

**INSURANCE PROVIDED SUBJECT TO THE DECLARATIONS, TERMS AND CONDITIONS OF THE POLICY AND ITS FORMS ONLY FOR THE COVERAGES FOR WHICH SPECIFIC FORMS ARE ATTACHED AND FOR WHICH A SPECIFIC LIMIT OR AMOUNT OF INSURANCE IS SHOWN ON THE DECLARATION PAGE AND WHERE PREMIUM HAS BEEN PAID.**

### **RealProSure Insurance Program – Enhancements**

#### **RealProSure Insurance Program Endorsement**

This Endorsement amends the coverages provided by the policy wordings attached.

#### **Property**

##### **Inflation Protection Endorsement**

It is agreed that

1. The amount of insurance applicable to "property" shall be increased during the Period of Insurance shown in the "declarations" by the proportion by which the latest published Building Construction Index has increased since the last premium due date.
2. At the premium due date, the Limit of Insurance shall be increased automatically in accordance with the latest published Building Construction Index and the appropriate premium charged.
3. If the Limit of Insurance applicable to "property" is changed at the request of the Insured during the Period of Insurance, the effective date of this endorsement is deemed to coincide with the effective date of such change.
4. If the Policy insures two or more locations, the foregoing shall apply separately to each location to which this endorsement applies.
5. In this endorsement,
  - (a) "Building Construction Index" means the Non-residential Construction Price Indexes published by Statistics Canada;
  - (b) "premium due date" means the inception date of this Policy or any renewal or anniversary date.

##### **Condominium Unit Owner's Extensions**

The following extensions of coverage, subject to all conditions of this Form, shall increase the amount of insurance applying under this Form.

#### **UNIT IMPROVEMENTS AND BETTERMENTS**

This Form is extended to insure "unit" improvements or betterments made or acquired by the Insured, for an additional amount of up to \$50,000 of the amount of insurance shown on the "Declaration Page" for "Contents", including:

- i) materials and supplies on the premises for use in such improvements and betterments;
- ii) items such as wall broadloom, light fixtures and wallpaper.

Tear Out:

If any part of the Insured's "unit" improvements and betterments must be torn apart before water damage From a plumbing, heating, air conditioning or sprinkler system can be repaired; we will pay the cost of such Repairs.

#### **CONTINGENT COVERAGE:**

This Form is extended to insure the Insured's "unit", excluding any Improvements and betterments the Insured made to it, if the Condominium Corporation has no insurance, Its insurance is inadequate, or it is not effective, for an additional amount up to \$100,000.

#### **LOSS ASSESSMENT COVERAGE:**

This Form is extended to insure an additional amount of \$50,000 for "Contents" of the Insured's share of any assessment if:

- i) the assessment is valid under the Condominium Corporation's governing rules; and
- ii) it is made necessary by a direct loss to the collectively owned condominium property caused by an Insured Peril in this Form.

The Insurer will pay for that part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation. The Insurer shall not be liable under this endorsement for that part of the Insured's share of any special assessment resulting from a deductible in the insurance policy of the Condominium Corporation" which is less than the deductible shown in the "declarations" of this Policy.

Subrogation Item VII of Commercial Property Policy Conditions (Form G003) is deleted in its entirety and replaced by the following:

## **VI SUBROGATION**

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

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.

In this endorsement:

(a) "Condominium Corporation" means a Corporation constituted under provincial legislation relating to Condominiums or co-ownership by declaration and includes a strata corporation, and in Quebec means the meeting of co-proprietors duly constituted.

(b) "Unit" means the unit as defined in provincial legislation relating to condominiums or co-ownership by declaration and includes a strata lot, and in Quebec exclusive portion as so defined.

## **Business Interruption**

### **Mortgage Rate Guarantee**

The Insurer will indemnify the Insured for the increase in mortgage interest costs resulting from a total loss 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,

whichever occurs first. All losses under this extension are payable monthly, and are limited to \$100,000 in the aggregate.

## **Crime**

Enhanced Crime Wording (as attached to this policy) is added to Form # C002 Comprehensive Dishonesty, Destruction, Disappearance, and Forgery

## **Liability**

### **1)Named Insured Endorsement**

For the purpose of the insurance provided by this policy, The Named Insured(s) are designated as follows:

1st Named Insured: *The Brokerage firm (as per Declarations Page)*

2nd Named Insured or insured(s): *Associate Brokers and Real Estate Agents, contracted to the Brokerage Firm (1st Named Insured), as per the schedule on file.* The policy is further extended to include as insured(s) their un-licensed assistants and real estate professional corporations, if any.

The 1st Named Insured is designated to receive all communications with respect to the management of this policy, and for payment of premium for its own interest and on behalf of the 2nd Named Insured(s).

The 2nd Named Insured(s) are deemed to have paid premium as part of the legal consideration for privity of contract

under this policy of insurance.

This policy is subject to the provisions of the underwriters standard Cross Liability Clause and Severability of Interest Clause. The number of insured(s) under this policy does not operate to increase The Insurers limit of liability if the 1st and 2nd Named Insured(s) are named in any action, lawsuit or statement of claim stemming from the same or a related occurrence.

