specified in written notice mailed to the Insured. Such date shall be not less than fifteen (15) days after the date of mailing. The mailing by the Insurer of notice as aforesaid to the Insured at the address shown on the Declarations 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.

Section 16 - NO BENEFIT TO BAILEE

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

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

Section 17 - ASSIGNMENT

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

Section 18 - CHANGES

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

Section 19 - INCREASE OR DECREASE IN AMOUNT OF INSURANCE

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

Section 20 - DEDUCTIBLE

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

Insuring Agreement I

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

Insuring Agreement II

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

Insuring Agreement III

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

Insuring Agreements V or VI

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

Section 21 - CANCELLATION OF FORM OR INSURING AGREEMENT

- (a) The Insured may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.
- (b) The Insurer may cancel this policy by mailing or delivering to the Insured written notice of cancellation at least:
 - (i) Five (5) days before the effective date of cancellation if the Insurer personally delivered; or
 - (ii) Fifteen (15) days before the effective date of cancellation if the Insurer cancels for non-payment of premium; or
 - (iii) Thirty (30) days before the effective date of cancellation if the Insurer cancels for any other reason.Except Quebec, if notice is mailed, cancellation takes effect fifteen (15) or thirty (30) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation as shown in (b) (ii) or (b) (iii) above. Proof of mailing will be sufficient proof of notice. In Quebec, cancellation takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the Insured's last known address depending upon the reason for cancellation. Delivery by the Insurer shall be equivalent to mailing.
- (c) The Insurer will mail or deliver their notice to the Insured's last mailing address known to the Insurer.

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- (d) The policy period will end on the date cancellation takes effect.
- (e) If the policy is cancelled, the Insurer will send the Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made a refund.

Section 22 - ALARM SYSTEM AND PROTECTIVE SERVICES

The Insured shall notify forthwith to the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured to the alarm system or any other protective service, equipment or intrusion detection system that has been described to the Insurer and maintained for protection. The insurance under this Form shall apply only in the reduced amount which the premium for this Form would have purchased in the absence of such protection, in accordance with the Insurer's manual. The full amount of insurance under this Form shall apply if the Insured, until such time as the alarm or other protection system has been restored to proper working conditions, provides at least one watchman within the "premises" at all times when such "premises" are not open for business, and such watchman is in addition to any number of watchmen previously specified.

The Insured shall notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any alarm and protection systems. Also, the Insured upon receipt of advice that alarm signals from the alarm system will be disregarded by police, shall give immediate notice thereof to the Insurer and the Insurer may suspend the policy by written notice. A pro rata refund will be allowed for the period of suspension.

Section 23 - REINSTATEMENT

The occurrence of a "loss" covered by this Form shall reduce the amount of insurance but, unless notice is given to the Insurer to the contrary as soon as practicable, the insurance shall be automatically reinstated as of the time of the "loss" as to acts committed or events occurring thereafter, and additional premium, on a pro rata basis, shall on demand become payable thereof.

Section 24 - CLAIM PROCEDURE FOR PROPERTY OF PERSONS OTHER THAN THE INSURED

In the event of a claim for "loss" involving property not owned by the Insured, the Insurer may adjust such "loss" or damage either with the Insured or with the owner of such property and payment of such "loss" or damage to the Insured or owner shall constitute full satisfaction of the claim. If legal proceedings are taken against the Insured to recover for such "loss" or damage, the Insured shall immediately notify the Insurer in writing and the Insurer may conduct and control the defence in the name and on behalf of the Insured.

The conditions, limitations, and other terms expressed in the Insuring Agreements, Exclusions, Definitions, and General Agreements shall prevail whenever they conflict with the Crime Standard Conditions contained in the policy. All other conditions and terms of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**Applicable to the The Professionals Commercial Connection
Comprehensive Dishonesty, Disappearance, Destruction and Forgery Form – Form 2000C**

This endorsement modifies the following extensions of coverage (Section 2) provided as follows:

1. **Item c. Expense of Preparing Inventory or Audit**, the maximum limit is increased from twenty-five hundred dollars (\$2,500) to fifty thousand dollars (\$50,000) in any one occurrence.
2. **Item e. Computer Fraud Coverage, subitem (i) Insured's Interest**, the maximum amount of insurance for during any one policy period is increased from ten thousand dollars (\$10,000) to one hundred thousand dollars (100,000) for any one occurrence. There is no change to the limit for subitem (ii) Customers Interest.
3. **Item f. Computer Virus Fraud Coverage**, the maximum aggregate limit is increased from ten thousand dollars (\$10,000) to one hundred thousand dollars (\$100,000) during any one period of insurance.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**Applicable to Comprehensive Dishonesty, Disappearance and Destruction - Form 488
or Commercial Connection Comprehensive Dishonesty, Disappearance, Destruction and Forgery - Form 2000 B
or Professionals Commercial Comprehensive Dishonesty, Disappearance, Destruction and Forgery - Form 2000 C
or Enhanced Commercial Comprehensive Dishonesty, Disappearance, Destruction and Forgery - Form 2000 D
or Money and Securities (Broad Form) – Form 492 or Safe Burglary – Form 494**

This endorsement modifies insurance provided as follows:

With respect to LOSS INSIDE THE PREMISES coverage (Insuring Agreement II or I. A. or I.), it is agreed that the Insurer's liability for loss of "money" or "securities", that are not kept in a locked "Class II" or better safe, from within the "premises" when the Insured's "premises" are not open for business, as a result of any person or persons making felonious entry into said "premises", shall be limited one thousand dollars (\$1,000), notwithstanding any other limit(s) or amount(s) of insurance indicated elsewhere on the Declarations page(s).

A "**Class II**" safe is any money safe with a 4 cm (1.5 inches) steel door, excluding boltwork, a 2.5 cm (1 inch) steel body and a combination lock, or any safe with a UL or ULC listing of TL-15.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**Applicable to the The Professionals Commercial Connection
Comprehensive Dishonesty, Disappearance, Destruction and Forgery Form – Form 2000C**

This endorsement modifies insurance provided as follows:

Item h. is added to section 2. Extensions of Coverage

h. Extortion

The Insurer shall reimburse "Loss" paid to the perpetrators of any "Extortion" incurred during the coverage period.

The Insurer shall reimburse "Loss" resulting from any destruction, disappearance, confiscation or theft of "money", "property" or other consideration to the extent that such "money", "property" or other consideration was:

- (i) intended as payment to the perpetrators of any "Extortion" first commenced during the policy period; and
- (ii) being held or conveyed by a person authorized by an Insured to make such payment.

Regarding Loss Inside the Premises, Loss Outside the Premises, and Computer Fraud Coverage the Insurer shall not be liable to pay "Loss" resulting from kidnap, ransom or other extortion payment, provided that this exclusion shall not apply to "Loss" resulting from "Robbery".

The Insurer shall not be liable to pay "Loss" resulting from "Extortion" arising:

- (i) from any fraudulent, dishonest or criminal act of an identifiable "Employee", acting alone or in collusion with others, provided that this exclusion shall not apply to "Loss" in excess of the amount available to the Insured, whether collectible or not, under any bond, insurance or indemnity covering such "Loss";
- (ii) from any "Fraudulent or Dishonest Acts" by an Insured allegedly the subject of a "Kidnapping", "Extortion", "Hijacking", or "Wrongful Detention" unless, prior to providing any "money", "property", and other consideration intended as ransom or extortion payments, reasonable efforts were made, to the satisfaction of the Insurer, to verify the authenticity of such "Kidnapping", "Extortion", "Hijacking", or "Wrongful Detention";
- (iii) from any unrealized income, including, without limitation, loss of interest and dividends;
- (iv) from any "Wrongful Detention" caused by:
 - a. an allegation any Insured engaged in criminal conduct if the Domicile Country of such Insured also recognizes such conduct as criminal; provided that this exclusion shall not apply if the Named Organization concludes such allegation is fraudulent, dishonest and politically motivated; or
 - b. failure to comply with immigration, employment, residence or visa requirements;
- (v) from any "Loss" sustained by one Insured to the advantage of any other Insured;
- (vi) from any participation in political activities or military operations; or
- (vii) unless surrendered to the perpetrators of an "Extortion".

All "Loss" arising from any single "Extortion" or any series of related "Extortions" shall be considered a single "Loss".

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

- (a) "Assault" means bodily injury to any Insured.
- (b) "Extortion" means any credible threat to:
 - 1. commit a "Kidnapping", "Assault", "Hijacking", or "Wrongful Detention";
 - 2. damage, destroy or contaminate any "Property";
 - 3. improperly disclose or utilize any trade secrets or other proprietary information of any Insured provided that such Insured makes all reasonable efforts to protect such information from unauthorized disclosure;
 - 4. distribute counterfeit "Products" or disseminate negative information regarding "Products" or
 - 5. initiate a "Computer Attack", in which a demand for payment is made as a condition for the avoidance or mitigation of such harm.
- (c) "Computer Attack" means any:
 - 1. entry into, or deletion of data from a "Computer System";
 - 2. change to data elements or program logic kept in machine readable format in a "Computer System"; or

3. introduction of instructions that propagate throughout a "Computer System", provided that such occurrence is directed solely against, and is not authorized by, any Insured.

(d) "Hijacking" means any unlawful detention of an Insured, other than a "Kidnapping", for a period in excess of four (4) hours, commenced while such Insured was travelling in or on a vehicle, watercraft or aircraft.

(e) "Kidnapping" means any wrongful abduction and holding under duress or by fraudulent means, of an Insured in which a demand for payment of ransom is made as a condition for the release of such Insured

(f) "Product" means any raw materials, work in progress, inventory or products stored, manufactured or distributed by an Insured Organization.

(g) "Wrongful Detention" means wrongful involuntary confinement of an Insured Person by others, other than "Kidnapping", for a period of 24 hours or more.

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

Throughout this policy the words "you" and "your" refer to the Named Insured specified on the Declarations 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 quotation marks have special meaning. Refer to Section V – Definitions.

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

1. Insuring Agreement

- a. We will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. 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) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

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

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no Insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed Insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

- a. **Expected or Intended Injury**
"Bodily injury" or "property damage" expected or intended from the standpoint of the Insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. **Contractual Liability**
"Bodily injury" or "property damage" for which the Insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages":
- (1) That the Insured would have in the absence of the contract or agreement; or
 - (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:

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- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

c. Workers' Compensation and Similar Laws

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

d. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the Insured arising out of and in the course of:
 - (a) Employment by the Insured; or
 - (b) Performing duties related to the conduct of the Insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 2. d. (1) above.

This exclusion applies:

- (i) Whether the Insured may be liable as an employer or in any other capacity; and
- (ii) 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:

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

e. Aircraft or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of:

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

Use includes operation and "loading or unloading".

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

This exclusion does not apply to:

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

f. Automobile

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any "automobile" owned or operated by or on behalf of or rented or loaned to any Insured. Use includes operation and "loading or unloading".

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

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

This exclusion does not apply to:

- (1) "Bodily injury" to an "employee" of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- (2) "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" owned by the Insured while leased to others for a period of thirty (30) days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured.

- (3) "Bodily injury" or "property damage" arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment. This exception however does not apply when such equipment is mounted on or attached to any "automobile" and such equipment is used for the purpose of "loading or unloading".
- (4) "Bodily injury" or "property damage" arising out of "loading or unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

g. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in your care, custody or control;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

h. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

i. Damage To Your Work

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

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor, but this exception does not apply to work that is defective, deficient, inadequate or dangerous.

j. Damage To Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

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

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

k. Recall of Products, Work or Impaired Property

"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:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

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

l. Electronic Data

"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.

m. Personal and Advertising Injury

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

n. Professional Services

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

o. Abuse

- (a) Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of "abuse".
- (b) Claims or "actions" based on your practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".

(c) Claims or "actions" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

p. Damage From Blasting, Pile Driving, Removal or Weakening of Support

"Property damage" arising out of:

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

This exclusion does not apply:

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

q. Employment – Related Practices

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of injury.

r. **Asbestos** – see Common Exclusions

s. **Fungi or Spores** – see Common Exclusions

t. **Nuclear**– see Common Exclusions

u. **Pollution** – see Common Exclusions

v. **Terrorism** – see Common Exclusions

w. **War Risks** – see Common Exclusions

x. **Reactive Aggregates (Such as those containing pyrite or pyrrhotite)** – see Common Exclusions

COVERAGE B. PERSONAL and ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

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

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

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

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

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

b. Material Published With Knowledge Of Falsity

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

- c. Material Published Prior To Policy Period**
"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- d. Criminal Acts**
"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the Insured.
- e. Contractual Liability**
"Personal and advertising injury" for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the Insured would have in the absence of the contract or agreement.
- f. Breach Of Contract**
"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".
- g. Quality Or Performance Of Goods – Failure To Conform To Statements**
"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".
- h. Wrong Description Of Prices**
"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".
- i. Infringement Of Copyright, Patent, Trademark or Trade Secret**
"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.
However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.
- j. Insureds In Media and Internet Type Businesses**
"Personal and advertising injury" committed by an Insured whose business is:
(1) Advertising, broadcasting, publishing or telecasting;
(2) Designing or determining content of web-sites for others; or
(3) An Internet search, access, content or service provider.
However, this exclusion does not apply to Paragraphs 21. a., b. and c. of "personal and advertising injury" under the Definitions Section.
For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.
- k. Electronic Chatrooms or Bulletin Boards**
"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the Insured hosts, owns, or over which the Insured exercises control.
- l. Unauthorized Use Of Another's Name or Product**
"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- m. Employment-Related Practices**
"Personal and advertising injury" to:
(1) A person arising out of any:
(a) Refusal to employ that person;
(b) Termination of that person's employment ; or
(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment related practices described in Paragraphs (a), (b) or (c) above is directed.
This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share "compensatory damages" because of the injury.
- n. Professional Services**
"Personal and advertising injury" due to the rendering of or failure to render by you or on your behalf of any "professional services" for others, or any error or omission, malpractice or mistake in providing those services.
- o. Asbestos – see Common Exclusions**
- p. Fungi or Spores – see Common Exclusions**
- q. Nuclear– see Common Exclusions**

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- r. **Pollution** – see Common Exclusions
- s. **Terrorism** – see Common Exclusions
- t. **War Risks** – see Common Exclusions
- u. **Reactive Aggregates (Such as those containing pyrite or pyrrhotite)** – see Common Exclusions

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III – Limits of Insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any Insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any Insured or a tenant of any Insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers Compensation and Similar Laws**
To a person, whether or not an "employee" of any Insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. **Athletics Activities**
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. **Products-Completed Operations Hazard**
Included within the "products-completed operations hazard".
- g. **Coverage A Exclusions**
Excluded under Coverage A.

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others 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) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.

- b. This insurance applies to "property damage" only if:
- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no Insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed Insured or authorized "employee" knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
- d. "Property damage" will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
 - (3) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

2. Exclusions

This insurance does not apply to:

- a. **Expected or Intended Injury**
"Property damage" expected or intended from the standpoint of the Insured.
- b. **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.
- c. **Asbestos** – see Common Exclusions
- d. **Fungi or Spores** – see Common Exclusions
- e. **Nuclear** – see Common Exclusions
- f. **Pollution** – see Common Exclusion
- g. **Terrorism** – see Common Exclusions
- h. **War Risks** – see Common Exclusions
- i. **Reactive Aggregates (Such as those containing pyrite or pyrrhotite)** – see Common Exclusions

COMMON EXCLUSIONS – COVERAGES A, B, C and D

This insurance does not apply to:

1. Asbestos

"Bodily injury", "property damage" or "personal and advertising injury" 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, 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 asbestos or any materials containing asbestos in what ever 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 and advertising injury".

2. Fungi or Spores

- a. "Bodily injury", "property damage" or "personal and advertising injury" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores";
- b. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or

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- c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

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

For the purpose of the following exception;

- (i) "Property damage" means physical injury to animals.
(ii) "Products-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 you intend "your product" to be:

- (1) applied topically to; or
(2) ingested by;
humans or animals.

3. Nuclear Energy Liability

- a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b. "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability;
- c. "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
- 1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an Insured;
 - 2) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
 - 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 contribute concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

4. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this subparagraph does not apply to:
- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, 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;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional Insured with respect to your ongoing operations performed for that additional Insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional Insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
- (i) Any Insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a 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;
 - (ii) "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

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) 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 or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

6. War Risks

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

7. Reactive Aggregates (Such as those containing pyrite or pyrrhotite)

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, from any reactive aggregates, such as those containing pyrite, pyrrhotite, iron sulfide or other materials containing such reactive materials, in any form and in any quantity or proportion.

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 and advertising injury".

SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an Insured we defend:
- a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses you incur at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to two hundred and fifty dollars (\$250) a day because of time off from work.
 - d. All costs assessed or awarded against you in the "action".
 - e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

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:
- a. The "action" against the indemnitee seeks "compensatory damages" for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the Insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the Insured in the same "insured contract";
 - d. 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;
 - e. The indemnitee and the Insured ask us to conduct and control the defense of that indemnitee against such "action" and agree that we can assign the same counsel to defend the Insured and the indemnitee; and

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- f. The indemnitee:
- (1) Agrees in writing to:
 - (a) Co-operate with us in the investigation, settlement or defense of the "action";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "action"; and
 - (b) Conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by us in the defense 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 Paragraph 2.b. (2) of Section I – Coverage A – Bodily Injury and Property Damage Liability, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated on the Declarations Page(s) as:
 - a. An individual, you and your spouse are Insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership, 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.
 - c. A limited liability company, you are an Insured. Your members are also Insureds, but only with respect to the conduct of your business. Your managers are Insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, 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.
 - e. A trust, you are an Insured. Your trustees are also Insureds, but only with respect to their duties as trustees.
2. Each of the following is also an Insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, 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:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) 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 related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
 - (c) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraphs (1)(a) or (b) above;
 - (d) Arising out of his or her providing or failing to provide professional health care services; or
 - (e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
 - e. 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 designed for exclusive use.
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:
- a. Coverage under this provision is afforded only until the ninth (90th) day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A and D does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not specified as a Named Insured on the Declarations Page(s).

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance specified on the Declarations Page(s) and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
 - b. Claims made or "actions" brought; or
 - c. Persons or organizations making claims or bringing "actions".
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. "Compensatory damages" under Coverage A, except "compensatory damages" because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - b. "Compensatory damages" under Coverage B; and
 - c. Medical expenses under Coverage C.
3. The Products-Completed Operations Aggregate Limit is the most 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 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- a. "Compensatory damages" under Coverage A; and
 - b. Medical expenses under Coverage C
- because of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained by any one person or organization.
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 4. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period specified on the Declarations 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.

8. Deductible

- a. 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 specified on the Declarations 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.
- b. The deductible amount applies as follows:
 - 1) Under Coverage A: to "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
 - 2) Under Coverage D: to Tenants' Legal Liability, to "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".

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- c. The terms of this insurance, including those in respect to:
 - 1) our right and duty to defend any "action" seeking those "compensatory damages"; and
 - 2) your duties in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
- d. 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 – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this policy.

2. Canadian Currency Clause

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

3. Changes

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

4. Duties In The Event Of Occurrence, Offense, Claim or Action

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "action" is brought against any Insured, you must:
 - (1) Immediately record the specifics of the claim or "action" and the date received; and
 - (2) Notify us as soon as practicable.You must see to it that we receive written notice of the claim or "action" as soon as practicable.
- c. You and any other involved Insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "action"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
- d. No Insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Examination Of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

6. Inspections and Surveys

- 1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
- 2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
- 3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- 4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into an "action" asking for "compensatory damages" from an Insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

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

8. Other Insurance

If other valid and collectible insurance is available to the Insured for a loss we cover under Coverages A, B or D of this policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) If the loss arises out of the maintenance or use of watercraft or "automobile" to the extent not subject to Exclusion e. or f. of Section I – Coverage A – Bodily Injury and Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for "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:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

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

c. Method Of Sharing

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

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

9. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum retained premium specified on the Declarations Page(s) of this policy.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

10. Premiums

The first Named Insured shown on the Declarations Page(s):

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

11. Representations or Fraud

By accepting this policy, you agree:

- a. The statements on the Declarations Page(s) are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.
- d. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

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12. Separation Of Insureds, Cross Liability

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

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each Insured against whom claim is made or "action" is brought.

13. Termination

- a. The first Named Insured shown on the Declarations Page(s) may terminate this policy by mailing or delivering to us advance written notice of termination.
- b. We may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - 1) Five (5) days before the effective date of termination if we personally delivered, or
 - 2) Fifteen (15) days before the effective date of termination if we terminate for non-payment of premium; or
 - 3) Thirty (30) days before the effective date of termination if we terminate for any other reason.

Except in Quebec, if notice is mailed, termination takes effect fifteen (15) or thirty (30) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.

In Quebec, termination takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination. Delivery by us shall be equivalent to mailing.

- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. The policy period will end on the date termination takes effect.
- e. If this policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

14. Transfer Of Rights Of Recovery Against Others To Us

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

15. Transfer Of Your Rights and Duties Under This Policy

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

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

SECTION V – DEFINITIONS

1. **"Abuse"** means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
2. **"Action"** means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the Insured must submit or does submit with our consent; or
 - b. 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:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
4. **"Automobile"** means a 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 attached machinery or equipment.
5. **"Bodily Injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
6. **"Compensatory Damages"** means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
7. **"Coverage Territory"** means:
 - a. Canada and the United States of America (including its territories and possessions).
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or

c. All other parts of the world if the injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in a. above;
- (2) The activities of an Insured person whose home is in the territory described in a. above, but is away for a short time on your business; or
- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication.

provided the Insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to.

8. **"Employee"** includes a "leased worker" and a "temporary worker".
9. **"Executive Officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. **"Fissionable Substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
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. **"Hostile Fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
13. **"Impaired Property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
14. **"Incidental Medical Malpractice Injury"** means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:
 - i) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - ii) 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 i) and ii) above.
15. **"Insured Contract"** means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 - d. Any other easement agreement;
 - e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
 - f. An elevator maintenance agreement;
 - g. That part of any other contract or agreement pertaining to 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. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

 - (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (2) Under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering of or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
16. **"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"

COMMERCIAL GENERAL LIABILITY – OCCURRENCE FORM
Form 3000 (2014-04)

17. **"Loading or Unloading"** means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";
 - While it is in or on an aircraft, watercraft or "automobile"; or
 - While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".
18. **"Nuclear Energy Hazard"** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
19. **"Nuclear Facility"** means:
- 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;
 - any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;
 - 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 twenty-five (25) grams of plutonium or uranium 233 or any combination thereof, or more than two hundred and fifty (250) grams of uranium 235;
 - 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.
20. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
21. **"Personal and Advertising Injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- False arrest, detention or imprisonment;
 - Malicious prosecution;
 - 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;
 - 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;
 - Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - The use of another's advertising idea in your "advertisement"; or
 - Infringing upon another's copyright, trade dress or slogan in your "advertisement".
22. **"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.
23. **"Products-Completed Operations Hazard"**:
- Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - Products that are still in your physical possession; or
 - Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - When all of the work called for in your contract has been completed.
 - 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.
 - 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.
 - Does not include "bodily injury" or "property damage" arising out of:
 - The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any Insured; or
 - The existence of tools, uninstalled equipment or abandoned or unused materials.
24. **"Professional Services"** shall include but not be limited to:
- Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
 - Any professional service or treatment conducive to health;

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- c. Professional services of a pharmacist;
 - d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
 - f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiroprody, hearing aid, optical or optometrical services or treatments;
 - g. The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
 - h. Supervisory, inspection, architectural, design or engineering services;
 - i. Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
 - j. Any computer programming or re-programming, consulting, advisory or related services; or
 - k. Claim, investigation, adjustment, appraisal, survey or audit services.

25. "Property Damage" means:

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

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

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 26. "Radioactive Material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;**
- 27. "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".**
- 28. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**
- 29. "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.**
- 30. "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.**

31. "Your Product":

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

32. "Your Work":

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Commercial General Liability - Form 3000 or Owners, Landlords & Tenants Liability - Form 3010

This endorsement modifies insurance provided as follows:

SECTION III – LIMITS OF INSURANCE 8. or 7. Deductible is deleted and replaced with the following:

8. or 7. Deductible

- a. Our obligation under Bodily Injury Liability, 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 specified on the Declarations Page(s) as applicable to such coverages, and the limits of insurance applicable to each "occurrence" for Bodily Injury Liability and Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible. The General Aggregate Limit and Products-Completed Operations Aggregate Limit for such coverages shall not be reduced by the application of such deductible amount.
- b. The deductible amount(s) specified on the Declarations Page(s) apply as follows:
- A) PER CLAIM BASIS - if the deductible is on a per claim basis, the deductible amount applies:
- 1) Under Coverage A:
- a. Bodily Injury and Property Damage Liability respectively:
- i) To all "compensatory damages" because of "bodily injury" sustained by one person; or
- ii) To all "compensatory damages" because of "property damage" sustained by one person or organization, as the result of any one "occurrence"
- b. Bodily Injury Liability and Property Damage Liability combined, to all "compensatory damages" because of "bodily injury" and "property damage" sustained by one person or organization as the result of any one "occurrence".
- 2) Under Coverage D, Tenants' Legal Liability, to all "compensatory damages" because of "property damage" sustain by one person or organization as the result of any one "occurrence".
- B) PER OCCURRENCE BASIS - if the deductible is on a per occurrence basis, the deductible amount applies:
- 1) Under Coverage A:
- a. Bodily Injury and Property Damage Liability respectively:
- i) To all "compensatory damages" because of "bodily injury" as the result of any one "occurrence", or
- ii) 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".
- b. Bodily Injury Liability and Property Damage Liability combined, to all "compensatory damages" because of "bodily injury" and "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
- 2) Under Coverage D, Tenants' Legal Liability, to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
- c. The terms of this insurance, including those with respect to:
- 1) our right and duty to defend any "action" seeking those "compensatory damages"; and
- 2) your duties in the event of an "occurrence", claim or "action"
- apply irrespective of the application of the deductible amount.
- d. 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.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Commercial General Liability - Form 3000 or Owners, Landlords & Tenants Liability - Form 3010

This endorsement modifies insurance provided as follows:

The following is added to SECTION II – WHO IS AN INSURED:

This policy includes the Owners, Landlords, Lessors, and Property Managers of the insured premises stated in the Declarations, as an Additional Insured(s) but only with respect to the operations performed by or on behalf of the Named Insured. Such insurance as is afforded by this extension does not insure liability arising out of the operations of the Additional Insured or its employees. This insurance does not apply to any "occurrence" which takes place after you cease to be a tenant in that premises.

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
(This Form Provides Coverages on a Claims Made Basis)**

Attached to and forming part of the Commercial General Liability - Form 3000

Except as otherwise provided in this Form, all limits, terms, conditions, provisions, definitions and exclusions of the Commercial General Liability - Form 3000 shall have full force and effect.

This endorsement modifies insurance provided as follows:

INSURING AGREEMENTS

SECTION I – COVERAGES

The Insurer will pay those sums which the "Insured" shall become legally obligated to pay as "compensatory damages" on account of any "claim" first made against the "Insured" during the policy period by an employee, former employee or the beneficiaries or legal representatives thereof and caused by any negligent act, error or omission of the "Insured", or any other person for whose acts the "Insured" is legally liable, in the "administration" of the Insured's "employee benefits" programs as defined herein.

The Insurer will have the right and duty to defend any "action" seeking such sums. But, the Insurer's right and duty to defend end when the Insurer has used up the applicable limit of liability in the payment of judgements or settlements. However, we will have no duty to defend the "Insured" against any "action" seeking "compensatory damages" in the "administration" of the Insured's "employee benefits" programs to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any "claim" or "action" that may result.

SECTION II - DEDUCTIBLE

In the event of a "claim", the deductible amount specified on the Declarations Page(s) in respect to this Form shall be deducted from the amount of each claim when determined, and the Insurer shall be liable for loss only in excess of the amount deducted.

Further, in the event of any "claim", irrespective of the amount, notice thereof shall be given by or on behalf of the "Insured" to the Insurer or any of its authorized agents or brokers, in accordance with the terms of the Commercial General Liability form and the Insurer may at its option investigate such "claim" or negotiate or settle any such "claim" and the "Insured" agrees, if the Insurer undertakes to negotiate or settle any such "claim", to join the Insurer in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse the Insurer for such deductible amount, if and when such "claim" is paid by the Insurer.

SECTION III – POLICY PERIOD AND TERRITORY

This Form applies only to "claims" made in Canada in respect to error(s), omission(s) and negligent act(s) in the "administration" of the Insured's "employee benefits" programs which occurs within Canada provided always that the "claim" is first made against the "Insured" and reported to the Insurer during the policy period specified on the Declarations Page(s) and the "Insured", at the effective date of this Form, had no knowledge of or could not have reasonably foreseen any circumstances which might result in a "claim" or "action".

SECTION IV – EXCLUSIONS

This Form does not apply to:

- a. liability insured against by the Commercial General Liability form to which this coverage is attached;
- b. any fact, circumstances or situation indicating the possibility of a "claim" and already known to the "Insured" prior to the effective date of this Form;
- c. any willful negligent act, error or omission in the "administration" of the Insured's "employee benefits" programs as defined herein;
- d. any dishonest, fraudulent, criminal or malicious act, invasion of privacy, libel, slander, discrimination, or humiliation;
- e. bodily injury to, or sickness, disease, or death, of any person or to injury to or destruction of any tangible property including the loss of use thereof;
- f. any claim for failure of performance of contract by an insurer, or any other party, including the Insured, obligated to afford the benefits;
- g. any claim based upon the Insured's failure to comply with any law concerning workers' compensation, unemployment insurance, social security or disability benefits, or any similar law;
- h. any claim based upon:
 - (1) failure of stock, bonds, or other securities to perform as represented by an Insured including but not limited to their failure to produce financial gain, profit or growth.
 - (2) advice given by an Insured to an employee to participate or not to participate in stock subscription plans.
- i. any claim based on the Insured's failure to comply with the requirements and amendments thereto, as well as similar provisions under federal, provincial, territorial or local laws or regulations or those issued from common law, which imposes fiduciary duties and responsibilities with respect to an employee benefit program;
- j. any fines or penalties imposed by law or regulation including any punitive and exemplary damages;
- k. any exclusion listed under the Common Exclusions in the Commercial General Liability form to which this coverage is attached.

SECTION V – LIMITS OF INSURANCE AND CONDITIONS

The applicable amount of insurance specified on the Declarations Page(s) in respect to this Form as applicable to each "claim" is the maximum aggregate limit of the Insurer's liability for those sums incurred as the result of any one "claim" insured hereunder but each "claim" made shall be subject to the deductible amount set forth in SECTION II – DEDUCTIBLE and the Insurer shall be liable only for the difference between such deductible amount and the limit of insurance for each "claim"; the limit of such liability specified on the Declarations Page(s) in respect to this Form as aggregate is, subject to the above provisions respecting each "claim", the total limit of the Insurer's liability for all damages insured hereunder.

The payment of any deductible amount by the "Insured" shall not operate to reduce the accumulated limit of the Insurer's liability.

The aggregate limit of insurance shall apply separately to each policy period for which this insurance is in force.

EMPLOYEE BENEFITS LIABILITY EXTENSION ENDORSEMENT Form 3160 (2014-09)

Unless otherwise specified with a Retroactive Date shown on the Declarations Page(s) or by endorsement to the policy coverage begins at the effective date of this Form and concludes at the expiry date of this Form.

If this insurance is cancelled or not renewed for any reason except non-payment of the premium, the Insurer shall automatically extend by fifteen (15) days the period during which a "claim" occurring during the effective policy period can be reported. Such extended reporting period shall not reinstate or increase the amount of insurance specified on the Declarations Page(s).

Any act or omission on the part of one or another of the Insureds under this Form shall not prejudice the rights or interests of any other "Insured". The Insurance afforded by this Form, subject to the limits of liability stated herein, shall apply to each "Insured" in the same manner and to the same extent as if a separate policy had been issued to each.

The inclusion herein of more than one "Insured" shall not operate to increase the limits of the Insurer's liability.

When the "Insured" becomes aware of any negligent act, error, mistake or omission, the "Insured" (or someone on the Insured's behalf) shall give written notice thereof to the Insurer or any of its authorized agents or brokers as soon as practicable. Such notice shall contain particulars sufficient to identify the "Insured" and also reasonably obtainable information respecting the time, place and circumstances of the negligent act, error, mistake or omission.

If a "claim" is made or a suit is brought against the "Insured", the "Insured" shall immediately forward to the Insurer every demand, notice, summons, or other process received by the "Insured" or the Insured's representative.

It is a condition of this Form that the "Insured" shall keep all records relating to the "administration" of the Insured's "employee benefits" programs as defined during the period of insurance and maintain such records for at least thirty-six (36) months afterwards.

SECTION VI – ADDITIONAL DEFINITIONS

Whenever used in this Form:

1. **"Action"** means a civil proceeding in which "compensatory damages" because of the negligent act, error or omission in the "administration" of the Insured's "employee benefits" programs to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the "Insured" must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the "Insured" submits with our consent.
2. **"Administration"** means:
 - a. Giving counsel to employees with respect to the "employee benefits" programs;
 - b. Interpreting the "employee benefits" programs;
 - c. Handling of records in connection with the "employee benefits" programs;
 - d. Effecting enrollment, termination or cancellation of employees under the "employee benefits" programs;provided all such acts are formally authorized by the "Insured".
3. **"Claim"** means:
 - a. A written demand for monetary or non-monetary relief; or
 - b. A civil administrative, regulatory or arbitration proceeding for monetary or non-monetary relief which is commenced by:
 - (1) A Writ of Summons, Statement of "Claim" or similar originating legal document; or
 - (2) Return of a summons, information or similar document (in the case of a criminal proceeding).
4. **"Employee Benefits"** means group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers' compensation, unemployment insurance, social security and disability benefits.
5. **"Insured"** means not only the named insured, but also any partner, executive officer, director, stockholder or employee, provided such employee is authorized to act in the "administration" of the Insured's "employee benefits" programs.

All other terms and conditions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Commercial General Liability - Form 3000 or Owners, Landlords & Tenants Liability - Form 3010

This endorsement modifies insurance provided as follows:

This policy does not provide coverage for liability arising from or related to "bodily injury" (other than "incidental medical malpractice injury"), "property damage", or "personal and advertising injury" 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.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Commercial General Liability - Form 3000

This endorsement modifies insurance provided as follows:

This policy does not provide coverage for liability arising from or related to:

1. "Property damage" to, or loss or depreciation of any property, real or personal, held by, deposited with, entrusted to, or otherwise in the care, custody or control of the Insured, or as to which the Insured is for any purpose exercising physical control;
2. Any negligent act, error, omission or breach of duty in performing or failing to perform banking or fiduciary services, or in giving financial, economic or investment advice, or in rendering investment, advisory or management service;
3. Any dishonest or fraudulent acts brought about by, or contributed to by the Insured or any director, officer or "employee" of the Insured;
4. Any obligation assumed by or on behalf of the Insured under any binder, policy or contract of insurance, reinsurance, suretyship, annuity or endowment, or resulting from any acts, errors or omissions in effecting such binders, policies or contracts;
5. The ownership, maintenance, operation, use, control or management of any property or business enterprise for which the Insured is acting in a fiduciary or representative capacity.

"**Fiduciary**" shall include, but not be limited to:

administrator; executor; trustee under will or trust agreement; committee for incompetents; guardian; and agent or sub-agent for any of the foregoing; custodian of securities; manager of real or personal property; interest or dividend disbursing agent; paying agent; fiscal agent; transfer agent; registrar; agent for voting trustees; warrant agent; depository; agent for a committee of holders of stock or securities; escrow agent; trustee under bond indenture; sinking fund agent; receiver or trustee appointed by any court in receivership, bankruptcy or reorganization proceedings; or any other similar trust or representative capacity.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Attached to and forming part of the Commercial General Liability - Form 3000

Except as otherwise provided in this Form, all limits, terms, conditions, provisions, definitions and exclusions of the Commercial General Liability - Form 3000 shall have full force and effect.

This endorsement modifies insurance provided as follows:

INSURING AGREEMENTS

SECTION 1 - COVERAGES

The Insurer will pay those sums which the "Insured" shall become legally obligated to pay as compensatory damages and "defense expenses" arising from any "claim" or "action" brought against the "Insured" for "bodily injury" or "personal injury" caused by an incident of "professional misconduct".

If, as a result of an incident of "professional misconduct" that is alleged to result in "bodily injury" or "personal injury", the "Insured" is charged and convicted under the Criminal Code, no coverage will apply.

If the charges are dropped or the case dismissed, the insurer shall, only after the dropping of charges or dismissal of the case, reimburse the "Insured" for reasonable "defense expenses" incurred by the "Insured" in defense of those charges.

SECTION II - DEDUCTIBLE

In the event of a "claim", the deductible amount specified on the Declarations Page(s) in respect to this Form shall be deducted from the amount of each "claim" and any "defense expenses" when determined, and the Insurer shall be liable for loss only in excess of the amount deducted.

Further, in the event of any "claim", irrespective of the amount, notice thereof shall be given by or on behalf of the "Insured" to the Insurer or any of its authorized agents or brokers, in accordance with the terms of the Commercial General Liability form and the Insurer may at its option investigate such "claim" or negotiate or settle any such "claim" and the "Insured" agrees, if the Insurer undertakes to negotiate or settle any such "claim", to join the Insurer in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse the Insurer for such deductible amount, if and when such "claim" and any "defense expenses" is paid by the Insurer.