## **2) Voluntary Payment for Damage to Property**

The Insurer will indemnify the Insured for unintentional direct damage caused to property even though not legally liable. The Insured may also use this coverage to reimburse others for direct property damage caused intentionally by a Named Insured. The Insurer does not insure:

1. damage to property owned or rented by the Insured or the Insureds tenant;
2. damage to property which is insured under the Property section of this policy;
3. claims resulting from the loss of use, disappearance or theft of property.

Other Exclusions apply. Refer to Exclusions. Section II below.

### **Basis of Payment**

The Insurer will pay, whichever is the lesser amount:

1. cost to repair or replace the property with materials of similar quality at the time of loss;
2. a maximum of \$2500 any one occurrence up to a maximum of 3 occurrences in any one (1) calendar year per Associate Broker or Real Estate Agent included as a Named Insured. The Insurer may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with the Insured or the owner of the property. The Insurer has all rights and claims to salvage.

Insured's Requirement after an Accident or Occurrence:

1) The Insured must provide the Insurer with written proof of claim as soon as possible, under oath if required, containing the following information:

- a) the date, time, place and circumstances of the accident or occurrence;
- b) the interest of all persons in the property affected.

2) If requested by the Insurer, the Insured must help to verify the damage.

Action against the Insurer:

No suit may be brought against the Insurer until:

1. The Insured has fully complied with all the terms of this Coverage; or
2. 60 days after the written proof of claim has been filed with us.

## **EXCLUSIONS SECTION II**

This coverage does not apply to:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. bodily injury or property damage which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
3. the rendering or failure to render any professional service;
4. liability imposed upon or assumed by the Insured under any workers . compensation statute;
5. bodily injury or property damage caused by any intentional or criminal act or failure to act by:
  - a) any person insured by this policy; or
  - b) any other person at the direction of any person insured by this policy;
6. a) sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or
- b) failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment;
7. any type of discrimination including discrimination due to sex, age or marital status, colour, race, creed or national origin;
8. the transmission of any communicable or sexually transmitted disease, including Acquired Immune Deficiency Syndrome, by any person insured by this policy;
9. the ownership, use or operation of any watercraft, motorized vehicle or trailer.
10. the ownership, use or operation of:
  - a) any aircraft;
  - b) premises used as an airport or landing facility, and all necessary or incidental operations related to either;
11. a) erasure, destruction, corruption, misappropriation or misinterpretation of data;

b) erroneously creating, amending, entering, deleting or using data, including any loss of use arising from a) or b);

c) the distribution or display of data by means of an Internet Website, the Internet, an intranet, extranet or similar device, or system designed or intended for electronic communication of data;

Nor does this policy apply to:

12. any claim that arises 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 regardless of any other cause or event that contributes concurrently or in any sequence to the claim.

This insurance shall also not apply to:

13. a) Bodily Injury, Property Damage, personal injury or Medical Payments 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 an 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; or

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.

Insurance Under More Than One Policy

1. Other Insurance Provided by the Insurer

Notwithstanding anything to the contrary contained in this or any other contract of insurance between the Insured and the Insurer, if any loss covered under this policy is covered in whole or in part under any other policy or policies of insurance issued, the Insurer shall pay under whichever one policy affords the greatest coverage limits for such loss and the other policy or policies shall be null and void in respect of such loss or, if such policies afford equal coverage limits for such loss, then the Insurer shall pay under whichever one policy is designated by the Insurer and the other policy or policies shall be null and void in respect of such loss.

2. Other Insurance Provided by Another Insurer

Unless otherwise indicated in this policy, if there exists valid insurance issued by an insurer other than the Insurer, protecting the insured person against any loss covered in whole or in part under this policy, this policy shall be null and void in respect of such loss, whether the insured person is specifically named in said other policy or policies or not; unless the limits of insurance in this policy are in excess of the aggregate of the limits provided by said other policy or policies, in which case this policy shall only provide excess insurance against said loss in an amount sufficient to give the insured person a combined amount of protection equal to the limit of this policy.

### **3) Employment Practices Liability Rider - Employee Definition amendment**

Section 2 (Modified Definitions), item (d) employee. under Form L535 attached to and forming part of this policy is deleted and replaced by (d) "employee" means an individual whose labor or service is engaged and Directed by the "Insured", other than independent contractors and non-salaried Associate Brokers or Real Estate Agents. If participation in the General Liability Program is mandatory for all licensed real estate industry members licensed by the 1st Named Insured, then Item (d) employee under Form L535 attached to and forming part of this policy is deleted and replaced by (d) "employee" means an individual whose labor or service is engaged and directed by the "Insured", including independent real estate industry members licensed to the 1st Named Insured.

### **4) Care Custody & Control .Open House clarification amendment**

Section 3, Exclusions, Item 4 property Damage to; is amended to include Property the Named Insured owns rents or occupies is clarified to not include real property entrusted to Associate Broker or Real Estate Agents for the purposes of holding an Open House as part of the sale and marketing of the property. A limitation of 72 hours is herein provided which the Associate Broker or Real Estate Agent can have continuous control.

### **5) Office at Home**

Location address is expanded to include Associate Brokers or Real Estate Agents offices located at their personal residence. Coverage is only applicable to LR20 Commercial General Liability Max Form.

**6) Loss Assessment Coverage (applicable to Condominium Unit Owners only)** - Coverage under the Commercial General Liability Coverage is extended to include legal liability for your share of special assessments if:

a) the assessment(s) are valid under the Condominium Corporation's governing rules; and

b) the assessment(s) are made necessary by occurrence(s) to which this section of the policy applies; and

c) the assessment(s) are made for damages which the Condominium Corporation is obligated to pay, arising out of any "bodily injury", "property damage" or "personal injury".

Coverage under this subsection shall be excess insurance over any insurance collectible under any policy or policies insuring the Condominium Corporation. We do not pay for any part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation.

### **7) Property Damage clarification amendment**

It is herein agreed that Property Damage as defined under the LR20 Commercial General Liability Max is clarified to include loss of personal property resulting from theft and loss of possession of personal property resulting from mysterious disappearance while entrusted to Associate Broker or Real Estate Agents for the purposes of marketing the property.

### **8) Liberalization Clause**

If during the Policy Period, there are any forms, endorsements, rules or regulations of the Insurer by which this insurance could be extended or broadened, without additional premium charge, (by endorsement or substitution of form), then such extended or broadened

insurance shall benefit the Named Insured as though such endorsement or substitution of form had been made at inception of the policy. Any benefit to the Named Insured and arising from this Clause 8 shall apply no earlier than the date which such broadening or extending form, endorsement, rule or regulation of the Insurer became effective.

## **9) SECTION 1 COVERAGES Form L265 - Legal Expense Extension Coverage X Extension 1. Insuring Agreement;**

### **1. Insuring Agreement**

The Insurer will pay those sums that the Insured pays out due to "Legal Expenses" incurred that arise from;

A. any complaint, disciplinary hearing or review instituted during the policy period under the provisions of any professional discipline legislation governing or regulating the "Professional Services".

B. any legal action, demand for damages or dispute filed against the insured during the policy period arising out of the business of the insured as a licensed real estate professional.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under DEFENCE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS. The complaint, disciplinary hearing or review must take place in the "coverage territory".

### **2. Limit of Liability is deleted and the following substituted therefore;**

Limit of Liability:

a. The Limits of Insurance under this extension shall be ninety percent (90%) of "Legal Expenses", subject to a \$200 minimum retention by each Named Insured. This limit of liability is subject to a maximum hourly rate for lawyer's fees of \$200 and is subject to a maximum of \$25,000 per claim and an annual aggregate limit of liability of \$25,000 for each Named Insured.

b. The Each Claim Limit is the most the Insurer will pay for the sum of Legal Expenses because of each claim or action covered.

c. Subject to b. above, the Aggregate Limit is the most the Insurer will pay for the sum of "Legal Expenses" under this Form.

The following exclusion is added to 3. Exclusions;

j). Any complaint or dispute over commissions between real estate brokerage firms or licensed real estate professionals.

**Intact Insurance Company**

## **RealProSure Insurance Program Wording**

### **Form# BF41 Business and Professional Services Edge Advantage (Property)**

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.**

#### **SUMMARY OF EXTENSIONS**

The following list is a summary of extensions more specifically described in Clause 4. Extensions of Coverage A., B. and C.

#### **COVERAGE LIMIT OF INSURANCE**

##### **4. A. EXTENSIONS OF COVERAGE - PROPERTY**

- (a) Accounts Receivable \$100,000
- (b) Arson and Burglary Reward \$10,000
- (c) Bailee's Customers \$10,000
- (d) Brands and Labels Removal Costs Included
- (e) Bylaws Included
- (f) Confiscation or Seizure of Property \$10,000
- (g) Cost to Prepare Proof of Loss \$25,000
- (h) Courier and Parcel Post Shipments \$30,000
- (i) Debris Removal Included
- (j) Electronic Data Processing Extension Declared Limit
- (k) Equipment at Permanent Unnamed Locations \$10,000
- (l) Equipment at Temporary Unnamed Locations \$50,000
- (m) Exhibition and Trade Shows \$50,000
- (n) Expediting and Extra Expense \$50,000

- (o) Fine Arts \$25,000
- (p) Fire Department Charges \$50,000
- (q) Fire Protective Equipment Recharge Costs \$50,000
- (r) Goods on Consignment \$25,000
- (s) Growing Plants, Trees, Shrubs, or Flowers in the Open \$25,000
- (t) Home Office Extension \$25,000
- (u) Inflation Protection Included
- (v) Installation Extension \$25,000
- (w) Inventory Preparation Expense \$10,000
- (x) Land and Water Pollution Clean Up \$25,000
- (y) Lock Replacement Costs \$15,000
- (z) New Construction \$100,000
- (aa) Newly Acquired Locations  
Building \$1,000,000  
Equipment And Stock at Newly Acquired Locations \$500,000
- (ab) Off-Premises Power Failure \$100,000
- (ac) Peak Season 25% of Stock limit
- (ad) Penalty Reimbursement (for Non-Delivery) \$25,000
- (ae) Personal Property Of Officers And Employees Included
- (af) Professional Fees \$25,000
- (ag) Sales Representatives' Samples \$25,000
- (ah) Stated Amount Waiver of Coinsurance If Selected
- (ai) Stock \$25,000
- (aj) Tenant's Leasehold Interest \$50,000
- (ak) Tool Extension \$5,000
- (al) Transit \$50,000
- (am) Valuable Papers and Records \$100,000