SECTION III - LIMITS OF INSURANCE

1. The applicable amount of insurance specified on the Declaration Page(s) and the rules below fix the most the Insurer will pay regardless of the number of:
 - a. "Insureds";
 - b. "claim(s)" made or "actions" brought;
 - c. persons or organisations making claims or bringing "actions".
2. The AGGREGATE LIMIT as specified on the Declaration Page(s) is the most the insurer will pay under this form for the sum of all compensatory damages and "defense expenses" arising out of "actions" brought against the "Insured" for "bodily injury" or "personal injury" caused by incidents of "professional misconduct" in any one policy period.
3. Subject to 2. above, the OCCURRENCE LIMIT as specified on the Declaration Page(s) is the most the Insurer will pay for the sum of: all compensatory damages and "defense expenses" arising out of an "action" brought against the "Insured" for "bodily injury" or "personal injury" caused by an incident of "professional misconduct".
4. For the purpose of determining whether coverage applies under this insurance, continuous or repeated actual or threatened "abuse" of the same person by the same Insured(s) will be deemed to be a single "occurrence" or offence and to have taken place on the date that "abuse" first occurred.

SECTION IV - ADDITIONAL DEFINITIONS:

1. "Claim" means:
 - a. A written demand for monetary or non-monetary relief; or
 - b. A civil administrative, regulatory or arbitration proceeding for monetary or non-monetary relief which is commenced by:
 - (1) A Writ of Summons, Statement of "Claim" or similar originating legal document; or
 - (2) Return of a summons, information or similar document (in the case of a criminal proceeding).
2. "Defense expenses" means:

Payments allocated to a specific claim or "action" for its investigation, settlement, or defense, including:

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

"Defense expenses" does not include:

- a. Salaries and expenses of the Insurer's employees or the Insured's employees, other than:
 - i) that portion of the Insurer's employed solicitors' fees, salaries and expenses allocated to a specific claim or "action"; and
 - ii) the expenses described in c. above;
- b. Fees and expenses of independent adjusters the Insurer hires.

ABUSE LIMITED LIABILITY COVERAGE ENDORSEMENT
Form 3237 (2014-06)

3. **“Professional Misconduct”** means “abuse” arising out of the business of the “Insured” as specified on the Declaration Page(s).

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
(This Form Provides Coverages on a Claims Made Basis)**

Attached to and forming part of the Commercial General Liability - Form 3000

Except as otherwise provided in this Form, all limits, terms, conditions, provisions, definitions and exclusions of the Commercial General Liability - Form 3000 shall have full force and effect.

This endorsement modifies insurance provided as follows:

INSURING AGREEMENTS

SECTION I – COVERAGES

The Insurer will pay those sums which the "Insured" shall become legally obligated to pay as "compensatory damages" on account of any "claim" first made against the "Insured" during the policy period by an "employee" arising out of any "wrongful employment practices" as defined herein of the "Insured".

The Insurer will have the right and duty to defend any "action" seeking such sums. But, the Insurer's right and duty to defend end when the Insurer has used up the applicable limit of liability in the payment of settlements and/or "defense expenses" and/or judgements. However, we will have no duty to defend the "Insured" against any "action" seeking "compensatory damages" for "wrongful employment practices" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any "claim" or "action" that may result.

SECTION II - DEDUCTIBLE

In the event of a "claim", the deductible amount specified on the Declarations Page(s) in respect to this Form shall be deducted from the amount of each "claim" and any "defense expenses" when determined, and the Insurer shall be liable for loss only in excess of the amount deducted.

Further, in the event of any "claim", irrespective of the amount, notice thereof shall be given by or on behalf of the "Insured" to the Insurer or any of its authorized agents or brokers, in accordance with the terms of the Commercial General Liability form and the Insurer may at its option investigate such "claim" or negotiate or settle any such "claim" and the "Insured" agrees, if the Insurer undertakes to negotiate or settle any such "claim", to join the Insurer in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse the Insurer for such deductible amount, if and when such "claim" and any "defense expenses" is paid by the Insurer.

SECTION III – POLICY PERIOD AND TERRITORY

This Form applies only to "claims" made in Canada in respect to any "wrongful employment practices" as defined which occurs within Canada provided always that the "claim" is first made against the "Insured" and reported to the Insurer during the policy period specified on the Declarations Page(s) and that the "Insured", at the effective date of this Form, had no knowledge of or could not have reasonably foreseen any circumstances which might result in a "claim" or "action".

SECTION IV – EXCLUSIONS

This Form does not apply to:

- a. liability insured against by the Commercial General Liability form to which this coverage is attached;
- b. any fact, circumstances or situation indicating the possibility of a "claim" and already known to the "Insured" prior to the effective date of this Form;
- c. any willful act of "wrongful employment practices";
- d. liability arising from any act committed by or at the direction of an "Insured" with the intent of contravening any law or any governmental or administrative order or regulation;
- e. bodily injury to, or sickness, disease, or death, of any person or to injury to or destruction of any tangible property including the loss of use;
- f. any claim based upon the Insured's failure to comply with any law concerning workers' compensation, unemployment insurance, social security or disability benefits, or any similar law;
- g. liability arising from any federal or provincial occupational health and safety law or regulation;
- h. the cost of modifying a work environment to provide accessibility to people with disabilities;
- i. any claim based upon:
 - (1) the cost of employee benefits, or claims that would have been payable under such employee benefits;
 - (2) contributions to pension plans, retirement savings plans or deferred profit-sharing plans, nor the incremental benefit that would have been payable had such contributions been made;
 - (3) amounts relating to stock option plans.
- j. "wrongful employment practices" for which the "Insured" is obligated to pay damages because of the assumption of liability in a contract or agreement, but this exclusion does not apply to liability that the "Insured" would have in absence of the contract or agreement;
- k. severance pay or any payments required to be made by a written employment contract upon termination of employment;
- l. liability arising from a lock-out, a strike, picketing, walk-out, a boycott or similar actions resulting from labour disputes or labour negotiations;
- m. liability arising from:
 - (1) the bankruptcy of the "Insured" or the "Insured" being placed into receivership; or
 - (2) the closure of a business operation or location of the "Insured"; or
 - (3) any re-organization of employees which results, within any sixty (60) day period, in the termination of the employment of twenty-five percent (25%) or more of the total workforce of the "Insured";
- n. coverage for any newly acquired organization for "wrongful employment practices" that happened before its acquisition.
- o. "claims" made or "actions" brought by persons who are non-residents of Canada;
- p. losses claimed by relatives of an "employee" or former "employee" or by members of the household of an "employee" or former "employee";
- q. fines or penalties imposed by law or regulation including any punitive and exemplary damages;

EMPLOYMENT PRACTICES LIMITED LIABILITY EXTENSION ENDORSEMENT Form 3181 (2014-06)

- r. non-monetary relief;
- s. any exclusion listed under the Common Exclusions in the Commercial General Liability form to which this coverage is attached.

SECTION V – LIMITS OF INSURANCE AND CONDITIONS

The applicable amount of insurance specified on the Declarations Page(s) in respect to this Form as applicable to each "claim" is the maximum aggregate limit of the Insurer's liability for those sums incurred for all damages including "defense expenses" as the result of any one "claim" insured hereunder but each "claim" made shall be subject to the deductible amount set forth in SECTION II – DEDUCTIBLE and the Insurer shall be liable only for the difference between such deductible amount and the limit of insurance for each "claim";. The limit of such liability specified on the Declarations Page(s) in respect to this Form as aggregate is, subject to the above provisions respecting each "claim", the total limit of the Insurer's liability" for all damages including "defense expenses" insured hereunder.

The payment of any deductible amount by the "Insured" shall not operate to reduce the accumulated limit of the Insurer's liability.

The aggregate limit of insurance shall apply separately to each policy period for which this insurance is in force.

Unless otherwise specified with a Retroactive Date shown on the Declarations Page(s) or by endorsement to the policy coverage begins at the effective date of this Form and concludes at the expiry date of this Form.

If this insurance is cancelled or not renewed for any reason except non-payment of the premium, the Insurer shall automatically extend by fifteen (15) days the period during which a "claim" occurring during the effective policy period can be reported. Such extended reporting period shall not reinstate or increase the amount of insurance specified on the Declarations Page(s).

Any act or omission on the part of one or another of the Insureds under this Form shall not prejudice the rights or interests of any other "Insured". The Insurance afforded by this Form, subject to the limits of liability stated herein, shall apply to each "Insured" in the same manner and to the same extent as if a separate policy had been issued to each.

The inclusion herein of more than one "Insured" shall not operate to increase the limits of the Insurer's liability.

When the "Insured" becomes aware of any administrative charge, allegation, complaint or demand concerning "wrongful employment practices" of an "Insured" received by its management or supervisory staff, the "Insured" (or someone on the Insured's behalf) shall give written notice thereof to the Insurer or any of its authorized agents or brokers as soon as practicable. Such notice shall contain particulars sufficient to identify:

1. the person or organization alleging "wrongful employment practices";
2. the name of the "Insured" accused of "wrongful employment practices";
3. the name of any witness of the alleged "wrongful employment practices";
4. date and place of the alleged "wrongful employment practices"; and
5. the date and place of receipt of the administrative charge, allegation, complaint or demand, and the name of the recipient.

If a "claim" is made or a suit is brought against the "Insured", the "Insured" shall immediately forward to the Insurer every demand, notice, summons, or other process received by the "Insured" or the "Insured's" representative.

It is a condition of this Form that the "Insured" shall keep all records of employment matters and practices during the period of insurance and maintain such records for at least thirty-six (36) months afterwards.

SECTION VI – ADDITIONAL DEFINITIONS

Whenever used in this Form:

1. **"Action"** means a civil proceeding in which "compensatory damages" because of "wrongful employment practices" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the "Insured" must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the "Insured" submits with our consent.
2. **"Claim"** means:
 - a. "Defense expenses";
 - b. A written demand for monetary or non-monetary relief; or
 - c. A civil administrative, regulatory or arbitration proceeding for monetary or non-monetary relief which is commenced by:
 - (1) A Writ of Summons, Statement of "Claim" or similar originating legal document; or
 - (2) Return of a summons, information or similar document (in the case of a criminal proceeding).
3. **"Defence expenses"** means:

Payments allocated to a specific claim or "action" for its investigation, settlement, or defence, including:

 - a. All expenses the Insurer incurs;
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to furnish these bonds.
 - c. All reasonable expenses incurred by the Insured at the Insurer's request to assist the Insurer in the investigation or defence of the claim or "action", including actual loss of earnings up to \$100.00 (one hundred dollars) a day because of time off from work.
 - d. All costs taxed against the Insured in the "action" and any interest accruing after the entry of judgment upon that part of the judgment that is within the applicable limit of insurance.

"Defence expenses" does not include:

 - 1) Salaries and expenses of the Insurer's employees or the Insured's employees, other than:
 - a) That portion of the Insurer's solicitors' fees, salaries and expenses allocated to a specific claim or "action"; and
 - b) The expenses described in c. above.
 - 2) Fees and expenses of independent adjusters the Insurer hires.

4. **“Employee”** means an individual whose labour or service is engaged and directed by the “Insured”, other than independent contractors.
5. **“Insured”** means not only the named Insured, but also any partner, executive officer, director, stockholder or other “employee”, provided such “employee” is acting within the scope of employment.
6. **“Wrongful Employment Practices”** means:
- a. the contravention or violation in employment practices of any federal or provincial human rights law or regulation, other than a law or regulation concerning pay equity or employment equity, or
 - b. the termination of employment in a manner which is illegal or in breach of an agreement.

As used in this definition, employment practices mean:

- (1) the recruitment hiring, orientation, training, evaluating, promoting, demoting compensating and disciplining of an “employee”;
- (2) the interviewing and evaluating of an applicant for employment;
- (3) career counseling for an “employee”;
- (4) the allocation of work and the application of personnel policies and procedures to an “employee”.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Commercial General Liability - Form 3000

This endorsement modifies insurance provided as follows:

The following changes are made in your policy but only with respect to claims or "actions" because of "bodily injury" to an employee of the Insured arising out of and in the course of employment by the Insured in the business specified on the Declarations Page(s):

SECTION I COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY Exclusions d. and f. are deleted.

SECTION I COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY Exclusion e is deleted and replaced with the following:

This insurance does not apply to:

"Bodily injury" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of:

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

Use includes operation and "loading or unloading".

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

The insurance provided by this extension does not apply to:

1. "bodily injury" to an employee employed in violation of the law with your actual knowledge or the actual knowledge of any of your executive officers;
2. "bodily injury" arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations;
3. "bodily injury" to an employee employed in duties other than clerical or administrative;
4. "bodily injury" to any officer or employee, contractor or subcontractor of the Insured who works outside Canada and/or whose permanent residence is located outside Canada.

LIMITS OF INSURANCE

The Insurer, regardless of the number of persons and interests insured under this Form or persons or organizations who sustain injury or damage and claims made or suites brought, shall not be liable for more than the applicable amount of insurance for this Form as specified on the Declarations Page(s) and shall be part of and not in addition to the liability limits as specified on the Declarations Page(s) or in any amending forms and shall not be cumulative with any limits specified elsewhere in this insurance.

DEDUCTIBLE

In the event of a claim, the deductible specified on the Declarations Page(s) in respect to this Form shall be deducted from the amount of each claim when determined, and the Insurer shall be liable for loss only in excess of the amount deducted. The Insurer may pay part or all of the deductible to effect settlement of any claim and, upon being told of the action taken, the Named Insured shall promptly reimburse the Insurer for any such payment.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**Applicable to Commercial General Liability - Form 3000**

This endorsement modifies insurance provided as follows:

The Insurer agrees to pay voluntarily the benefits set out either to or on behalf of an employee of the Insured on account of "bodily injury" including death resulting from, accidentally suffered by such employee and arising out of and in the course of their employment by the Insured, whether or not such "bodily injury" could give rise to liability imposed by law upon the Insured.

Provided However:

1. That if the injured employee or any person claiming by, through or under her/him shall refuse to accept the voluntary compensation benefits offered under the provisions of the preceding paragraph, then the Insurer shall be permitted, at any time in its discretion and without notice, to withdraw such offer to pay the said benefits, under which circumstances the Insurer will no longer be bound by the undertakings expressed in the said preceding paragraph. If any claim or demand is made upon, or any suit instituted against the Insured for damages for such injuries, such claim, demand or suit shall be considered a refusal to accept such voluntary compensation benefits and such refusal shall abrogate in its entirety the Insurer's agreement to pay such voluntary compensation benefits. In such event the obligation of the Insured as expressed in the other parts of the policy having reference thereto, shall be available to the Insured and shall be and remain the obligation of the Insurer as fully and completely as if this form had not been written.
2. That the benefits contained shall not be payable unless at the time of the accident the employee was engaged in duties coming within the scope of the classification of operations specified on the Declarations Page(s).
3. That a full legal release of all claims of such employee or any person claiming by, through or under him, against the Insured is executed and delivered and that the Insurer be subrogated in any rights of such employee or person (excluding all services available under any Hospital Insurance Act) against anyone other than the Insured and/or that such rights be transferred to the Insurer.
4. That the Insurer shall in no event be liable for any claims arising from hernia, however caused.
5. That the Insurer shall in no event be liable for any claims arising from war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

Definition

The term "**weekly indemnity**" referred to in this Form shall mean two-thirds of the employee's weekly wage at the date of the accident, but not exceeding in any event the sum of five hundred dollars (\$500) per week.

Schedule of Benefits**Section 1 – Loss of Life**

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

- (a) to dependents of the said employee who were wholly dependent upon him, an amount equal to one hundred (100) times the weekly indemnity in addition to the benefits provided under Section 2 up to the date of death.
- (b) the actual funeral expenses not exceeding, however the sum of two thousand five hundred dollars (\$2,500).

Section 2 – 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 him from performing any and every duty pertaining to any occupation or employment, the Insurer 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 shall be payable for the first seven (7) days of such disability.

Section 3 – Permanent Total Disability

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

Section 4 – Dismemberment Benefits

If such "bodily injury" shall within twenty-six (26) weeks from the date of the accident result in any one or more of the incapacities listed hereinafter in the "Schedule of Incapacities" the Insurer will pay "weekly indemnity" for the number of weeks shown opposite the incapacity in the said schedule in addition to the benefits payable under Section 2, but in no event shall it be payable in addition to the benefits provided by Sections 1 and 3.

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

**THE OFFICE CONNECTION
VOLUNTARY COMPENSATION FOR EMPLOYEES EXTENSION ENDORSEMENT
Form 6066 (2011-01)**

SCHEDULE OF INCAPACITIES

LOSS or TOTAL IRRECOVERABLE LOSS of USE of:

DIVISION A		No. of Weeks
1.	Arm	
	(a) at or above elbow.....	100
	or	
	(b) below elbow.....	80
	or	
2.	Hand at wrist.....	80
	or	
3.	(i) Thumb	
	(a) at or above the second phalangeal joint.....	25
	or	
	(b) below the second phalangeal joint, involving a portion of the second phalange.....	18
	(ii) Index Finger	
	(a) at or above the second phalangeal joint.....	25
	or	
	(b) at or above the third phalangeal joint.....	18
	or	
	(c) below the third phalangeal joint, involving a portion of the third phalange.....	12
	(iii) Any other Finger	
	(a) at or above the second phalangeal joint.....	15
	or	
	(b) at or above the third phalangeal joint.....	8
	or	
	(c) below the third phalangeal joint, involving a portion of the third phalange.....	5
DIVISION B		No. of Weeks
1.	Leg	
	(a) at or above knee.....	100
	or	
	(b) below knee.....	75
	or	
2.	Foot at ankle.....	75
	or	
3.+	(i) Great Toe	
	(a) at or above the second phalangeal joint.....	15
	or	
	(b) below the second phalangeal joint, involving a portion of the second phalange.....	8
+	(ii) Any other Toe	
	(a) at or above the second phalangeal joint.....	10
	or	
	(b) at or above the third phalangeal joint.....	5
	or	
	(c) below the third phalangeal joint, involving a portion of the third phalange.....	3

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

DIVISION C

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

DIVISION D

2.	(i) Hearing of one ear.....	25
	or	
	(ii) Hearing of both ears.....	100

Section 5 – Medical, Surgical, Dental, Pharmaceutical and Hospital Expenses:

**THE OFFICE CONNECTION
VOLUNTARY COMPENSATION FOR EMPLOYEES EXTENSION ENDORSEMENT
Form 6066 (2011-01)**

If such "bodily injury" shall necessitate medical or surgical treatment or confinement to hospital, the Insurer will pay in addition to all other benefits provided by this Form:

- (a) 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 in addition,
- (b) 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.

Special Condition

The Insurer shall 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.

Nothing herein contained shall be held to vary, waive or extend any of the declarations, conditions, agreements or limitations of the policy to which this Form is attached, other than as above stated.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Commercial General Liability - Form 3000

This endorsement modifies insurance provided as follows:

COMMON EXCLUSIONS – COVERAGES A, B, C and D is amended as follows:

2. Fungi or Spores

- a. "Bodily injury", "property damage" or "personal and advertising injury" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores";
- b. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
- c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

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

This exclusion shall not apply to "bodily injury" or "property damage" which results directly from a "products-completed operations hazard" not otherwise excluded by this policy subject to the following limits:

Each Occurrence:	\$250,000
Fungi Liability Aggregate Limit:	\$250,000

For the purpose of the following exception;

- (i) "Property damage" means physical injury to animals.
- (ii) "Products-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 and endorsement limitation 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 you intend "your product" to be:

- (1) applied topically to; or
- (2) ingested by;
humans or animals.