**B. Catch-All Clause \$50,000**

**C. Extensions of Coverage – Business Interruption\***

- (a) Internet Service Provider Breakdown \$2,500
- (b) Limited Contingent Loss of Income – Contributing/Recipient  
Property \$50,000
- (c) Limited Contingent Loss of Income - Neighbouring Premises \$25,000
- (d) Mortgage Rate Guarantee \$100,000  
Applicable to Gross Rentals Form BI11, Rental Income Form BI12, Gross  
Earnings Manufacturing Form BI08, Gross Earnings Mercantile Form  
BI09, Profits Form BI10, or Gross Earnings ALS Form BI18:
- (e) Power Interruption \$100,000  
Applicable to Profits ALS Form BI16:
- (f) Alterations, Additions and Acquired Locations Included
- (g) Professional Fees \$25,000
- (h) Prohibition of Access Included
- (i) Power Interruption Included

**Coverage varies dependent on the Business Interruption form indicated on the “Declaration(s)”.**

**1. INSURING AGREEMENTS**

The Insurer, in consideration of the payment of the premium, in reliance upon the statements in the “Declaration(s)” made a part of this Policy and subject to all the terms and conditions of this Policy and Forms and endorsements attached, agrees with the Named Insured as follows:

In the event that any of the property insured be lost, destroyed or damaged by the insured perils, at any time while this Form is in force, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- (a) the value of the lost or damaged property as determined in VALUATION Section 18;
- (b) the interest of the Insured in the property;
- (c) the Limit of Insurance provided by the Policy in respect of the property lost, destroyed or damaged.

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

The following extension of coverage for Removal, subject to the Policy exclusions, shall not increase the Limit(s) of Insurance applying under this Policy to the property lost, destroyed or damaged.

**Removal:** If any of the insured property is necessarily removed from the “premises” to prevent loss, destruction or damage or further loss, destruction 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 "premises" in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

## **2. PROPERTY AND INTEREST INSURED**

This Form insures "Property of Every Description" belonging to the Insured or to others for which the Insured may be liable or may have an insurable interest, while at the "premises" described in the "declarations".

## **3. INSURED PERILS**

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

## **4. EXTENSIONS OF COVERAGE**

The following extensions under Section 4.A. and 4.B. are subject to all terms and conditions, except the Coinsurance Clause, applicable to the Business and Professional Services Edge Advantage (Property) unless stated otherwise. Unless specifically endorsed on the "Declarations", the limits stated below apply to the coverage.

Each limit shown is in addition to the limit of insurance for the "Property of Every Description" unless indicated to the contrary in this section. Unless specifically indicated specifically on the "Declarations", the limits stated below apply to the coverage.

In the event that coverage provided under any extension is more specifically and separately insured elsewhere in this Policy, then the relevant extension under this Form shall not apply.

### **A. EXTENSIONS OF COVERAGE – PROPERTY**

(a) ACCOUNTS RECEIVABLE - The Insurer will indemnify the Insured for up to \$100,000 in any one occurrence with respect to the amount of uncollectible accounts receivable arising from loss or destruction of or damage to the records of such accounts receivable at the "premises" by an insured peril.

Insurance under this extension does not apply to loss due to electrical or magnetic injury, computer viruses, or the disturbance or erasure of electronic recordings, except by lightning.

(b) ARSON AND BURGLARY REWARD - If an arson fire or a burglary occurs at the "premises" resulting in a loss covered by this Form, the Insurer will pay up to 10% of such loss, but not exceeding \$10,000 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) BAILEE'S CUSTOMERS – Notwithstanding EXCLUDED PERIL 6A.(h) of this Form, coverage under this Form is extended to include all lawful goods and articles belonging to the Insured's customers and clients while:

(i) on the "premises" for the purpose of the Insured's performing the business service or professional service described in the "Declaration(s)";

(ii) in transit if the goods or articles are in the possession of the Insured.

This extension does not apply to loss or damage to goods or articles received for storage, or for which a storage charge has been or will be made. The maximum recovery under this extension is limited to \$10,000 in the aggregate during any one Policy Period.

(d) BRANDS AND LABELS REMOVAL COSTS - If "stock" damaged by an insured peril is salvageable and bears a brand or trademark or guarantee, the Insurer agrees to pay for the removal of such brand, trademark or guarantee before sale of such "stock" as salvage.

(e) BY-LAWS - Notwithstanding EXCLUDED PERIL 6A.(l) of this Form:

(i) Following loss of or damage to a "building" insured by this Form by a peril not otherwise excluded, coverage is extended to indemnify the Insured for:

(1) loss occasioned by the demolition of any undamaged portion of the "building", or

(2) the cost of demolishing and clearing the "premises" of any undamaged portion of the "building", or

(3) any increase in the cost of "replacement" of the "building" on the same "premises" or on an adjacent site, of like height, floor area and style, and for like occupancy;

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

a. regulates zoning or the demolition, repair or construction of damaged buildings or structures; and

b. is in force at the time of such loss or damage.

(ii) The Insurer shall not be liable under this extension for:

(1) losses occasioned by the enforcement of any by-law, regulation, ordinance or law which prohibits an Insured from rebuilding or repairing on the same "premises" or an adjacent site or prohibits continuance of like occupancy;

(2) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of

"pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:

- a. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Form;
- b. to loss or damage caused directly by a peril not otherwise excluded under this Form;

(3) 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".

(f) CONFISCATION OR SEIZURE OF PROPERTY - Notwithstanding EXCLUDED PROPERTY Item 5.(i) of this Form, if "equipment" or "stock" is confiscated or seized from the Insured by public authority, and the Insured purchased such property from a person who had acquired such property illegally, the Insurer will indemnify the Insured for such loss up to \$10,000 in the aggregate during any one Policy Period.

This extension shall not apply:

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

(g) COST TO PREPARE PROOF OF LOSS: Except to the extent that coverage is provided by EXTENSION OF COVERAGE – PROPERTY 4.A.(f) Confiscation or Seizure of Property, the insurance under this Form is extended to pay on behalf of the Insured up to a maximum of \$25,000 for reasonable costs incurred in the preparation of any Proof of Loss form required by the Insurer in connection with any claim made under this Policy.

(h) COURIER AND PARCEL POST SHIPMENTS - Coverage for "equipment", if any, shall apply while such property is being shipped by courier service or parcel post away from the "premises" anywhere in Canada or the United States of America. Insurance under this extension does not apply to:

- (i) property in the custody of a sales representative, nor
- (ii) property in transit between the "premises" and the site of an exhibition, trade show or similar event.

The maximum recovery under this extension is limited to \$30,000 for any one occurrence.

(i) DEBRIS REMOVAL - Regardless of anything contained in this Policy to the contrary, any sums under this extension (i) are payable as part of (and not in addition to) the amount of insurance stated in the "Declaration(s)" for property insured under this Form.

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

(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 a location specified in the "Declaration(s)".

EXTENSIONS OF COVERAGE-PROPERTY 4.A.(i)(i) and 4.A.(i)(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", except as specifically provided in EXTENSION OF COVERAGE-PROPERTY 4.A.(x) Land and Water Pollution Clean Up
- Debris removal expense shall not be considered in the determination of value for the purpose of applying the Co-insurance Clause.

(j) ELECTRONIC DATA PROCESSING EXTENSION - Coverage under this Form is extended to cover:

- (i) "E.D.P. Media" and "E.D.P. Data"; and
- (ii) if "contents" used for electronic data processing at the "premises" are physically damaged by mechanical breakdown, electrical breakdown or derangement, the Insurer will indemnify the Insured for such damage and for the extra expense necessarily incurred to reprogram or replace any electronic recordings that are disturbed or erased as the direct result of such damage.

This extension does not insure loss of or damage to:

- a. property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody;
- b. property that forms part of any manufacturing or processing machinery;
- c. "stock";
- d. equipment that requires cooling by water or a climate-controlled environment for safe operation.

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

- e. loss or destruction of "E.D.P. Data" caused by a computer virus;
- f. depreciation or obsolescence whether due to technological advances, programming omissions or otherwise;

(k) EQUIPMENT AT PERMANENT UNNAMED LOCATIONS - Coverage under this Form is



extended to include "equipment" while at any unnamed location within Canada or the United States of America. This extension does not apply to:

- (i) property at any temporary unnamed locations as provided in EXTENSIONS OF COVERAGE-PROPERTY Item 4.A.(l) Equipment at Temporary Unnamed Locations;
- (ii) property at an exhibition, trade show or similar event;
- (iii) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody;
- (iv) property in the custody of any sales representative employed by the Insured;
- (v) portable computers.

The maximum recovery under this extension, regardless of the number of locations, is limited to \$10,000 for any one occurrence.

(l) EQUIPMENT AT TEMPORARY UNNAMED LOCATIONS - Coverage under this Form is extended to include "equipment" while temporarily at any unnamed location within Canada or the United States of America. This extension does not apply to:

- (i) property at any location owned or leased by the Insured or occupied by the Insured for any purpose;
- (ii) property at an exhibition, trade show or similar event;
- (iii) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody;
- (iv) property in the custody of any sales representative employed by the Insured;
- (v) portable computers.

The maximum recovery under this extension, regardless of the number of temporary locations, is limited to \$50,000 for any one occurrence.

(m) EXHIBITION AND TRADE SHOWS - Coverage under this Form is extended to include "equipment" while such property is temporarily away from the "premises" only for use at an exhibition, trade show or similar event anywhere in Canada or the United States of America. This extension includes coverage for transit between the "premises" and the event site. Insurance under this extension does not apply to:

- (i) property in the custody of a sales representative, nor;
- (ii) property at a location owned by the Insured or occupied by the Insured for any purpose other than such event.

The maximum recovery under this extension is limited to \$50,000 for any one occurrence.

(n) EXPEDITING AND EXTRA EXPENSES - Coverage under this Form is extended to indemnify the insured for:

- (i) reasonable extra costs including overtime and express or rapid means of transportation, necessary only to make temporary repairs to or expedite "replacement" of the property insured as the direct result of loss or destruction of or damage to such property by an insured peril;
- (ii) 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 of "Property of Every Description" at the "premises" by an insured peril. The Insurer shall be liable for "extra expense" for only the "period of restoration". As soon as practicable after any loss, the Insured shall resume complete or partial business operations at the "premises" and reduce or dispense with incurred "extra expense". This extension also applies to damage to or destruction of "E.D.P. Media" and "E.D.P. Data" if an amount is shown on the "Declaration(s)" for the "Electronic Data Processing Extension".

The maximum recovery under this extension shall not exceed \$50,000 in any one occurrence for expediting expenses and extra expenses combined.