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

This endorsement modifies the coverage provided under the Commercial General Liability Form by providing additional coverage for Non-Owned Automobile Liability.

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

INSURING AGREEMENT

In consideration of the payment of the premium and of the statements contained in the application on file with the Insurer and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated.

Section A – Third Party Liability

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

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

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

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b) for any liability imposed upon any person insured by this endorsement:
 - (1) by any workers compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- (c) for any liability assumed by any person insured by this endorsement voluntarily under any contract or agreement.
- (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this endorsement or to any property owned or rented by, or in the care, custody or control of any such person; or
- (e) for any amount in excess of the limit specified on the Declarations Page(s) for Non-Owned Automobile, and expenditures provided for in the Additional Agreements of Insurer, as set out below; subject always to the provisions of the section of The Insurance Act (Automobile Insurance part) relating to the nuclear energy hazard.

Paragraph (b) of this section is not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

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

- (a) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this endorsement by such investigation thereof, or by such negotiations with the claimant, or by such settlement or any resulting claims, as may be deemed expedient by the Insurer; and
- (b) to defend in the name and on behalf of any person insured by this endorsement and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- (c) to pay all costs taxed against any person insured by this endorsement in any civil action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and
- (d) in case the injury be to a person, reimburse any person insured by this endorsement for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- (e) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit specified on the Declarations Page(s) for Non-Owned Automobile; and
- (f) not set up any defense to a claim that might not be set up if the endorsement were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENT OF INSURED

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

- (a) by the acceptance of this endorsement, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder.
- (b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this endorsement.

GENERAL PROVISIONS AND DEFINITIONS

1. Additional Insureds

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

2. Territory

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

COMMERCIAL CONNECTION STANDARD NON-OWNED AUTOMOBILE POLICY (S.P.F. No. 6)
(All Provinces Except Quebec)
Form 3070B (2017-12)

3. Hired Automobiles Defined

The term "Hired Automobiles" as used in this policy means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business specified on the Declarations Page(s) but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. Automobiles Operated Under Contract

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

5. Two or More Automobiles

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

6. Premium Adjustment

An estimated premium for this endorsement has been used as a factor in the computation of the advance premium specified on the Declarations Page(s). The actual premium for the insurance afforded by this endorsement determined in accordance with the Insurer's rules, rates, rating plans, premium and minimum premiums applicable to this insurance, shall be included as a factor in the computation of the earned premium for Commercial General Liability.

7. Representation

Where, (1) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the Insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (2) the Insured contravenes a term of the contract or commits a fraud; or (3) the Insured wilfully makes a false statement in respect of a claim under the contract, a claim by the Insured is invalid and the right of the Insured to recover indemnity is forfeited.

8. Waiver of Term or Condition

No term or condition of this form shall be deemed to be waived by this Insurer in whole or in part unless the waiver is clearly expressed in writing 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 form 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 form.

STATUTORY CONDITIONS

The Statutory Conditions for Non-Owned Automobiles Insurance as set out in the Insurance Act of the province in which this policy covers shall form part of the policy.

LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT– S.E.F. No 94
For attachment only to the Standard Non-Owned Automobile Policy – S.P.F. No 6

This Endorsement Contains a Partial Payment of Loss Clause

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

Section B – Legal Liability for Damage to Hired Automobiles

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

Subsection 1 – **All Perils** – from all perils;

Subsection 2 – **Collision or Upset** – caused by collision with another object or by upset;

Subsection 3 – **Comprehensive** – from any peril other than by collision with another object or by upset;

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

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

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

Deductible Clause

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

COMMERCIAL CONNECTION STANDARD NON-OWNED AUTOMOBILE POLICY (S.P.F. No. 6)
(All Provinces Except Quebec)
Form 3070B (2017-12)

Two or More Automobiles

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

Exclusions

The Insurer shall not be liable:

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

Additional Agreement

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

Coverage Limits

SUBSECTION	LIMITS AND AMOUNTS	TYPE OF AUTOMOBILE
All Perils	<ul style="list-style-type: none"> ▪ As specified on the Declarations Page(s) (exclusive of interests and costs) any one accident ▪ Amount Deductible As specified on the Declarations Page(s) 	Private Passenger & Commercial
Collision or Upset	<ul style="list-style-type: none"> ▪ Not Applicable (exclusive of interest and costs) any one accident ▪ Not Applicable Amount Deductible 	Not Applicable
Comprehensive	<ul style="list-style-type: none"> ▪ Not Applicable (exclusive of interest and costs) any one accident ▪ Not Applicable Amount Deductible 	Not Applicable
Specified Perils	<ul style="list-style-type: none"> ▪ Not Applicable (exclusive of interest and costs) any one accident ▪ Not Applicable Amount Deductible 	Not Applicable

Minimum Retained Premium: \$ - Not Applicable

Total Premium - As specified on the Declarations Page(s)

The advance premiums for this endorsement are subject to adjustment in the same manner as those stated under Item 6 of the General Provisions and Definitions of the S.P.F. No. 6.

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

CONTRACTUAL LIABILITY ENDORSEMENT – S.E.F. No 96
For attachment only to the Standard Non-Owned Automobile Policy – S.P.F. No 6

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

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

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

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

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

O.E.F. 98B
REDUCTION OF COVERAGE FOR LESSEES OR DRIVERS
OF LEASED VEHICLES ENDORSEMENT
For attachment only to the Standard Non-Owned Automobile Policy - S.P.F. No 6

1. Purpose of this endorsement:

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

2. How the policy coverage is changed:

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

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

EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT – S.E.F. No 99
For attachment only to the Standard Non-Owned Automobile Policy – S.P.F. No 6

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) in the Non-Owned Automobile Coverage in the policy to which this endorsement is attached is hereby amended to read as follows:

The term “**Hired Automobiles**” as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the named Insured from others without driver for periods not exceeding thirty (30) days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

THIS ENDORSEMENT CHANGES THIS POLICY. PLEASE READ IT CAREFULLY

For attachment only to the Standard Non-Owned Automobile Policy – S.P.F. No 6

This Endorsement Contains a Partial Payment of Loss Clause

In consideration of the premium herein stated, the policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections as specified on the Declarations Page(s).

Section B – Legal Liability for Damage to Hired Automobiles

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

Subsection 1 – **All Perils** – from all perils;

Subsection 2 – **Collision or Upset** – caused by collision with another object or by upset;

Subsection 3 – **Comprehensive** – from any peril other than by collision with another object or by upset;

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

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

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

Deductible Clause

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

Two or More Automobiles

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

Exclusions

The Insurer shall not be liable:

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

Additional Agreement

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

Coverage Limits

When any of the following Subsections are listed in the Declarations Page(s), coverage shall apply only for those Limit(s) or Amount(s) and for those Type(s) of Automobiles as listed in the Declarations Page(s) for such Subsections.

Subsection 1 – All Perils

Subsection 2 – Collision and Upset

Subsection 3 – Comprehensive

Subsection 4 – Specified Perils

LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT (S.E.F. No. 94)
Form 3071 (2011-01)

The advance premiums for this endorsement are subject to adjustment in the same manner as those stated under Item 6 of the General Provisions and Definitions of the S.P.F. No. 6.

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

THIS ENDORSEMENT CHANGES THIS POLICY. PLEASE READ IT CAREFULLY

For attachment only to the Standard Non-Owned Automobile Policy – S.P.F. No 6

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

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

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

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

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

THIS ENDORSEMENT CHANGES THIS POLICY. PLEASE READ IT CAREFULLY

For attachment only to the Standard Non-Owned Automobile Policy – S.P.F. No 6

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) in the Non-Owned Automobile Coverage in the policy to which this endorsement is attached is hereby amended to read as follows:

The term “**Hired Automobiles**” as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the named Insured from others without driver for periods not exceeding thirty (30) days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

CATASTROPHE EXCESS THIRD PARTY LIABILITY

Throughout this policy the words "you" and "your" refer to the Named Insured specified on the Declarations 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 expressions that appear in quotation marks have special meaning. Refer to Section V - Definitions.

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

1. Insuring Agreement

- a. We will pay on behalf of the Insured the "ultimate net loss" in excess of the "retained limit" 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 "compensatory damages" for such "bodily injury" or "property damage" when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the Insured against any other "action" seeking "compensatory damages" to which this insurance may apply. 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) The amount we will pay for the "ultimate net loss" is limited as described in Section III - Limits of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B.

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

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

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

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

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

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

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

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

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

b. Contractual Liability

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

- (1) That the Insured would have in the absence of the contract or agreement; or

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Form 4000 (2014-04)

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

c. Workers' Compensation and Similar Laws

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

d. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the Insured arising out of and in the course of:
 - (a) Employment by the Insured; or
 - (b) Performing duties related to the conduct of the Insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 2. d. (1) above.

This exclusion applies:

- (i) Whether the Insured may be liable as an employer or in any other capacity; and
- (ii) 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:

- (a) Liability assumed by the Insured under an "insured contract"; or
- (b) To a claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority; or
- (c) To the extent that valid "underlying insurance" for "bodily injury" to employees exists or would have existed but for the exhaustion of underlying limits for "bodily injury". Coverage so provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

e. Aircraft or Watercraft

- (1) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of any aircraft, air cushion vehicle or watercraft. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft.

This exclusion does not apply:

- (i) To the extent that valid "underlying insurance" for the aircraft or watercraft liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" or "property damage". Coverage so provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance; or
 - (ii) To liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
 - (iii) To a watercraft:
 - (a) While ashore on premises you own or rent;
 - (b) That is chartered by, loaned to or hired by you with a paid crew;
 - (c) That is not owned by any Insured; and
 - (d) That is not being used to carry persons or property for a charge; or
 - (iv) To aircraft:
 - (a) That is chartered by, loaned to, or hired by you with a paid crew; and
 - (b) That is not owned by any Insured; or
 - (v) To "bodily injury" to an "employee" of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law, if the "bodily injury" results from an "occurrence" involving watercraft.
- (2) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft.

f. Automobile

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, use or entrustment to others by or on behalf of the Insured of any "automobile", except to the extent that coverage is provided by the Standard Excess Automobile Policy (S.P.F./Q.P.F. No. 7), if attached hereto. Use includes operation and "loading or unloading".

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

This exclusion applies to:

- (1) Any motorized snow vehicle or its trailers within the definition of "automobile".
- (2) Any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity whether or not it is required by law to be Insured under a contract evidenced by a motor vehicle liability policy.

This exclusion applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, use or entrustment to others of any "automobile".

This exclusion does not apply to:

- (1) "Bodily injury" to an "employee" of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- (2) "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" owned by the Insured while leased to others for a period of thirty (30) days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured.
- (3) "Bodily injury" or "property damage" arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment. This exception however does not apply when such equipment is mounted on or attached to any "automobile" and such equipment is used for the purpose of "loading or unloading".
- (4) "Bodily injury" or "property damage" arising out of "loading or unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

g. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in your care, custody or control;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

h. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

i. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor, but this exception does not apply to work that is defective, deficient, inadequate or dangerous.

j. Damage To Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

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

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

k. Recall of Products, Work or Impaired Property

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"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:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

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

I. 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".

m. Personal and Advertising Injury

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

n. Professional Services

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

o. Abuse

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

p. Employment - Related Practices

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury.

q. Asbestos – see Common Exclusions

r. Fungi or Spores – see Common Exclusions

s. Nuclear– see Common Exclusions

t. Pollution – see Common Exclusions

u. Terrorism – see Common Exclusions

v. War Risks – see Common Exclusions

w. Reactive Aggregates (Such as those containing pyrite or pyrrhotite) – see Common Exclusions

COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay on behalf of the Insured the "ultimate net loss" in excess of the "retained limit" because of "personal and 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" for such "personal and advertising injury" when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the Insured against any other "action" seeking "compensatory damages" to which this insurance may apply. However, we will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "action" that may result. But:

- (1) The amount we will pay for the "ultimate net loss" is limited as described in Section III – Limits Of Insurance; and

-
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

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

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

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

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

b. Material Published With Knowledge Of Falsity

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

c. Material Published Prior To Policy Period

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

d. Criminal Acts

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

e. Contractual Liability

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

f. Breach Of Contract

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

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

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

h. Wrong Description Of Prices

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

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

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

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media and Internet Type Businesses

"Personal and advertising injury" committed by an Insured whose business is:

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

However, this exclusion does not apply to Paragraphs 22. a., b. and e. of "personal and advertising injury" under the Definitions Section.

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

k. Electronic Chatrooms or Bulletin Boards

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

l. Unauthorized Use Of Another's Name or Product

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

m. Employment-Related Practices

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or

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(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury.

n. Professional Services

"Personal and advertising injury" due to the rendering of or failure to render by you or on your behalf of any "professional services" for others, or any error or omission, malpractice or mistake in providing those services.

o. Asbestos – see Common Exclusions

p. Fungi or Spores – see Common Exclusions

q. Nuclear – see Common Exclusions

r. Pollution – see Common Exclusions

s. Terrorism – see Common Exclusions

t. War Risks – see Common Exclusions

u. Reactive Aggregates (Such as those containing pyrite or pyrrhotite) – see Common Exclusions

COMMON EXCLUSIONS – COVERAGES A and B

This insurance does not apply to:

1. Asbestos

"Bodily injury", "property damage" or "personal and advertising 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, 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 asbestos or any materials containing asbestos in what ever 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 and advertising injury".

2. Fungi or Spores

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

b. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or

c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

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

For the purpose of the following exception;

(i) "Property damage" means physical injury to animals.

(ii) "Products-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 you intend "your product" to be:

(1) applied topically to; or

(2) ingested by;
humans or animals.

3. Nuclear Energy Liability

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

b. "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability;

- c. "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
- 1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an Insured;
 - 2) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
 - 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 contribute concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

4. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, 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;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional Insured with respect to your ongoing operations performed for that additional Insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional Insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any Insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a 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;
 - (ii) "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
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) 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 or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

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6. War Risks

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

7. Reactive Aggregates (Such as those containing pyrite or pyrrhotite)

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, from any reactive aggregates, such as those containing pyrite, pyrrhotite, iron sulfide or other materials containing such reactive materials, in any form and in any quantity or proportion.

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 and advertising injury".

SUPPLEMENTARY PAYMENTS – COVERAGES A and B

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an Insured we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the Insured at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to two hundred and fifty dollars (\$250) a day because of time off from work.
 - d. All costs assessed or awarded against the Insured in the "action".
 - e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.These payments will not reduce the limits of insurance.
2. When we have the right but not the duty to defend the Insured and elect to participate in the defense, we will pay our own expenses but will not contribute to the expenses of the Insured or the "underlying insurer".
3. 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:
 - a. The "action" against the indemnitee seeks "compensatory damages" for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the Insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the Insured in the same "insured contract";
 - d. 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;
 - e. The indemnitee and the Insured ask us to conduct and control the defense of that indemnitee against such "action" and agree that we can assign the same counsel to defend the Insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "action";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "action"; and
 - (b) Conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by us in the defense 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 Paragraph 2.b. (2) of Section I – Coverage A – Bodily Injury and Property Damage Liability, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated on the Declarations Page(s) as:

- a. An individual, you and your spouse are Insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership, 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.
- c. A limited liability company, you are an Insured. Your members are also Insureds, but only with respect to the conduct of your business. Your managers are Insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an Insured. Any subsidiary company of yours that now exists or any other company the control and management of which you now hold is an Insured.

Your "executive officers" and directors are Insureds, but only with respect to their duties as your officers or directors. Your shareholders are also Insureds, but only with respect to their liability as shareholders.

- e. A trust, you are an Insured. Your trustees are also Insureds, but only with respect to their duties as trustees.

2. Each of the following is also an Insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, your "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:

(1) "Bodily injury" or "personal and advertising injury":

- (a) 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 related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above; or
- (c) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraphs (1)(a) or (b) above;

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
- e. 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.

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

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

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4. Any additional Insured under any policy of "underlying insurance" will automatically be an Insured under this insurance, subject to the provisions in Condition 1 of this policy.

If coverage provided to the additional Insured is required by contract or agreement, the most we will pay on behalf of the additional Insured is the amount of insurance required by the contract, less any amounts payable by any "underlying insurance".

Additional Insured coverage provided by this insurance will not be broader than coverage provided by the "underlying insurance".

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 specified as a Named Insured on the Declarations Page(s).

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance specified on the Declarations Page(s) and the rules below fix the most we will pay regardless of the number of:
- Insureds;
 - Claims made or "actions" brought; or
 - Persons or organizations making claims or bringing "actions".
2. The General Aggregate Limit is the most we will pay for the sum of all "ultimate net loss"
- Arising out of the "products-completed operations hazard"; or
 - Arising out of any coverage contained in an "underlying insurance" listed on the Declarations Page(s) if such coverage is subject in such "underlying insurance" to an aggregate limit of liability for all insured damages, the aggregate limit under this policy applying separately to each such "underlying insurance" coverage.
3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under Coverage A because of all "bodily injury" and "property damage" arising out of any one "occurrence".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all "ultimate net loss" because of all "personal and advertising injury" sustained by any one person or organization.

The Aggregate Limits, as described in Paragraph 2. above, applies 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 specified on the Declarations 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.

5. Self – insured Retention

- The amount specified on the Declarations Page(s) as the result of all "occurrences" not covered by said "underlying insurance", is to be borne by the Insured as respects each annual period of this policy and shall be considered a "self-insured retention".
- When the "retained limit" has been exhausted, this policy shall apply without application of the "retained limit" for the remainder of that annual period.
- We may pay any part or all of the "self-insured retention" 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 "self-insured retention" amount as has been paid by us.

SECTION IV – COMMERCIAL UMBRELLA LIABILITY CONDITIONS

1. Additional Insured

In the event of additional Insureds being added to the coverage under "underlying insurance" policies during the policy period, prompt notice shall be given to us and we shall be entitled to charge an appropriate additional premium.

2. Appeals

If the "underlying insurer" or Insured elects not to appeal a judgment in excess of the "retained limit", we may do so at our own expense. We will be liable for taxable costs, post judgment interest and disbursements.

3. Bankruptcy

a. Bankruptcy of Insured

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this policy.

b. Bankruptcy of Underlying Insurer

Bankruptcy of the "underlying insurer" will not relieve us of our obligations under this policy.

However, this insurance will not replace the "underlying insurance" in the event of bankruptcy or insolvency of the "underlying insurer". This insurance will apply as if the "underlying insurer" was solvent.

4. Canadian Currency Clause

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

5. Changes

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

6. Duties In The Event Of Occurrence, Offense, Claim or Action

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
- (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "action" is brought against any Insured, you must:
- (1) Immediately record the specifics of the claim or "action" and the date received; and
 - (2) Notify us as soon as practicable.