(o) FINE ARTS - Coverage is extended to include legitimate works of artistic merit, rarity or historical value while at the "premises", including paintings, etchings, pictures, tapestries, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and ornaments. For the purposes of loss adjustment, the basis of valuation for such works shall be the market value at the time of their loss or damage. The maximum recovery under this extension is limited to \$25,000 for any one occurrence.

(p) FIRE DEPARTMENT CHARGES - The Insurer will indemnify the Insured for liability, assumed by contract or agreement before any loss or damage, for fire department charges incurred when the fire department is called to save or protect property insured from a fire. The maximum liability of the Insurer under this extension shall not exceed \$50,000 in any one occurrence.

(q) FIRE PROTECTIVE EQUIPMENT RECHARGE COSTS - The Insurer will indemnify the Insured for the reasonable cost of recharging "fire protective equipment", provided such recharging is necessary because of an insured peril and the equipment was located on the "premises" at the time it discharged. The maximum liability of the Insurer under this extension shall not exceed \$25,000 in any one occurrence.

(r) GOODS ON CONSIGNMENT - Coverage under this Form is extended to include "stock" while on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody. The maximum recovery under this extension is limited to \$25,000 in the aggregate during any one Policy Period.

(s) GROWING PLANTS, TREES, SHRUBS OR FLOWERS IN THE OPEN - This Form is extended

to insure loss or damage to growing plants, trees, shrubs or flowers in the open at the "premises" caused directly by "Named Perils" (with the exception of windstorm or hail as described in DEFINITIONS Section 20.(k) G. or theft or attempted theft). This extension of coverage shall be limited to a maximum recovery of \$25,000 in the aggregate during any occurrence, including debris removal expense.

(t) HOME OFFICE EXTENSION - The insurance under this Form is extended to insure "equipment" or "stock" while such property is away from the "Premises" and is at an office in the home of the Insured or at an office in the home of an Insured's employee.

The limit of the Insurer's liability for loss shall not exceed \$25,000.

(u) INFLATION PROTECTION

(i) The amount of insurance applicable to "Property of Every Description" shall be increased during the Period of Insurance shown in the "declaration(s)" by the proportion by which the latest published "Building Construction Index" has increased since the last "premium due date".

(ii) At the "premium due date", the Limit of Insurance shall be increased automatically in accordance with the latest published "Building Construction Index" and the appropriate premium charged.

(iii) If the Limit of Insurance applicable to "Property of Every Description" is changed at the request of the Insured during the Period of Insurance, the effective date of this endorsement is deemed to coincide with the effective date of such change.

(iv) If the Policy insures two or more locations, the foregoing shall apply separately to each location to which this endorsement applies.

(v) In this endorsement:

a. "Building Construction Index" means the Non-residential Construction Price Indexes published by Statistics Canada;

b. "premium due date" means the inception date of this Policy or any renewal or anniversary date.

(v) INSTALLATION EXTENSION –

### **1. Insured Property**

This Form insures the following property at the "project site":

(i) property in course of construction, installation, reconstruction or repair other than property described in Insured Property Section 1, Item (ii):

a. owned by the Insured;

b. owned by others, provided the value of such property is included in the amount of insurance;

all to enter into and form part of the completed project including expendable materials and supplies, not otherwise excluded, necessary to complete the project stated on the "Declaration(s)";

(ii) landscaping, growing trees, plants, shrubs or flowers all to enter into and form part of the project provided that the value of such property is included in the amount of insurance;

(iii) temporary buildings, scaffolding, falsework, forms, hoardings, excavation, site preparation and similar work, provided that the value of such items are included in the amount of insurance and then only to the extent that replacement or restoration is necessary to complete the project.

(iv) property while in transit to the "project site" provided such property is covered under items (i), (ii), or (iii) of this section 1. Insured Property.

### **2. Limits of Liability**

The Insurer shall be liable for up to \$25,000 on property at any job site or property in transit, or as specified on the "Declaration(s)" whichever is greater.

### **3. Excluded Property**

For the purposes of this extension only, EXCLUDED PROPERTY Section 5 of this Form is deleted and replaced by the following:

This Form does not insure loss of or damage to:

(i) Property:

(1) while waterborne, from the commencement of loading until completion of discharge except on a ferry, railway car or transfer barge, all in connection with land transportation;

(2) insured under a Marine policy;

(3) aboard or being transported by any aircraft;

(ii) contractor's tools and equipment, including spare parts and accessories whether owned, loaned, hired or leased other than property specified in Insured Property, Section 1, Item (iii) under this Extension;

(iii) property at locations which to the knowledge of the Insured are vacant,

unoccupied or shut down for more than 30 consecutive days or where installation ceases for more than 30 consecutive days;  
(iv) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;  
(v) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority.

#### **4. Excluded Perils**

For the purposes of this extension only, EXCLUDED PERILS 6A. under this Form are deleted and replaced by the following:

This Form does not insure:

(i) the cost of making good:

- a. faulty or improper material;
- b. faulty or improper workmanship;
- c. faulty or improper design;

provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;

(ii) wear and tear, gradual deterioration, latent defect or inherent vice, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;

(iii) mysterious disappearance or shortage of insured property disclosed when taking inventory.