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

- c. You and any other involved Insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "action"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
- d. No Insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

7. Examination Of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

8. Expanded Coverage Territory

- a. If an "action" is brought in a part of the "coverage territory" that is outside Canada, the United States of America (including its territories and possessions), and we are prevented by law, or otherwise, from defending the Insured, the Insured will initiate a defense of the "action". We will reimburse the Insured, under Supplementary Payments, for any reasonable and necessary expenses incurred for the defense of an "action" seeking "compensatory damages" to which this insurance applies, that we would have paid had we been able to exercise our right and duty to defend.

If the Insured becomes legally obligated to pay sums because of "compensatory damages" to which this insurance applies in a part of the "coverage territory" that is outside Canada, or the United States of America (including its territories and possessions), and we are prevented by law, or otherwise, from paying such sums on the Insured's behalf, we will reimburse the Insured for such sums.

- b. All payments or reimbursements we make for "compensatory damages" because of judgments or settlements will be made in Canadian currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in Canadian currency at the prevailing exchange rate at the time the expenses were incurred.
- c. Any disputes between you and us as to whether there is coverage under this policy must be filed in the courts of Canada, or the United States of America (including its territories and possessions).
- d. The insured must fully maintain any coverage required by law, regulation or other government authority during the policy period, except for reduction of the aggregate limits due to payment of claims, judgments or settlements.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the coverage required by law, regulation or other governmental authority was in full effect.

9. Inspections and Surveys

1. We have the right to:
- a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

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10. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into an "action" asking for "compensatory damages" from an Insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

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

11. Loss Payable

Liability under this policy shall not apply unless and until the Insured or Insured's "underlying insurer" has become obligated to pay the "retained limit". Such obligation by the Insured to pay part of the "ultimate net loss" shall have been previously determined by a final settlement or judgment after an actual trial or written agreement between the Insured, claimant, and us.

12. Maintenance of Underlying Insurance

The "underlying insurance" listed in the schedule of "underlying insurance" on the Declarations Page(s) shall remain in full effect throughout the policy period except for reduction of the aggregate limit due to payment of claims, settlement, or judgments.

Failure to maintain "underlying insurance" will not invalidate this insurance. However, this insurance will apply as if the "underlying insurance" were in full effect.

You must notify us as soon as practicable when any "underlying insurance" is no longer in effect.

13. Other Insurance

- a. This insurance is excess over, and shall not contribute with any of other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this policy.

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

- b. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:
 - (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (2) The total of all deductible and self-insured amounts under all that other insurance.

14. Premiums

The first Named Insured shown in the Declarations Page(s):

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

15. Representations or Fraud

By accepting this policy, you agree:

- a. The statements on the Declarations Page(s) are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations, and
- d. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

16. Separation Of Insureds, Cross Liability

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

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each Insured against whom claim is made or "action" is brought.

17. Termination

- a. The first Named Insured shown on the Declarations Page(s) may terminate this policy by mailing or delivering to us advance written notice of termination.
- b. We may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - 1) Five (5) days before the effective date of termination if we personally delivered, or
 - 2) Fifteen (15) days before the effective date of termination if we terminate for non-payment of premium, or
 - 3) Thirty (30) days before the effective date of termination if we terminate for any other reason.

Except in Quebec, if notice is mailed, termination takes effect fifteen (15) or thirty (30) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.

In Quebec, termination takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination. Delivery by us shall be equivalent to mailing.

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- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
 - d. The policy period will end on the date termination takes effect.
 - e. If this policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

18. Transfer of Defense

When the underlying limits of insurance have been used up in the payment of judgments or settlements, the duty to defend will be transferred to us. We will cooperate in the transfer of control to us of any outstanding claims or "actions" seeking "compensatory damages" to which this insurance applies which would have been covered by the "underlying insurance" had the applicable limit not been used up.

19. Transfer Of Rights Of Recovery Against Others To Us

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

20. Transfer Of Your Rights and Duties Under This Policy

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

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

SECTION V – DEFINITIONS

- 1. "**Abuse**" means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
- 2. "**Action**" means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the Insured must submit or does submit with our consent; or
 - b. 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:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 4. "**Automobile**" means a land motor vehicle, trailer or semi-trailer 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 attached machinery or equipment.
- 5. "**Bodily Injury**" means bodily injury, disability, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
- 6. "**Compensatory Damages**" means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
- 7. "**Coverage Territory**" means anywhere in the world.
- 8. "**Electronic Data**" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 9. "**Employee**" includes a "leased worker" and a "temporary worker".
- 10. "**Executive Officer**" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 11. "**Fissionable Substance**" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- 12. "**Fungi**" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
- 13. "**Hostile Fire**" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 14. "**Impaired Property**" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

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b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

15. **"Incidental Medical Malpractice Injury"** means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:

i) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or

ii) 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 i) and ii) above.

16. **"Insured Contract"** means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;

d. Any other easement agreement;

e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;

f. An elevator maintenance agreement;

g. That part of any other contract or agreement pertaining to 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. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

(1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(2) Under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

17. **"Leased Worker"** means a person leased to 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"

18. **"Loading or Unloading"** means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";

b. While it is in or on an aircraft, watercraft or "automobile"; or

c. While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered;

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

19. **"Nuclear Energy Hazard"** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;

20. **"Nuclear Facility"** means:

a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;

b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;

c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than twenty five (25) grams of plutonium or uranium 233 or any combination thereof, or more than two hundred fifty (250) grams of uranium 235;

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

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

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21. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
22. **"Personal and Advertising Injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. Discrimination (unless prohibited by law);
 - d. Humiliation;
 - e. 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;
 - f. 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;
 - g. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - h. The use of another's advertising idea in your "advertisement"; or
 - i. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
23. **"Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
24. **"Products-Completed Operations Hazard"**:
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any Insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
25. **"Professional Services"** shall include but not be limited to:
- a. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
 - b. Any professional service or treatment conducive to health;
 - c. Professional services of a pharmacist;
 - d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
 - f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
 - g. The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
 - h. Supervisory, inspection, architectural, design or engineering services;
 - i. Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
 - j. Any computer programming or re-programming, consulting, advisory or related services; or
 - k. Claim, investigation, adjustment, appraisal, survey or audit services.
26. **"Property Damage"** means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, "electronic data" is not tangible property.

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27. **"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;
28. **"Retained Limit"** means the available limits of "underlying insurance" scheduled on the Declarations Page(s) or the "self-insured retention", whichever applies.
29. **"Self-insured Retention"** means the dollar amount listed on the Declarations Page(s) that will be paid by the Insured before this insurance becomes applicable only with respect to "occurrences" or offenses not covered by the "underlying insurance". The "self-insured retention" does not apply to "occurrences" or offenses which would have been covered by "underlying insurance" but for the exhaustion of applicable limits.
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. **"Ultimate net loss"** means the total sum, after reduction for recoveries or salvages collectible, that the Insured becomes legally obligated to pay as "compensatory damages" by reason of settlement or judgment or any arbitration or other alternate dispute method entered into with our consent or the "underlying insurer's" consent.
34. **"Underlying Insurance"** means those policies listed in the schedule of "underlying insurance" on the Declarations Page(s) of this policy and any renewal or replacement of such policy(ies).
35. **"Underlying Insurer"** means any insurer who provides any policy of insurance listed in the schedule of "underlying insurance".
36. **"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.
37. **"Your Product":**
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
38. **"Your Work":**
- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
 - (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Commercial Umbrella Liability Policy – Form 4000

This endorsement modifies insurance provided as follows:

This policy does not provide coverage for liability arising from or related to:

1. "Property damage" to, or loss or depreciation of any property, real or personal, held by, deposited with, entrusted to, or otherwise in the care, custody or control of the Insured, or as to which the Insured is for any purpose exercising physical control;
2. Any negligent act, error, omission or breach of duty in performing or failing to perform banking or fiduciary services, or in giving financial, economic or investment advice, or in rendering investment, advisory or management service;
3. Any dishonest or fraudulent acts brought about by, or contributed to by the Insured or any director, officer or "employee" of the Insured;
4. Any obligation assumed by or on behalf of the Insured under any binder, policy or contract of insurance, reinsurance, suretyship, annuity or endowment, or resulting from any acts, errors or omissions in effecting such binders, policies or contracts;
5. The ownership, maintenance, operation, use, control or management of any property or business enterprise for which the Insured is acting in a fiduciary or representative capacity, unless such liability is covered by valid and collectible underlying insurance as described in the schedule of "underlying insurance", and then only for such hazards for which coverage is afforded under said "underlying insurance", provided, however, that in no event shall this form apply to any such liability arising prior to the time the insured first had the right or duty to act in such fiduciary or representative capacity.

"Fiduciary" shall include, but not be limited to:

administrator; executor; trustee under will or trust agreement; committee for incompetents; guardian; and agent or sub-agent for any of the foregoing; custodian of securities; manager of real or personal property; interest or dividend disbursing agent; paying agent; fiscal agent; transfer agent; registrar; agent for voting trustees; warrant agent; depository; agent for a committee of holders of stock or securities; escrow agent; trustee under bond indenture; sinking fund agent; receiver or trustee appointed by any court in receivership, bankruptcy or reorganization proceedings; or any other similar trust or representative capacity.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Applicable to Commercial Umbrella Liability Policy – Form 4000

This endorsement modifies insurance provided as follows:

This policy does not provide coverage for liability arising from or related to "bodily injury" (other than "incidental medical malpractice injury"), "property damage" or "personal and advertising injury" 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.

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

ATTACHED TO AND FORMING PART OF THIS UMBRELLA EXCESS THIRD PARTY LIABILITY POLICY

In consideration of the payment of the premium specified and of the statements contained in the application and subject to the limits, special provisions and conditions herein stated and subject, insofar as applicable, to the terms, conditions, general provisions, definitions and exclusions set forth in the first loss policy specified (Schedule of Underlying Insurance) on the Declarations Page(s), which said terms, conditions, general provisions, definitions and exclusions are by reference incorporated herein, the Excess Insurer agrees to indemnify the Insured under the first loss motor vehicle liability insurance against liability imposed by law upon the Insured for an amount or amounts in excess of the limit(s) of the first loss insurance and the underlying excess insurance for loss or damage arising from the ownership, use or operation of the automobile(s) covered under such first loss insurance and the underlying excess insurance resulting from Bodily Injury to or Death of any Person or Damage to Property.

SPECIAL PROVISIONS

1. The Excess Insurer's ultimate net loss liability shall not exceed the limit stated on the Declarations Page(s) in excess of the limit(s) of the first loss policy, and the underlying excess policy or policies specified (Schedule of Underlying Insurance) on the Declarations Page(s) thereof, or such amounts the first loss Insurer and the underlying excess Insurer shall be liable to pay under statute, whichever is the greater.

The words "ultimate net loss" used in this policy means the amount payable in settlement of the liability of the Insured after making deductions for all recoveries and for other valid and collectible insurances excepting the first loss and underlying policy(ies) and shall exclude all expenses and costs.
2. The word "costs" used in this policy means interest accruing after entry of judgment upon that part of the judgment which is within the limit of the Excess Insurer's liability, investigation, adjustment and legal expenses, excluding, however, all office expenses of the Insured, all expenses of salaried employees of the Insured and general retainer fees for counsel normally paid by the Insured.
3. The Excess Insurer agrees to pay costs incurred by or on behalf of the Insured where these costs are not covered by the first loss or underlying excess policy or policies, on the following basis:
 - (a) should any claim or claims become adjustable prior to the commencement of trial for not more than the first loss and underlying excess policy limit(s) then no costs shall be payable by the Excess Insurer;
 - (b) should, however, the amount for which said claim(s) may be so adjustable exceed the first loss and underlying excess policy(ies) limit(s), then the Excess Insurer shall contribute to the costs incurred on behalf of the Insured in the ratio that the Excess Insurer's proportion of the ultimate net loss as finally adjusted bears to the whole amount of such ultimate net loss;
 - (c) in the event that the Insured or the Insurer under the first policy loss elects not to appeal a judgment in excess of the limit(s) of the first loss and underlying excess policy(ies) the Excess Insurer may elect to conduct such appeal and shall be liable for the taxable costs and interest incidental thereto; but in no event shall the total liability of the Excess Insurer exceed the final limit of liability specified on the Declarations Page(s), plus the expense of such appeal.
4. All recoveries or payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Excess Insurer, provided always that nothing in this policy shall be construed to mean that losses under this policy are not payable until the Insured's ultimate net loss has finally been ascertained.
5. Liability to pay under this policy shall not attach unless and until the first loss and underlying Excess Insurer(s) shall have admitted liability for the first loss and underlying excess limit(s) or unless and until the Insured has by final judgment been adjudged to pay an amount which exceeds such first loss and underlying excess limit(s) and then only after the first loss and underlying Excess Insurer(s) has/have paid or has/have been held liable to pay the full amount of the first loss and underlying excess limit(s).
6. Neither the inclusion of more than one entity in the name of the Insured nor the addition of any additional Insured(s) under this policy shall in any way operate to increase the limit of liability specified on the Declarations Page(s).
7. Notwithstanding Statutory Condition 3(1) contained in the first loss policy the Insured is only required to give the Excess Insurer notice of any accident if the claim or claims possibly arising therefrom appear likely to exceed the first loss insurance, in which case immediate written notice thereof must be given to the Insurer.
8.
 - (a) This policy may be terminated
 - (i) by the Excess Insurer giving to the Insured fifteen (15) days notice of termination by registered mail, or five (5) days written notice of termination personally delivered; or
 - (ii) by the Insured at any time on request.
 - (b) Where this policy is terminated by the Excess Insurer
 - (i) the Excess Insurer shall refund the excess of the premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (ii) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
 - (c) Where this policy is terminated by the Insured the Excess Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
 - (d) The refund may be made by money, postal or express company order, or by cheque payable at par.
 - (e) The fifteen (15) days mentioned in clause (i) of sub-condition (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

STANDARD EXCESS AUTOMOBILE POLICY
(S.P.F. No. 7 In Applicable Provinces)
Form 4900 (2011-01)

- (f) Nothing in this special provision shall in any way affect the operation of the statutory provision in The Insurance Act providing that where the contract or contracts designated in the excess contract terminates or is terminated, the excess contract is automatically terminated. In the event that this policy is automatically terminated, the Excess Insurer agrees to refund the excess of premium actually paid over the pro rata premium for the expired term (subject to any minimum retained premium specified) as soon as practicable, but if there is any pro rata premium unpaid the Insured agrees to pay this.
9. Any written notice to the Excess Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Excess Insurer in this province. Written notice may be given to the Insured named in this policy by letter personally delivered to him or by registered mail addressed to him at his latest post office address notified to the Excess Insurer. In this condition the expression "registered" means in or outside of Canada.

INTELLECT CYBER LIABILITY - CLAIMS MADE AND REPORTED COVERAGE

THIS POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE

THIS IS A CLAIMS-MADE AND REPORTED POLICY. Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning.

SECTION I - INSURING AGREEMENTS

In consideration of the payment of the premium, in reliance upon the statements made in the "Proposal", for this insurance which are made a part hereof, the Insurer agrees to provide insurance as follows:

1. LIABILITY COVERAGES

A. E-MEDIA LIABILITY

The Insurer will pay on behalf of the "Insured" all sums which the "Insured" shall become legally obligated to pay as "Damages", and "Defence Costs", resulting from any "Claim" first made against the "Insured" during the "Policy Period" and reported to the Insurer during the "Policy Period" or any applicable "Extended Reporting Period" or "Discovery Period" alleging an "E-Media Wrongful Act" to which this insurance applies.

B. NETWORK SECURITY AND PRIVACY BREACH LIABILITY

The Insurer will pay on behalf of the "Insured" all sums which the "Insured" shall become legally obligated to pay as "Damages", and "Defence Costs", resulting from any "Claim" first made against the "Insured" during the "Policy Period" and reported to the Insurer during the "Policy Period" or any applicable "Extended Reporting Period" or "Discovery Period" alleging a "Network Security Wrongful Act" or a "Privacy Breach Wrongful Act", by or on behalf of the "Insured" for which this insurance applies.

2. EXPENSE COVERAGES

C. PRIVACY BREACH EXPENSES

The Insurer will reimburse the "Insured" for "Privacy Breach Expenses" resulting from a "Privacy Breach Wrongful Act" that first occurs during the "Policy Period" and is reported to the Insurer during the "Policy Period" or any applicable "Extended Reporting Period", provided the "Privacy Breach Expenses" incurred within one (1) year of the expiration of the "Policy Period".

D. PRIVACY REGULATORY DEFENCE AND PENALTIES

The Insurer will pay on behalf of the "Insured" all sums which the "Insured" shall become legally obligated to pay, and "Defence Costs", as a result of any "Regulatory Proceeding", including any compensatory award, penalty or fines, to the extent insurable by law, awarded or imposed against the "Insured" in the "Regulatory Proceeding", first made against the "Insured" during the "Policy Period" and reported to the Insurer during the "Policy Period" or any applicable "Extended Reporting Period" or "Discovery Period" in respect of an actual or alleged "Network Security Wrongful Act" or "Privacy Breach Wrongful Act".

3. FIRST PARTY COVERAGES

E. BUSINESS INTERRUPTION LOSS

The Insurer will reimburse the "Insured" for "Business Interruption Loss" subject to the "Waiting Period" set forth in the "Declarations Page", the "Insured" incurs during the Period of Restoration directly resulting from a "Network Outage" that first occurs during the "Policy Period" and is reported to the Insurer during the "Policy Period" or any applicable "Extended Reporting Period". The "Failure of Security" causing the "Network Outage" and the "Business Interruption Loss" must each first occur during the "Policy Period".

F. DIGITAL ASSET LOSS

The Insurer will reimburse the "Insured" for "Digital Asset Loss" the "Insured" sustains that first occurs during the "Policy Period" and is reported to the Insurer during the "Policy Period" or any applicable "Extended Reporting Period". The "Digital Asset Loss" must result from a "Failure Of Security" of the "Insured's" "Computer System" or of a "Computer System" maintained or operated by a "Third Party" on behalf of the "Insured", that first occurs during the "Policy Period".

G. CYBER EXTORTION THREAT

The Insurer will reimburse the "Insured" for "Extortion Expense" and "Extortion Monies" resulting directly from any "Credible Threat" or series of "Credible Threats" that includes a demand for "Extortion Monies" that first occurs during the "Policy Period" and is reported to the Insurer during the "Policy Period" or any applicable "Extended Reporting Period".

"Extortion Expense" and "Extortion Monies" will not be paid without a recommendation by law enforcement, prior consultation with the Insurer and express written consent of the Insurer.