Nor does this Form insure against loss or damage caused directly or indirectly:

(iv) by cessation of work or by interruption of construction, unless directly caused by a peril otherwise insured and not otherwise excluded under this Form;

(v) by mechanical or electrical breakdown or derangement provided, however to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property shall be insured;

(vi) by rust or corrosion, frost or freezing, pollution or contamination unless caused directly by a peril not otherwise excluded in this Form;

(vii) by delay, loss of market or loss of use or occupancy;

(viii) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

(ix) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law, nuclear explosion or contamination by radioactive material;

(x) by any dishonest or criminal act on the part of the Insured or by any other party of interest, employees or agents of the Insured, or any other person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Form;

(xi) by disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.

#### **5. 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:

##### **(i) Removal**

If any of the insured property is necessarily removed from the "project site" to prevent loss or damage or further loss or damage to the insured 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 seven (7) days, insure the property removed and any property remaining at the "project site" in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

##### **(ii) Debris Removal**

The Insurer will indemnify the Insured for expenses incurred in the removal from the "project site" of debris of the property insured, occasioned by loss or damage to such property for which loss or damage insurance is afforded under this Form. The 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 upon the "project site".

### (iii) Offsite Coverage

This Form insures the property described in the Property Insured section of this Extension:

- a. in transit in Canada and the United States of America (excluding Alaska); and
- b. at any location in Canada and the United States of America (excluding Alaska) other than in transit or while being manufactured or undergoing any process.

### 6. Cessation of Coverage

This Form ceases to insure the project:

- (i) on the commencement of use or occupancy of any part or section of the project unless such use or occupancy is for:
    - a. construction purposes;
    - b. office or habitational purposes;
    - c. installing, testing or storing equipment or machinery;
  - (ii) when left unattended for more than 30 consecutive days or when construction activity has ceased for more than 30 consecutive days;
  - (iii) the expiration of this insurance;
- whichever first occurs.

### 7. Loss Adjustment

Any claim for loss or damage under this Form shall be adjusted with, if named herein, the General Contractor or Owner.

### 9. Definitions

Wherever used in this Form:

"Project site" means any work site within Canada at which the Insured has been contracted to do work usual to the operations of the Insured as described on the "Declaration(s)".

(w) INVENTORY PREPARATION EXPENSE - If, as the result of loss or damage insured against by this Form, the Insurer requests the preparation of inventories to help determine the amount of the loss, the Insurer will indemnify the Insured for the necessary expenses incurred to prepare such inventories up to \$10,000 in any one occurrence. The Insurer shall not be liable under this extension for expenses to prove this Form insures against a loss, nor for expenses incurred under the condition of this Policy relating to Appraisal.

(x) LAND AND WATER POLLUTION CLEAN UP:

(i) 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"

(1) is occasioned by loss or damage to property insured at the "premises" for which loss or damage insurance is afforded under this Form;

(2) is sudden, unexpected and unintended from the standpoint of the Insured;

(3) first occurs during the Policy Period.

(ii) The maximum amount of insurance under this extension during any one Policy Period shall not exceed \$25,000 in the aggregate.

(iii) Notwithstanding the Loss Clause in this Form, following a loss under this extension, the limit of insurance for this extension shall be reduced by the amount payable.

(iv) The Insurer shall not be liable for:

(1) 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";

(2) expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" that began before the effective date of this Form;

(3) fines, penalties, aggravated damages, punitive or exemplary damages;

(4) expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste.

(v) REPORTING PERIOD

It is a condition precedent to recovery under this extension that all expenses insured by this extension must be incurred and reported to the Insurer within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of

"pollutants" for which "clean up" expenses are being claimed.

(vi) OTHER INSURANCE

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

(y) LOCK REPLACEMENT COSTS - The Insurer will indemnify the Insured for the reasonable cost of replacing or re-keying locks at the "premises" if the keys or the access cards for such locks are stolen, provided the theft is reported to the law enforcement agency having jurisdiction. The maximum liability of the Insurer under this extension shall not exceed \$15,000 for any one Policy Period.

(z) NEW CONSTRUCTION - The insurance under this Form is extended to insure property in the course of construction and that comprises additions, extensions, and alterations to "Premises", including:

(i) foundations, piers or other supports, excavation, site preparation, landscaping and similar work;

(ii) building materials and supplies, landlord's permanent fittings and fixtures to be attached to and to from part of "Building",

(iii) fences, frescoes, glass, and machinery and "Equipment" forming part of "Building" services;

(iv) temporary scaffolding, forms for concrete and hoardings.

The limit of the Insurer's liability shall not exceed \$100,000.

(aa) NEWLY ACQUIRED LOCATIONS - Coverage under this Form is extended to property at any acquired location that is owned, rented or controlled by the Insured in whole or in part anywhere in Canada, and in or on vehicles within 100 metres (328 feet) of such acquired location, subject to the following limits:

(i) \$1,000,000 on each "building";

(ii) \$500,000 on "equipment" at each newly acquired location.

This extension attaches at the time of the acquisition and extends for a period of 90 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.

(ab) OFF-PREMISES POWER FAILURE - If "stock" at the "premises" is physically lost or damaged as the direct result of an interruption to electrical power, the Insurer will indemnify the Insured for such loss or damage up to \$100,000 in any one occurrence. The interruption to electrical power must result from direct physical loss or damage to the property of an electric utility away from the "premises" by a peril not excluded.