4. DEFENCE AND SETTLEMENT

With respect to any "Claim" covered under SECTION I, Item 1. – LIABILITY COVERAGES or SECTION I, Item 2. D. – PRIVACY REGULATORY DEFENCE AND PENALTIES, the Insurer shall have the right and duty to:

- (a) Defend any legal proceedings or arbitration proceedings against the "Insured" seeking "Damages" payable under the terms of this Policy, and defend any "Regulatory Proceedings" against the "Insured", even if any of the allegations of the suit are groundless, false or fraudulent;
- (b) Investigate and negotiate the settlement of any "Claim" or suit as it deems expedient.

The Insurer shall not settle any "Claim" without the consent of the "Insured". If, however, the "Insured" shall refuse to consent to any settlement recommended by the Insurer and shall elect to contest the "Claim" or continue any legal proceedings in connection with such "Claim", then the Insurer's liability for the "Claim" shall not exceed the amount for which the "Claim" could have been so settled with the "Insured's" consent up to the date of such refusal.

Amounts payable will be part of and not in addition to the Limit of Liability applicable to each "Claim".

5. SUPPLEMENTARY PAYMENTS

With respect to any "Claim" covered under SECTION I, Item 1. – LIABILITY COVERAGES, the Insurer shall pay or reimburse:

- (a) All premiums on bonds to release attachments for an amount not in excess of the Limit of Liability shown in the "Declarations Page";
- (b) All premiums on appeal bonds required in any defended suit, but without any obligation to apply for or furnish such bonds;
- (c) 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 Limit of Liability.

Amounts payable will be part of and not in addition to the Limit of Liability applicable to each "Claim".

6. LIMIT OF LIABILITY & DEDUCTIBLE**(a) Combined Policy Aggregate Limit:**

The Policy Aggregate Limit stated in the "Declarations Page" is the most the Insurer will pay as "Damages" for all "Claims" first made against any "Insureds" during the "Policy Period", and the most the Insurer will pay for all "Expenses and Losses" first occurring during the "Policy Period", regardless of the number of "Insureds" or the number of claimants.

(b) Liability Coverage – Limit of Liability:

The Limit of Liability for each Liability Insuring Agreement stated in the "Declarations Page" is the most the Insurer will pay under such Insuring Agreement as "Damages" and "Defence Costs" for all "Claims" made against any "Insured" during the "Policy Period", regardless of the number of "Insureds" or the number of claimants. The Limit of Liability will be part of and not in addition to the Policy Aggregate Limit.

(c) Expense Coverage: Limit of Insurance

The sub-limits of Insurance for SECTION I, Item 2. C. – PRIVACY BREACH EXPENSES and for SECTION I, ITEM 2. D. – PRIVACY REGULATORY DEFENCE AND PENALTIES stated in the "Declarations Page" is the maximum aggregate amount the Insurer will pay for "Expenses and Losses" under such Insuring Agreements. These sub-limits will be part of and not in addition to the Limit of Liability for SECTION I, Item 1. B. – NETWORK SECURITY AND PRIVACY BREACH LIABILITY. The sub-limits of insurance for SECTION I, Item 2. C. – PRIVACY BREACH EXPENSES and for SECTION I, Item 2. D. – PRIVACY REGULATORY DEFENCE AND PENALTIES will be part of and not in addition to the Policy Aggregate Limit.

(d) First Party Coverage: Limit of Insurance

The Limit of Insurance for each First Party Coverage stated in the "Declarations Page" will be the maximum aggregate amount that the Insurer will pay under such Insuring Agreements for "Expenses and Losses" under such Insuring Agreements. The Limit of Insurance will be part of and not in addition to the Limit of Liability for SECTION I, Item 1. B. – NETWORK SECURITY AND PRIVACY BREACH LIABILITY. The Limits of Insurance will be part of and not in addition to the Policy Aggregate Limit.

(e) Deductible:

The Deductible stated in the "Declarations Page" will apply to "Damages" for each "Claim" under SECTION I, Item 1. – LIABILITY COVERAGES and SECTION I, Item 2. – EXPENSES COVERAGES and to all "Expenses and Losses" incurred or sustained by the "Insured" under SECTION I, Item 2.- EXPENSES COVERAGES and SECTION I, Item 3 – FIRST PARTY COVERAGES, and the Insurer will only be responsible in excess of this amount. The full Limit of Liability will apply over the Deductible.

The Deductible will not apply to SECTION I, Item 4. – DEFENCE AND SETTLEMENT and SECTION I, Item 5. – SUPPLEMENTARY PAYMENTS.

(f) Interrelated Claims, Expenses and Losses:

One or more "Claims" arising out of the same or related "Wrongful Acts" or "Interrelated Wrongful Acts" will be considered a single "Claim", first reported in the "Policy Period" in which the earliest "Claim" was reported and subject to that single Limit of Liability.

In the event one or more Insuring Agreements may apply in the event of the same or related "Wrongful Acts" or "Interrelated Wrongful Acts", all "Claims", "Damages" and "Expenses and Losses" arising from such "Wrongful Acts" or "Interrelated Wrongful Acts" will be considered one and the same "Claim" or event, first reported in the "Policy Period" in which the earliest of the "Claims" or events giving rise to "Expenses and Losses" was reported, and subject to a single Limit of Liability. The single highest Deductible amount otherwise applicable in respect of each insuring agreement will be deemed the Deductible amount applicable to all "Damages" payable, and all "Expenses and Losses" incurred or sustained by the "Insured" in respect of such "Wrongful Acts" or "Interrelated Wrongful Acts".

7. WHO IS AN INSURED

All of the following are included as an "Insured" under the policy:

- (a) The "Named Insured";
- (b) Any subsidiary of the "Named Insured" but only with respect to "Wrongful Acts", "Digital Assets Loss", "Business Interruption Loss", or "Credible Threat" taking place while a subsidiary;
- (c) If the "Named Insured" is:
 - (i) An individual, "Insured" includes the "Named Insured's" spouse, but only with respect to the conduct of a business of which the "Named Insured" is the sole owner;
 - (ii) A partnership, joint venture, limited liability partnership or limited liability company, "Insured" includes the "Named Insured's" members, partners, principals, stockholders or owners thereof and their spouses, but only with respect to the conduct of the "Named Insured's" partnership, joint venture, limited liability partnership or limited liability company business and only while acting in their capacity as such;



- (iii) A business corporation, "Insured" includes:
 - (1) The "Named Insured's" present or past "Employees" but only with respect to the conduct of the "Named Insured's" business corporation and only while acting within the scope of their duties as such;
 - (2) The "Named Insured's" present or past officers and directors (whether elected, appointed, or de facto) but only with respect to the conduct of the "Named Insured's" business corporation and only while acting within the scope of their duties as such; and
 - (3) The "Named Insured's" shareholders but only with respect to their liability as shareholders;
- (d) In the event of the death, incompetence, insolvency or bankruptcy of any "Insured", the "Insured" includes the estate or appointed legal representative of the "Insured" but only while acting within the scope of their duties as such; and
- (e) Any entity that the "Named Insured" acquires or forms and which the "Named Insured" either owns or maintains a fifty-one percent (51%) or more controlling interest, provided that:
 - (i) There is no other insurance available to that entity;
 - (ii) The "Named Insured" advised the Insurer within ninety (90) days of the acquisition or formation of such entity and provides the Insurer with reasonable information as it deems necessary to evaluate any material change to the risk;
 - (iii) The "Named Insured" agrees to pay any additional premium requested by the Insurer; and
 - (iv) The "Wrongful Acts", "Digital Assets Loss", "Business Interruption Loss", or "Credible Threat" takes place after the effective date of acquisition or formation.

8. TERRITORY & RETROACTIVE DATE

This Policy applies to all "Claims", "Expenses and Losses" arising out of "Wrongful Acts" which occur:

- (a) Within the "Coverage Territory"; and
- (b) After the Retroactive Date shown on the "Declarations Page" and before the expiration of the "Policy Period".

Provided always that all "Claims" are first made against the "Insured" and all "Expenses and Losses" first occur during the "Policy Period", and notice is given to the Insurer in accordance with SECTION IV, Condition 12.

9. AUTOMATIC EXTENDED REPORTING PERIOD

This Policy shall provide the "Insured" an automatic extended reporting period of sixty (60) days, without additional charge, following the termination of this Policy, for the reporting of any "Claim", "Expenses" or "Losses" but only with respect to any "Wrongful Acts" committed after the Retroactive Date and prior to such termination date. This automatic extended sixty (60) day reporting period will not apply if the Policy is cancelled because of non-payment of the premium by the "Insured" or if replacement coverage is obtained from the Insurer. It is further understood and agreed that this automatic extension shall not apply with respect to knowledge by the "Insured" of any fact or circumstance which could reasonably be expected to give rise to any verbal or written demand against the "Insured" for monetary damages.

10. DISCOVERY PERIOD

If the Insurer or the "Named Insured" shall cancel or refuse to renew this Policy and provided that the premium has been fully paid, the "Insured" shall have the right, upon payment of an additional premium, to an extension of the coverage granted by this Policy in respect of any "Claim", made against the "Insured" during one (1), three (3) or six (6) years after the termination of the Policy, but only with respect to any "Wrongful Acts" committed after the Retroactive Date and prior to such termination date. Such period of time is hereinafter referred to as the "Discovery Period". The additional premium to be charged will be determined upon request pursuant to this extension and will remain at the discretion of the Insurer, however, such additional premium shall not exceed:

- (a) For a one (1) year "Discovery Period", 100% of the previous annual premium;
- (b) For a three (3) year "Discovery Period", 150% of the previous annual premium; or
- (c) For a six (6) year "Discovery Period", 300% of the previous annual premium.

This right of extension shall cease unless written notice to extend is given to the Insurer within sixty (60) days after the termination date, together with full payment of the premium for this extension. The "Discovery Period" will be part of the immediately preceding "Policy Period" and subject to the same single aggregate Limit of Liability applicable to such "Policy Period", including the "Discovery Period".

The additional premium for the "Discovery Period" shall be fully earned at the inception of the "Discovery Period". The "Discovery Period", once affected, is not cancellable.

SECTION II - DEFINITIONS

As used in this Policy, the following words or expressions shall mean:

1. **"Advertising"**: a notice that is broadcast or published to the general public or specific market segments about the "Insured's" goods, products or services for the purpose of attracting customers or supporters.
2. **"BPO Service Provider"**: any "Third Party" independent contractor that provides business process outsourcing services for the "Insured's" benefit under a written contract with the "Insured", including but not limited to; call center services, fulfillment services, and logistical support.
3. **"Business Interruption Loss"**: the sum of Actual Loss, and Extra Expense resulting directly from a "Network Outage". The "Business Interruption Loss" will be calculated based on the actual "Business Interruption Loss" the "Insured" sustains per hour during the Period of Restoration. If an "Insured" could reduce the Actual Loss or Extra Expense resulting from a "Network Outage" by complete or partial resumption of operations, such reductions will be taken into account in arriving at Actual Loss or Extra Expense.

Solely with respect to coverage afforded under SECTION I, Item 3. E. – BUSINESS INTERRUPTION LOSS:

- (a) Actual Loss is:
 - (i) Net Sales less the cost of sales expenses the "Insured" would have earned or incurred had there been no "Network Outage"; and
 - (ii) Continuing normal operating expenses incurred by the "Insured", including ordinary payroll expenses, provided such operating expenses must continue during the "Network Outage" and only to the extent that such expenses would have been incurred by the "Insured" had no "Network Outage" occurred.



- (b) Extra Expense as necessary or reasonable expenses incurred by the "Insured" directly as a result of a "Network Outage", but only to the extent such expense reduces Actual Loss.
 - (c) Period of Restoration is the period of time that:
 - (i) Begins with the date and time that the "Network Outage" first occurs; and
 - (ii) Ends with the earliest of:
 - (1) The date and time that the "Network Outage" ends, or would have ended, if the "Insured" had exercised due diligence and dispatch; or
 - (2) 30 days after the date and time that the "Network Outage" first occurred.
 - (d) "Business Interruption Loss" does not include:
 - (i) Contractual penalties of any nature;
 - (ii) Cost or expenses incurred to identify or remediate "Computer System" errors or vulnerabilities;
 - (iii) Cost or expenses incurred to update, restore, replace or otherwise improve any "Computer System" to the level of functionality beyond that which existed prior to the loss event;
 - (iv) Any other consequential loss or damage;
 - (v) Legal costs or legal expenses of any nature; and
 - (vi) "Damages" arising out of liability to any "Third Party" for whatever reason.
4. **"Claim"**:
- (a) Any verbal or written demand for monetary or non-monetary relief against the "Insured" for "Wrongful Acts";
 - (b) A civil or arbitration proceeding commenced by the issuance of notice of action, statement of claim, writ of summons, complaint or similar originating notice of claim;
 - (c) For the purpose of SECTION I, Item 2. D., a "Regulatory Proceeding";
- "Claim" does not include criminal proceedings.
5. **"Computer System"**: computer hardware, software, firmware, and components thereof, including electronic data stored thereon, which are linked together through a network or two or more computers, including such networks accessible through the Internet, intranets, extranets or virtual private networks.
6. **"Confidential Corporate Information"**: confidential information held by the Insured on behalf of a "Third Party" entity, which the "Insured" has agreed to keep confidential pursuant to a confidentiality or non-disclosure agreement.
7. **"Content"**: audio, visual, digital or informational material that is disseminated electronically.
8. **"Coverage Territory"**: anywhere in the world.
9. **"Credible Threat(s)"**: threat(s) to:
- (a) Release, divulge, disseminate, destroy or use the "Insured's" "Digital Assets" acquired by "Unauthorized Access" or "Unauthorized Use" of the "Insured's" "Computer System";
 - (b) Introduce "Malicious Code" into the "Computer System" of the "Insured";
 - (c) Transmit "Malicious Code" from the "Insured's" "Computer System" to corrupt, damage or destroy the "Computer System" of a "Third Party";
 - (d) Corrupt, damage or destroy the "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured";
 - (e) Electronically communicate with the "Insured's" customers and falsely claim to represent the "Insured" or acting under the "Insured's" direction in order to falsely obtain "Protected Personal Information" of the "Insured's" customers;
 - (f) Restrict or hinder access to the "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured", including the threat of criminal or malicious "Denial of Service"; or
 - (g) Encrypt, lock down, or otherwise render the "Insured's" data unreadable and/or unusable.
- Such threat(s) shall not constitute "Credible Threat(s)" unless prior to surrendering property or other consideration as payment by or on the behalf of the "Insured":
- (a) The "Insured" conducts a reasonable investigation and reasonably determines that such threat is technologically credible;
 - (b) The "Insured" must report such "Credible Threat(s)", at the Insurer's request, to the RCMP, FBI, CIRCC, CERT, ISAC or any other central reporting or investigative organization that the Insurer may designate; and
 - (c) Law enforcement engaged in the investigation deems it to be a credible threat.
10. **"Damages"**: compensatory damages, including aggravated damages, in a monetary judgment, award or settlement, arising from a "Claim" including:
- (a) Costs awarded against the "Insured" in respect of any judgment or appeal;
 - (b) Punitive or exemplary damages to the extent that such damages are insurable under the law most favourable to the insurability of such damages of any jurisdiction which has a substantial relationship to the "Insured", the Insurer, this Policy or the "Claim"; and
 - (c) Pre- and post – judgment interest on any award or settlement of "Damages" arising from paragraphs (a) or (b) above;
- Damages shall not include:
- (i) Taxes, fines, penalties or sanctions, except for regulatory penalties arising in a "Regulatory Proceeding" under SECTION I, Item 2. D. – PRIVACY REGULATORY DEFENCE AND PENALTIES;
 - (ii) Future profits, future royalties, costs of licensing, or other costs of obtaining future use;
 - (iii) Restitution or disgorgement by any "Insured";
 - (iv) The cost of correcting, or re-performing any services provided by the "Insured";
 - (v) Discounts, coupons, refunds or other incentives offered to the "Insured's" customers or clients;
 - (vi) Monetary judgments, awards or settlements that are uninsurable under the law pursuant to which this Policy is construed;
 - (vii) The return of fees or other compensation paid to the "Insured";
 - (viii) The multiple portion of a multiplied damage award;
 - (ix) Assessments, fines, penalties, or other cost recovery mechanisms of payment card companies including but not limited to counterfeit card recovery costs, operating expense recovery costs, and assessments and/or disqualification for noncompliance;
 - (x) "Defence Costs";
 - (xi) "Digital Assets";
 - (xii) "Business Interruption Loss";
 - (xiii) "Extortion Expense";
 - (xiv) "Extortion Monies"; and
 - (xv) "Privacy Breach Expense".

11. **“Defence Costs”**: reasonable and necessary legal, investigation and adjusting expenses incurred by the “Insured” with the consent of the Insurer or incurred by the Insurer on behalf of the “Insured”:
- Solely for the defence of a “Claim” against the “Insured” seeking “Damages” payable under this Policy, including lawyer’s fees and disbursements; and
 - For the legal representation of the “Insured” in respect of any “Regulatory Proceeding”.
- “Defence Costs” do not include “Privacy Breach Expenses”, or any salary, overhead, or other charges incurred by the “Insured” for any time spent in cooperating with the defence of any “Regulatory Proceeding”.
12. **“Denial of Service”**: an attack launched by a person or persons that sends an excessive volume of electronic data to a “Computer System” in order to deplete such “Computer System’s” capacity, and prevents those who are authorized to do so from gaining access to such “Computer System” in a manner in which they are legally entitled, provided such depletion of capacity is not caused by a mistake in determining capacity needs.
13. **“Digital Assets”**:
- Software or electronic data, customer lists and information, financial, credit card or competitive information, and confidential or private information, stored electronically on any “Computer System” of the “Insured” or of a “Third Party” who operates or maintains a “Computer System” on behalf of the “Insured”, which is subject to regular back-up procedures; or
 - Capacity of any “Computer System” of the “Insured” or of a “Third Party” who operates or maintains a “Computer System” on behalf of the “Insured”, including without limitation, memory, bandwidth, or processor time, use of communication facilities and any other computer-connected equipment.
14. **“Digital Asset Loss”**:
- The actual and necessary costs incurred by the “Insured” to restore its “Digital Assets” that have been altered, corrupted, destroyed, disrupted, deleted or damaged;
 - The actual cost borne by the “Insured” to “Recollect” such “Digital Assets” in the event the “Insured” is unable to “Restore” such “Digital Assets”, but is able to “Recollect” such “Digital Assets”;
 - In the event the “Insured” is not able to “Restore” or “Recollect” such “Digital Assets”, the “Digital Asset Loss” will mean only the actual costs incurred by the “Insured” to reach this determination.
- “Digital Asset Loss” does not include and coverage will not be afforded for:
- Loss arising out of any liability to “Third Parties” for whatever reason;
 - Costs and expenses incurred by the “Insured” to update, upgrade, enhance or replace the “Insured’s” “Digital Assets”;
 - Legal costs or legal expenses;
 - Loss arising out of any physical damage to or destruction of the computer hardware, firmware or any other property except “Digital Assets”;
 - That part of any “Digital Asset Loss” for which the proof as to its existence or amount is solely dependent on an inventory computation or comparison; or a profit and loss computation or comparison; provided, however, where the “Insured” establishes wholly apart from such comparison that it has sustained a “Digital Asset Loss”, then it may offer its inventory records and actual physical count of inventory in support of the amount of such “Digital Asset Loss” claimed;
 - The costs or expenses incurred for researching or developing “Digital Assets”;
 - The economic or market value of, or the monetary value of lost market share, profits, or royalties related to any “Digital Assets”, including without limitation “Trade Secret(s)”;
 - Costs or expenses incurred to identify and remove software program errors or vulnerabilities; or
 - The monetary value of any electronic fund transfers or transactions by the “Insured” or on the “Insured’s” behalf, which is lost, diminished or damaged during transfer from, into or between the “Insured’s” accounts.
15. **“Discovery Period”**: as described in SECTION 1, Item 10.
16. **“E-Media”**: any “Content” or “Advertising” by the Insured in an electronic format, including on a “Website” or disseminated on the “Internet”.
17. **“E-Media Wrongful Act”**: any actual or alleged act, error or omission by the “Insured” in relation to any “E-Media” that results in:
- Wrongful publication, defamation, slander, libel, product disparagement, trade libel or other tort related to disparagement or harm to the reputation of character of any persons or entity;
 - Misappropriation or misdirection of messages or media of a “Third Party” by the “Insured”, including metatags, “Website” domains and names, and related “Content”;
 - Invasion of or interference with the right to privacy or publicity;
 - Misappropriation of any ideas, names, likeness or image;
 - Plagiarism, copyright infringement; or
 - Infringement of trademark, domain name, title, slogan, or service mark.
18. **“Employee”**: includes any present or former employee, including part-time, seasonal, “Leased Worker”, “Temporary Worker” or an “Individual Contracted Worker”, but solely while acting on behalf of the “Insured”.
19. **“Expenses and Losses”**: any “Privacy Breach Expense”, “Defence Costs”, “Business Interruption Loss”, “Digital Asset Loss”, “Extortion Expense” or “Extortion Monies”.
20. **“Extended Reporting Period”**: any extended reporting period applicable pursuant to SECTION 1, Item 9 of this Policy.
21. **“Extortion Expense”**: the reasonable expense other than “Extortion Monies” incurred by the “Insured” with the Insurer’s prior written consent in response to a “Credible Threat”. Such consent will not be unreasonably withheld.
22. **“Extortion Monies”**: any funds or property paid by the “Insured”, with the Insurer’s prior written consent, to a person reasonably believed to be responsible for a “Credible Threat” insured under SECTION I, Item 3. G. – CYBER EXTORTION THREAT, for the purpose of terminating that threat and all residual effects. Such consent will not be unreasonably withheld.
23. **“Failure of Security”**:
- A failure or inability of the “Security” of the “Insured’s” “Computer System” or of a “Computer System” maintained or operated by a “BPO Service Provider” or “Out Sourced Service Provider” or other “Third Party” on behalf of the “Insured”, to prevent “Unauthorized Access” to or “Unauthorized Use” of such “Computer System” or corruption or deletion of “Digital Assets” held by such “Computer System”;
 - The receipt or transmission of a “Malicious Code” or “Denial of Service” by the “Insured’s” “Computer System” or by a “Computer System” maintained or operated by a “BPO Service Provider” or “Out Sourced Service Provider” or other “Third Party” on behalf of the “Insured”; or

- (c) A failure or inability to prevent the physical theft of hardware or firmware in the possession or control of the "Insured" or a "BPO Service Provider" or "Out Sourced Service Provider" or other "Third Party" on behalf of the "Insured", on which "Protected Personal Information" or "Confidential Corporate Information" entrusted to the "Insured" is stored electronically;
- (d) Any of the above resulting from the theft of a password or access code by non-electronic means in direct violation of the "Insured's" specific written policies and procedures regarding "Security".
24. **"Fissionable Substance"**: any prescribed substances that is, or from which can be obtained a substance capable of releasing atomic energy by nuclear fission.
25. **"First Inception Date"**: the date specified on the "Declaration Page" as the inception date of the first Policy issued by the Insurer that provides the same, or essentially the same coverage as this Policy and is continually renewed by the Insurer.
26. **"Identity Theft"**: the misappropriation of "Protected Personal Information" of customers or members that is in the "Insured's" care, custody and control or stored in any "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured", which has resulted in, or could reasonably be expected to result in, the wrongful or fraudulent use of such information.
27. **"Individual Contracted Worker"**: an individual person hired under contract by the "Insured" for a specific task, but only while acting within the scope of their duties for the "Insured" and performing duties related to the conduct of the "Insured's" business under the "Insured's" direction.
28. **"Insured(s)"**: any person or entity listed or described in SECTION I, Item 7.
29. **"Internet"**: the worldwide public network of computers which enables the transmission of electronic data and which includes intranets, extranets and virtual private networks.
30. **"Interrelated Wrongful Acts"**: "Wrongful Acts" that have a common nexus, fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes.
31. **"Leased Worker"**: a person leased to the "Named Insured(s)" by a labour leasing firm, under an agreement between the "Named Insured(s)" and the labour leasing firm, to perform duties related to the conduct of the "Named Insured's" business. "Leased worker" does not include a "Temporary Worker".
32. **"Malicious Code"**: unauthorized corrupting or harmful piece of code, including, but not limited to, computer viruses, Trojan horses, worms, time or logic bombs, spyware, malware or spiderware.
33. **"Named Insured(s)"**: the person(s) or entity(s) identified as such in the "Declarations Page".
34. **"Network Outage"**: the actual and measurable interruption or suspension of the "Insured's" "Computer System", which is directly caused by a "Failure of Security".
35. **"Network Security Wrongful Act"**: actual or alleged breach of duty, negligent act, error or omission by or on behalf of the "Insured" that results in a "Failure of Security". Any failures, interruptions, suspensions and delays of a "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured", that results in the same or interrelated "Failure of Security" will be considered a single "Wrongful Act", regardless of the number of such failures, interruptions, suspensions or delays or dates when such failures, interruptions, suspensions or delays happened.
36. **"Nuclear Energy Hazard"**: the radioactive toxic, explosive or other hazardous properties of" radioactive material".
37. **"Nuclear Facility"**:
- (a) Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - (b) Any equipment or device designed or used for:
 - (i) Separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - (ii) Processing or utilizing spent fuel, or
 - (iii) Handling, processing or packaging waste;
 - (c) Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the "Insured(s)" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material" and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
38. **"Out Sourced Service Provider"**: a "Third Party" independent contractor that provides information technology services for the "Insured's" benefit under written contract with the "Insured" Outsourced services include but are not limited to hosting, security management, co-location and data storage.
39. **"Policy Period"**: the period shown on the "Declarations Page". If this Policy is cancelled, the "Policy Period" shall be amended accordingly. If the "Discovery Period" is exercised in accordance with SECTION I, Item 10, it shall be part of the last "Policy Period" and not an additional period.
40. **"Pollutants"**: any solid, liquid, gaseous or thermal irritant or contaminant including smoke, odour, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
41. **"Privacy Breach Wrongful Act"**: any actual or alleged breach of duty, negligent act, error or omission by or on behalf of the "Insured" that results in:
- (a) The unauthorized access to, or unauthorized use of, or the disclosure of "Protected Personal Information" or of "Confidential Corporate Information" of any person or entity other than the "Insured", in the care, custody or control of the "Insured";
 - (b) Breach or violation by the "Insured" of any "Privacy Law" or common law right to privacy.
42. **"Privacy Breach Expenses"**: the following expenses were incurred with the Insurer's prior consent in order to comply with any "Privacy Law" or to minimize any "Damages" or "Expenses and Losses" otherwise covered under this Policy:
- (a) Notification Expenses: The required amount of necessary expenses incurred by the "Insured", or by others on the "Insured's" behalf, to minimize any "Damages", or "Expenses and Losses" otherwise covered under this Policy or to comply with any "Privacy Law" requiring a person or organization storing "Protected Personal Information", either in paper or electronic format, to provide notice to an identified individual of any actual or potential disclosure of, "Unauthorized Use" of, or "Unauthorized Access" to "Protected Personal Information";

- (b) Credit Monitoring and Data Recovery Expense: costs incurred by the "Insured" or on the "Insured's" behalf:
 - (i) To provide credit monitoring expenses to an identified individual to the extent required by "Privacy Law" or to minimize any "Damages" or "Expenses and Losses" otherwise covered under this Policy; or
 - (ii) To recover information which has been accessed without the identified individual's permission where the costs of recovery would minimize any "Damages" or "Expenses and Losses" otherwise covered under this Policy;
 - (c) Cyber Investigation Expense: costs incurred by the "Insured", or on the "Insured's" behalf, with the prior consent of the Insurer, to pay a "Third Party" to conduct an investigation into a "Computer System" from which "Protected Personal Information" has been accessed in order to determine the manner in which and the date and time such information was accessed. Such costs do not include compensation, fees, benefits, overhead or the charges or expenses of any "Insured"; and
 - (d) Crisis Management Expense: costs incurred by the "Insured", or on the "Insured's" behalf, to pay a public relations firm, law firm or crisis management firm, hired with the prior written consent of the Insurer, to perform crisis management services to minimize the potential harm to the "Insured's" reputation or business or to the persons or entities affected due to "Protected Personal Information" that has been wrongfully accessed, but only if in the law enforcement authorities having jurisdiction over the theft of the information have been advised and do not object to such payment. Such costs do not include compensation, fees, benefits, overhead or the charges or expenses of any "Insured".
43. **"Privacy Law"**: statutes and regulations governing the protection, use or disclosure of non-public personal information or breach of privacy, including:
- (a) The unauthorized access to, or unauthorized use or disclosure of Personal Information Protection and Electronic Documents Act (PIPEDA); or
 - (b) In provinces where PIPEDA has not been enacted, any provincial regulation that has been deemed substantially similar to PIPEDA; or
 - (c) The Privacy Act; or
 - (d) Other similar federal, provincial, state or local "Identity Theft" and privacy protection laws requiring commercial entities that collect personal or health information to adopt privacy policies or controls, or notify individuals in the event that personal information has been compromised.
44. **"Professional Services"**: acts or services requiring specialized knowledge, skill or professional judgment, which the "Insured" renders to others pursuant to a written agreement and for a fee or other consideration.
45. **"Proposal"**: the application for this Policy, together with any other information physically supplied by or on behalf of the "Insured" to the Insurer in connection with underwriting this Policy.
46. **"Protected Personal Information"**: a person's first name and/or last name or initial in combination with any one or more of the following:
- (a) Social insurance number or social security numbers;
 - (b) Medical or healthcare information or data;
 - (c) Drivers' license numbers;
 - (d) Financial account information that would permit access to an individual's financial account; and
 - (e) Any other information specifically protected under provincial, federal, and/or international "Privacy Law".
- "Protected Personal Information" shall not include information that is lawfully made available to the general public for any reason, including but not limited to publicly accessible information from federal, provincial or local government records.
47. **"Radioactive Material"**: uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
48. **"Recollect"**: cost of expenses to:
- (a) Recollect the information making up the "Digital Asset", including without limitation, information from non-electronic sources; and
 - (b) Organize and transcribe such information into the same or substantially similar form as the original "Digital Asset".
49. **"Regulatory Proceeding"**: a civil administrative proceeding or regulatory action, including an inquiry, involving a regulatory authority or body seeking to enforce a statutory mandate to protect information and privacy.
50. **"Restore"**: costs or expenses to restore "Digital Assets" from any collection of partially or fully matching electronic data or software, or through electronic data or disaster recovery methods.
51. **"Security"**: hardware, software or firmware with a function or purpose that is to mitigate loss from, or prevent "Unauthorized Access" to, "Unauthorized Use" of, receipt or transmission of a "Malicious Code" by or "Denial Of Service" attacks to or from a "Computer System". "Security" includes, without limitation, firewalls, filters, computer virus protection software, intrusion detection, the electronic use of passwords or similar identification of authorized users. Also includes specific written policies and procedures intended to directly prevent theft of a password or access code by non-electronic means.
52. **"Temporary Worker"**: a person who is furnished to the "Named Insured(s)" to substitute for a permanent "Employee(s)" on leave or to meet seasonal or short-term workload conditions.
53. **"Third Party"**: any person or entity which is not an "Insured".
54. **"Trade Secret(s)"**: information (including any idea that has been reduced to a written or electronic form, including a formula, compilation, pattern, program, device, method, process, or technique) which:
- (a) Derives independent economic value, actual or potential, from not being readily ascertainable through proper means by other person who can obtain economic advantage from its disclosure or use;
 - (b) Is the subject of reasonable efforts to maintain its secrecy; and
 - (c) Is used, capable of being used, or intended to be used in commerce.
55. **"Unauthorized Access"**: the gaining of access to a "Computer System" by an unauthorized person(s), or by an authorized person(s) in an unauthorized manner.
56. **"Unauthorized Use"**: the use of a "Computer System" by a person unauthorized by the "Insured" or a person authorized by the "Insured" that used a "Computer System" for a purpose not intended by the "Insured".
57. **"Waiting Period"**: the number of hours the "Insured's" "Computer System" experiences a "Network Outage" before the Insurer is first obligated to pay "Loss" (other than Extra Expense). The "Waiting Period" incepts immediately following the "Network Outage". The "Waiting Period" is specified on the "Declarations Page".
58. **"Website"**: the software, "Content", and other materials accessible via the "Internet" at a designated Uniform Resource Locator (URL) address owned by the "Insured".

59. **"Wrongful Acts"**: the following, if purchased and a limit is specified on the "Declarations Page", when committed by an "Insured" in their capacity as such;
- (a) "Network Security Wrongful Act";
 - (b) "Privacy Breach Wrongful Act";
 - (c) "E-Media Wrongful Act".

SECTION III – EXCLUSIONS

COMMON POLICY EXCLUSIONS PART 1

This Policy does not apply to any "Failure Of Security", "Claim" or "Expenses and Losses" based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, attributable or related, in whole or in part, to:

1. Dishonest Acts

Any actual or alleged dishonest, fraudulent, criminal or malicious act or wilful error or omission committed by any "Insured". This exclusion does not apply to any "Insured" that did not participate in or know about the dishonest act(s). However, this exclusion will be applied to all "Insureds" if the dishonest act(s) is done with the consent or knowledge of the "Named Insured" or any of the "Named Insured's" directors, partners or executive officers.

COMMON POLICY EXCLUSIONS PART 2

This Policy does not apply to any "Claim" based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, attributable or related, in whole or in part, to:

1. Asbestos

Any actual or alleged liability for or 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 loss, damage, cost or expense.

2. Bodily Injury or Property Damage

- (a) Bodily injury, sickness, mental anguish, disease or death of any person; or
- (b) Damage to or destruction of any tangible property including all resulting loss of use of that property. Tangible property does not include data or other information that is in electronic form.

This exclusion will not apply to a "Claim" for mental injury, mental anguish, or emotional distress resulting directly from a "Privacy Breach Wrongful Act" or an "E-Media Wrongful Act".

3. Contest and Lotteries

Any liability resulting from services provided by or on behalf of the "Insured" or for others that involve contests, games of chance, lotteries, sweepstakes or similar events offering award or other valuable consideration.

4. Delay, Warranties, Guarantees, Cost Estimates, Fee Disputes

- (a) Delay in the performance of any contract or agreement;
- (b) Express or implied warranty or guarantee;
- (c) Cost guarantee or cost estimate; or
- (d) Disputes involving the "Insured's" fees or charges.

5. Discrimination

Discrimination of any kind, including, but not limited to race, creed, religion, age, handicap, sex, marital status or financial condition.

6. Employment Related Practices

Refusal to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, harassment, humiliation or any other employment-related practices, policies, acts, errors or omissions.

7. Fiduciary Duty

Breach of fiduciary duty, responsibility or obligation in connection with any employee benefit or pension plan, or arising out of or in consequence of any alleged or actual violation of securities laws, acts or statutes.

8. Insured versus Insured

Any "Claim" that is brought by

- (a) Any "Insured"; however, this exclusion will not apply to an otherwise covered "Claim" by an "Employee" alleging a "Privacy Breach Wrongful Act";
- (b) Any entity which is owned or controlled by, or is under common ownership or control with, the "Insured";
- (c) Any person or entity which owns or controls any entity included within the definition of "Insured";
- (d) Any "Individual Contracted Worker" of an "Insured".

9. Liability Assumed under Contract

The liability of others assumed by the "Insured" under any contract or agreement unless: such liability would have attached to the "Insured" even in the absence of such contract or agreement. This exclusion does not apply to any "Claim" for a "Privacy Breach Wrongful Act" in relation to any liability or obligation under a confidentiality or non-disclosure agreement.

10. Mechanical Failure

- (a) Any electrical or mechanical failures, including power interruption, surge, brownout or blackout; however, this will not apply to electrical or mechanical failures resulting from a "Wrongful Act" relating to the avoidance or minimization of the events above or the resulting consequences;
- (b) Fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God, or any other physical event, however caused.

11. Infringement

Infringement, misappropriation or violation of any copyright, trademark, service mark, trade dress or trade name; however, this exclusion will not apply to an otherwise covered "Claim" as it relates to Insuring Agreement A. E-Media Liability.

12. Patents and Trade Secrets

The validity or invalidity, infringement, misappropriation, copying, theft, display, publication or violation of any patent or "Trade Secret".



13. Pollution

- (a) Any "Claim" which arises out of, or would not have occurred, in whole or in part but for the actual, alleged or threatened spill, discharge, emission, disbursal, seepage, leakage, migration, release or escape of "Pollutants" at any time.
- (b) Any "Damages", "Expenses and Losses" arising out of any:
 - (i) Request, demand or order that any "Insured" or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "Pollutants"; or
 - (ii) "Claim" or action by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating, neutralizing, or in any way responding to, or assessing the effects of "Pollutants".

14. Prior Acts

Any "Claim", "Expenses and Losses" arising out of any "Wrongful Acts" or "Credible Threat(s)" first made before the Retroactive Date shown in the "Declarations Page".

15. Prior Claims

Any fact, circumstance or situation indicating the possibility of a "Claim" or "Expenses and Losses" already known to the "Insured", or reported to any insurer, prior to the effective date of this Policy.

16. Product Recall

The cost or expenses incurred by the "Insured" or others to withdraw or recall the "Insured's" products or services or any part of such product or services from the marketplace or from use; however, this exclusion will not apply to any "Claim" by a "Third Party" for loss of use resulting from the withdrawal, recall, inspection, repair, replacement, adjustment or removal of the "Insured's" products.

17. Professional Services

The rendering of or failure to render "Professional Services".

18. Nuclear Liability

- (a) Liability imposed by or arising under the Nuclear Liability Act;
- (b) Any "Claim" 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 or whether or not it is legally enforceable by the "Insured") issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an "Insured" under any such Policy but for its termination upon exhaustion of its limit of liability;
- (c) Any "Claim" resulting directly or indirectly from the "Nuclear Energy Hazard" arising from:
 - (i) The ownership, maintenance, operation or use of a "Nuclear Facility" by or on behalf of an "Insured";
 - (ii) The furnishing by an "Insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "Nuclear Facility"; and
 - (iii) The possession, consumption, use, handling, disposal or transportation of "Fissionable Substances", or of other "Radioactive Material" (except radioactive isotopes, away from a "Nuclear Facility", which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by any "Insured".

19. Transfer of Funds

Any transfer of funds, money and securities. This exclusion does not apply to "Claims" by a "Third Party" resulting directly from "Unauthorized Access" to the any "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured".

20. Violation of Trade Law

Any actual or alleged violation of any law relating to anti-trust, restraint of trade, unfair trade practices, false or deceptive advertising or any other law protecting competition or consumers, other than "Loss" resulting directly from any violation which constitutes a "Privacy Breach Wrongful Act".

21. Violation of Statutes Governing Methods of Sending Material or Information

Any distribution of material that violated or is alleged to violate any statute, ordinance or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

22. War

Occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law, or confiscation by order of any government or public authority.

EXCLUSIONS APPLICABLE ONLY TO SECTION I, ITEM 1. A. – E-MEDIA LIABILITY

This Policy does not apply to any "Claim" based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, attributable or in any way related, in whole or in part, to:

1. INTERNET MEDIA

- (a) Disputes over ownership of, licensing or royalty fees associated with, or use of or exercise of rights associated with "E-Media";
- (b) Actual or alleged "Failure of Security" of the "Insured's" "Computer System";
- (c) Any "Wrongful Acts" or "Interrelated Wrongful Acts" in which the first "Wrongful Acts" occurs prior to the inception of or subsequent to the termination of the "Policy Period"; or
- (d) Display or creation of "E-Media" for or on behalf of others; provided, that this exclusion will not apply to the display of "Advertising" on the "Insured's" "Internet" site.



EXCLUSIONS APPLICABLE ONLY TO:**SECTION I, ITEM 1. B. – NETWORK SECURITY AND PRIVACY BREACH LIABILITY****SECTION I, ITEM 2. C. – PRIVACY BREACH EXPENSES****SECTION I, ITEM 2. D. – PRIVACY REGULATORY DEFENCE AND PENALTIES****SECTION I, ITEM 3. E. – BUSINESS INTERRUPTION LOSS****SECTION I, ITEM 3. F. – DIGITAL ASSETS LOSS****SECTION I, ITEM 3. G. – CYBER EXTORTION THREAT**

This Policy does not apply to any "Failure Of Security", "Claim" or "Expenses and Losses" based upon, arising out of directly or indirectly resulting from, in consequence of, or in any way involving, attributable or in any way related, in whole or in part, to:

1. SECURITY FAILURE

- (a) Any "Failure Of Security" occurring prior to the "First Inception Date" if the "Insured" knew or could have reasonably foreseen that this "Failure Of Security" could give rise to a "Claim" or to any "Expenses and Losses";
- (b) Any shortcoming in "Security" that the "Insured" knew about prior to "Expenses and Losses" occurring;
- (c) Any failure to ensure that any "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured" is protected to industry standards by security practices and system maintenance procedures that are equal to or superior to those disclosed in the "Proposal";
- (d) The "Insured's" failure to take steps to use, design, maintain or upgrade the "Security"; or
- (e) Out of the use, or lack of performance of, software:
 - (i) Due to expiration, cancellation or withdrawal of the software;
 - (ii) That has not yet been released from its developmental state; or
 - (iii) That has not passed all test runs or proven successful in applicable daily operations.

2. GOVERNMENT AUTHORITY

Any seizure, confiscation, nationalization, or destruction of the "Insured's" "Computer System" or "Digital Assets" by order of any government or public authority.

3. WEAR AND TEAR

Any wear and tear or gradual deterioration of any "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured". or the "Insured's" "Digital Assets".

SECTION IV – CONDITIONS**1. ACTION AGAINST THE INSURER**

No action or legal proceedings may be initiated against the Insurer unless the "Insured" has fully complied with the requirements of this Policy. Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act.

2. ADJUSTMENT CLAUSE

This Policy is issued and the premium computed on the basis of the information submitted to the Insurer as part of the "Proposal". The Insurer may require premium adjustment, when Premium Adjustment Terms are shown on the "Declarations Page", and coverage revisions in the event:

- (a) The "Named Insured" acquires any other entity; or
- (b) The "Named Insured" creates or acquires a subsidiary subsequent to the inception date of this Policy. The "Named Insured" agrees to give notice to the Insurer in writing in ninety (90) days of the happening of either of the foregoing and furnish such information in connection therewith as the Insurer may require.

3. ALLOCATION

In the event that a "Claim" made against the "Insured" is partly covered by this Policy and partly not covered by this Policy, or a "Claim" is made against the "Insured" and against any persons or entities not insured by this Policy, the "Insured" agrees that the Insurer's obligation to make payment for "Defence Costs" under this Policy is limited to payments in respect of covered "Claims", persons and entities only, and all "Defence Costs" shall be allocated as between the covered and non-covered "Claims", and covered and non-covered persons or entities, as follows:

- (a) The "Insured" recognizes and agrees that all "Defence Costs" paid by the Insurer under the Policy must be allocated only to the defence of "Claims" covered under the Policy, and the "Insured" agrees that the Insurer and the "Insured" will use best efforts to determine a fair and proper allocation of "Defence Costs" as between covered and non-covered "Claims" and as between covered and non-covered persons or entities, taking into account the relative legal and financial exposures, and the relative benefits obtained by the "Insured".
- (b) In the event that the "Insured" and Insurer are not able to agree on the allocation to be made pursuant to this SECTION IV Condition 3 of the Policy, the "Insured" agrees that the Insurer shall advance such amounts as the Insurer believes to be fair and proper until a different amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law. The allocation determined by the Insurer under this section shall not create any presumption with respect to the allocation of other "Claims" or amounts as between the "Insured" and uninsured persons or entities, or as between covered and non-covered "Claims".

4. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed hereon.

5. ASSISTANCE AND CO-OPERATION

- (a) The "Insured" shall co-operate with the Insurer in the investigation of all "Claims", "Expenses and Losses" under this Policy, and shall provide the Insurer with all assistance as may be reasonably required by the Insurer.
- (b) The "Insured" shall cooperate with the Insurer in the defence of any "Claim" or suit, and shall give to the Insurer such information and written statements as the Insurer may require, and shall attend depositions, hearings and trials and give evidence in connection with the defence of such suit, all without charge to the Insurer.
- (c) The "Insured" shall not voluntarily make any payment, assume any liability or obligation or incur any expense, unless with the written consent of the Insurer.



6. AUDIT

The Insurer may examine and audit the "Insured's" books and records at any time during the "Policy Period" and within three (3) years after the end of the "Policy Period", as they relate to the matter of this Policy.

7. AUTHORIZATION CLAUSE

By acceptance of this Policy, all "Insureds" agree that the "Named Insured" shall act on their behalfs with respect to the giving or receiving of any notice provided for in this Policy, the payment of premiums and the receiving of return premiums and the negotiation and acceptance of any endorsement.

8. BANKRUPTCY

Bankruptcy or insolvency of the "Insured" or of the "Insured's" estate does not relieve the Insurer of its obligations under this Policy.

9. CANADIAN CURRENCY

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

10. CANCELLATION

This Policy may be cancelled:

(a) By the Insurer giving to the "Named Insured" by registered mail notice of cancellation as follows:

- (i) 15 days' notice of cancellation, if cancellation is due to non-payment of premium;
- (ii) 60 days' notice of cancellation, if cancellation is due to any other reason. Such notice shall be accompanied by a pro rata return of premium but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified.

Except in Quebec, cancellation takes effect 15 or 60 days after the registered letter or notification of it is delivered to the first "Named Insured's" postal address depending on the reason for cancellation. Proof of mailing will be sufficient proof of notice. In Quebec, the Insurer's notice of cancellation takes effect either 15 or 60 days after receipt of the notice at the last known address of the first "Named Insured", depending upon the reason for cancellation.

(b) By the "Named Insured", giving written notice at any time. Cancellation will take effect on the date of the "Named Insured's" written notice or at a later date if specified therein. The Insurer will refund the unearned premium on a short-rate basis, but in no event shall the short-rate premium for the expired time be deemed to be less than any minimum retained premium specified.

11. CHANGES

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

12. NOTICE OF CLAIMS**1. Liability Coverages****SECTION I, Item 1. A. – E-MEDIA LIABILITY and SECTION I, Item. B. – NETWORK SECURITY AND PRIVACY BREACH LIABILITY**

The "Insured" shall give immediate notice in writing of any "Claim" to the Insurer at the address shown in SECTION IV, Condition 13. Such notice shall in any event be given not later than sixty (60) days after the expiration of the "Policy Period", or not later than the expiration of any "Extended Reporting Period" or "Discovery Period", if applicable.

If during the period of this insurance the "Insured" shall first become aware of any occurrence or situation which might reasonably be expected to give rise to a "Claim" against the "Insured" and shall during the period of this insurance give written notice to the Insurer of such occurrence or situation, then any such "Claim" which is subsequently made shall be deemed to have been made on the date that the Insurer was advised of the occurrence or situation. Such notice will include:

- (1) The name of the potential claimant and a date and description of the specific "Wrongful Acts" which form the basis of the potential "Claim";
- (2) The nature of the potential damages arising from such specific "Wrongful Acts"; and
- (3) The circumstances by which the "Insured" first became aware of the specific "Wrongful Acts".

2. Expense Coverage Notice**SECTION I, Item 2. C. – PRIVACY BREACH EXPENSES**

As a condition precedent to coverage, the "Insured" shall give immediate notice in writing to the Insurer of any "Privacy Breach Wrongful Act" for which the "Insured" seeks "Privacy Breach Expenses" coverage under this Policy. Such notice must be reported within thirty (30) days of the "Privacy Breach Wrongful Act" or in any event be given not later than sixty (60) days after the expiry of the "Policy Period" or any applicable "Extended Reporting Period" or "Discovery Period". The "Insured" must obtain written consent from the Insurer prior to incurring any such expenses.

SECTION I, Item 2. D. – PRIVACY REGULATORY DEFENCE AND PENALTIES

As a condition precedent to coverage, the "Insured" shall give immediate notice in writing to the Insurer of any "Regulatory Proceeding" for which the "Insured" seeks Privacy Regulatory Defence and Penalties coverage under this Policy. Such notice shall in any event be given not later than sixty (60) days after the expiration of the "Policy Period", or not later than the expiration of any "Extended Reporting Period" or "Discovery Period", if applicable.

3. First Party Coverage**SECTION I, Item 3. E. – BUSINESS INTERRUPTION LOSS AND SECTION I, Item 3. F. – DIGITAL ASSET LOSS AND SECTION I, Item 3. G. – CYBER EXTORTION THREAT**

As a condition precedent to coverage the "Insured" shall:

- (a) Give the Insurer immediate written notice of any "Business Interruption Loss", "Network Outage", "Failure of Security", "Digital Assets Loss", or "Credible Threat(s)", including any demand for "Extortion Monies" for which the "Insured" seeks coverage under this Policy. Such notice shall in any event be given not later than sixty (60) days after the expiration of the "Policy Period", or not later than the expiration of any "Extended Reporting Period" or "Discovery Period" if applicable.
- (b) Give the Insurer immediate written notice of any "Business Interruption Loss", "Digital Assets Loss", or "Credible Threat(s)" which is reasonably likely to take place during the "Policy Period";



- (c) Provide a written description of the details of the "Network Outage" or "Credible Threat(s)" as soon as practicable;
- (d) Complete and sign a written, detailed and sworn proof of loss within ninety (90) days after the discovery of a "Business Interruption Loss", "Digital Asset Loss" or "Credible Threat(s)" (unless such period has been extended by the Insurer's written agreement) including a full description of and circumstances surrounding such "Business Interruption Loss", "Digital Assets Loss", or "Credible Threat(s)", including without limitation, the time, place and cause of the "Business Interruption Loss", "Digital Assets Loss", or "Credible Threat(s)", a detailed calculation of any "Business Interruption Loss", the "Insured's" interest and the interest of all others in the property, the sound value thereof and the amount of loss or damage thereto and documents and material of whatever media that reasonably relates to or forms a part of the basis of the claim for such loss;
- (e) Upon the Insurer's request, submit to an examination under oath;
- (f) Immediately record the specifics of any "Business Interruption Loss", "Digital Assets Loss", or "Credible Threat(s)" and the date the "Insured" first became aware of such "Business Interruption Loss", "Digital Assets Loss", or "Credible Threat(s)";
- (g) At the Insurer's request report such "Credible Threat(s)" to the RCMP, FBI, CIRCC, CERT, ISAC or any other central reporting or investigative organization that the Insurer may designate;
- (h) Provide the Insurer with any cooperation and assistance that the Insurer may request, including assisting the Insurer in:
 - (i) Any investigation of a "Failure of Security", "Expenses and Losses" or circumstances that may give rise to a "Claim";
 - (ii) Enforcing any legal rights the "Insured" or the Insurer may have against anyone who may be liable to the "Insured";
 - (iii) Executing any documents that the Insurer deems necessary to secure the Insurer's rights under this Policy; and
 - (iv) Any inspection or survey conducted by the Insurer.

The costs and expenses of establishing or proving "Business Interruption Loss", "Digital Assets Loss", "Credible Threat(s)", "Extortion Expenses" and "Extortion Monies" for this Policy, including those in connection with preparing a proof of loss shall be the obligation of the "Insured" and are not covered under this Policy.

13. NOTIFICATION OF "CLAIM(S)"

All "Claim" notices are to be reported to MGB Claims Consultants at:

Toll Free: 1-866-824-9940

Email: claims@sovgen.com

14. OTHER INSURANCE

If other valid and collectable insurance is available to an "Insured" for any "Claim", "Damages" or "Expenses and Losses" covered under this Policy:

- (a) If the insurer of the other applicable valid and collectible insurance is not the Insurer or any affiliate of the Insurer, this Policy shall apply only as excess insurance over such other valid and collectible insurance, including any retention or deductible portion of such insurance. The Insurer under this Policy shall be liable for only the excess, if any, of any "Damages" or "Expenses and Losses" over the applicable limit of the other insurance covering such "Damages" or "Expenses and Losses", and this Policy shall not contribute to any "Claim" or to "Damages" or "Expenses and Losses" that are less than or equal to the applicable limit of the other insurance covering such "Claim", "Damages", or "Expenses and Losses";
- (b) In the event that any part of such other valid and collectible insurance is issued by the Insurer or any affiliate of the Insurer, the Insurer's liability hereunder shall be reduced by the amount payable under such other insurance.

15. REPRESENTATIONS

By accepting this Policy, the "Named Insured(s)" agrees:

- (a) The statements in the "Declarations Page" are accurate and complete;
- (b) Those statements are based upon representations the "Named Insured(s)" has made to the Insurer; and
- (c) The Insurer has issued this Policy in reliance upon the "Named Insured's" representations, documentation, data and other material the "Named Insured(s)" has furnished to the Insurer.

16. SEVERABILITY CLAUSE

This Policy shall be construed as a separate agreement with each "Insured". Nothing in this clause shall increase the Insurer's maximum liability as set forth in SECTION I, Item 6. – LIMIT OF LIABILITY & DEDUCTIBLE of this Policy.

17. STATUTORY CONFORMITY

Terms of this Policy, which are in conflict with the statutes of the province where the "Insured" has its main address, are hereby amended to conform to such statutes.

18. SUBROGATION

In the event any payment is made by the Insurer under this Policy, the Insurer shall be subrogated to all the "Insured's" rights to recovery against any "Third Party", including any rights to contribution or indemnity against any person or organization that may be liable to the "Insured" or to a claimant, with respect to which insurance is provided by this Policy. The "Insured" shall execute and deliver to the Insurer instruments and papers and do whatever else is necessary to secure such rights, including attend hearings and trials and assist in giving evidence and appearing as witnesses as may be necessary, all at the "Insured's" own cost. The "Insured" shall do nothing to prejudice such rights. Any recoveries shall be first applied to reimburse the Insurer for its subrogation expenses.

IN WITNESS WHEREOF the Insurer has executed and attested these presents, but this Policy shall not be valid unless countersigned on the "Declarations Page" by a duly authorized representative of the Insurer.



POLICY CONDITIONS

(Applicable only to Alberta and British Columbia)

The following applies where the Insured is domiciled or where the insured property is located in Alberta or British Columbia.

LIMITATION OF ACTION

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

RECOVERY BY INNOCENT PERSONS

- (1) Where this policy contains a term or condition excluding coverage for loss or damage to property caused by a criminal or intentional act or omission of an Insured or any other person, the exclusion applies only to the claim of a person:
 - (a) whose act or omission caused the loss or damage,
 - (b) who abetted or colluded in the act or omission,
 - (c) who
 - (i) consented to the act or omission, and
 - (ii) knew or ought to have known that the act or omission would cause the loss or damage, or
 - (d) who is in a class prescribed by regulation.
- (2) Nothing in section (1) allows a person whose property is insured under the contract to recover more than their proportionate interest in the lost or damaged property.
- (3) A person whose coverage under a contract would be excluded but for section (1) must comply with any requirements prescribed by regulation.

Coverage provided by this condition only applies to the extent of coverage provided under the relevant legislation set out in the applicable provincial *Insurance Act*.

STATUTORY CONDITIONS

(Applicable only to Alberta and British Columbia)

These Statutory Conditions apply where the Insured is domiciled or where the insured property is located in Alberta or British Columbia. If any condition below or in the policy, contains a variation, omission or an addition to the Statutory Condition established by the applicable provincial statute, then the interpretation most favourable to the Insured shall prevail.

1. PROPERTY OF OTHERS

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless:

- (1) otherwise specifically stated in the contract, or
- (2) the interest of the Insured in that property is stated in the contract.

2. CHANGE OF INTEREST

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

3. MATERIAL CHANGE IN RISK

- (1) The Insured must promptly give notice in writing to the Insurer or its agent of a change that is:
 - (a) material to the risk, and
 - (b) within the control and knowledge of the Insured.
- (2) If an Insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an Insurer or its agent is notified of a change under subparagraph (1) of this condition, the Insurer may:
 - (a) terminate the contract in accordance with Statutory Condition 4, or
 - (b) notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within 15 days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.
- (4) If the Insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 4 (2) (a) applies in respect of the unearned portion of the premium.

4. TERMINATION OF INSURANCE

- (1) This contract may be terminated,
 - (a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the Insured at any time on request.
- (2) If the contract is terminated by the Insurer,
 - (a) the Insurer must refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the Insured, the Insurer must refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the Insured's postal address.



5. NOTICE

- (1) Written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province.
- (2) Written notice to the Insured may be personally delivered at, or sent by registered mail addressed to, the Insured's last known address as provided to the Insurer by the Insured.

N.B. To the extent that the Civil Code of the Province of Quebec is applicable to this contract General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions apply to all coverages insured by this policy, except where such conditions and provisions may be modified or supplemented by forms or endorsements attached to this policy. A copy of the General Conditions and Provisions is available on request from the Insurer.