(ac) PEAK SEASON - The limit of liability for property insured under this Policy shall be automatically increased by 25% to provide for seasonal variations in "stock", or if there is no amount shown for "stock" on the "declaration(s)", the amount shown for "Property of Every Description" - Contents. However, this increase shall not apply unless the limit of liability shown for "stock" or "Property of Every Description" - Contents is 100% or more of the Insured's average monthly values for "stock" for the 12 months immediately preceding the latest effective date (inception or renewal), or in the event the Insured has been in business for less than 12 months, such shorter period of time.

(ad) PENALTY REIMBURSEMENT (FOR NON-DELIVERY) - If, as the result of loss or damage insured against by this Form, the Insured incurs monetary penalties under written contracts with unaffiliated customers or clients because of failure to perform the business or professional service described in the "Declaration(s)", the Insurer will indemnify the Insured for such penalties up to \$25,000 in the aggregate during any one Policy Period.

(ae) 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 legally liable for its loss or damage;

(ii) shall apply only to loss or damage occurring at a location specifically described in the "Declaration(s)" or included in EXTENSIONS OF COVERAGE-PROPERTY 4.A. Item (aa)

Newly Acquired Locations.;

(iii) is limited to a maximum recovery of \$1,000 in respect of computers for any one officer or employee.

(af) PROFESSIONAL FEES - The Insurer will indemnify the Insured for the reasonable fees of loss or damage insured against by this Form. As used in this extension, the phrase "independent professionals" does not include:

(i) any employee of the Insured,

(ii) public adjusters,

(iii) lawyers, except for legal fees incurred to prepare a proof of loss required by the conditions of this Policy.

This extension does not cover professionals' fees incurred with respect to a claim against any insurance other than that granted by this Form. The maximum recovery under this extension is limited to \$25 000 for any one occurrence.

(ag) SALES REPRESENTATIVES' SAMPLES - Coverage under this Form is extended to include "equipment" while in the custody of any sales representative employed by the Insured anywhere

within Canada and the United States of America. Insurance under this extension does not apply to portable computers. The maximum recovery under this extension is limited to \$25,000 per sales representative.

**(ah) STATED AMOUNT WAIVER OF COINSURANCE (If Selected)**

In consideration of a statement of values filed and attested by the Insured, the following clause is substituted for the Co-insurance Clause cited in this Policy, and shall be effective until 12:01 a.m. Standard Time on the expiry date of this Policy, and no longer.

It is part of the consideration of this Policy and the basis upon which the rate of premium is fixed that the Insured shall maintain insurance by - or concurrent in form, range and wording with - this Policy on the insured property, so that the total amount of insurance on the said property shall not be less than the amount indicated for the insured property in the "declarations" (including the amount of insurance effected by this Policy) and that, failing to do so, the Insured shall be a co-insurer to the extent of an amount sufficient to make the total insurance on the said property equal to the amount indicated in the "declarations" and, in that capacity, shall bear their proportion of any loss that may occur. On the date and time above specified, the terms and conditions of this endorsement shall cease to be in effect, and the terms and conditions of the Coinsurance Clause cited in this Policy shall then apply.

**(ai) STOCK** - Coverage under this Form is extended to include "stock" anywhere within Canada or the United States of America. This extension applies to "stock" in transit, except for shipments by courier service or parcel post. The maximum liability of the Insurer under this extension shall not exceed \$25,000 in any one occurrence.

**(aj) TENANT'S LEASEHOLD INTEREST** - If, as a result of insured loss or damage, the landlord terminates the lease (in full accordance with the conditions of that lease), then the Insurer will pay the difference between any higher current rental value and the values stipulated in the current lease, however the Insurer shall not be liable, in any one loss occurrence, for more than:

- (i) the actual loss sustained by the insured; or
  - (ii) \$50,000;
- whichever is the lesser amount.

**(ak) TOOL EXTENSION**

### **Property Insured**

This Form insures against all risks of direct physical loss of or damage to unscheduled portable tools while located anywhere within the Territorial Limits as shown below.

The limit of the Insurer's liability shall not exceed \$5,000 or the limit of insurance specified on the "declarations(s)" whichever is greater, subject to a maximum value and limit of insurance per tool not to exceed \$1,000.

### **Additional Perils Excluded**

This form does not insure:

- (i) Loss or damage (unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion) sustained while the property insured is actually being worked upon and directly resulting from such work or caused by any repairing, adjusting, or servicing the insured property;
- (ii) Loss or damage occasioned by theft or pilferage of the insured property when left in automobiles or other conveyances unless such loss or damage be a direct result of violent forcible entry (of which there shall be visible evidence), from a fully enclosed body, the doors and windows of which shall have been securely locked, or from a compartment, which shall have been securely locked.

### **Territorial Limits**

This Form covers only within the territorial limits of Canada and the United States of America (including its territories and possessions).

**(al) TRANSIT** - \$50,000 for any one occurrence on "equipment" in transit anywhere within Canada and the United States of America. This extension does not apply to:

- (i) property in the custody of a sales representative;
- (ii) property in transit between the "premises" and the site of an exhibition, trade show or similar event;
- (iii) shipments by courier service or parcel post.

**(am) VALUABLE PAPERS AND RECORDS** - \$100,000 in any one occurrence may be applied to additional expense necessarily incurred in the reproduction of the Insured's records, as described in VALUATION Section 18.(e), due to loss, destruction or damage by an insured peril. The Insurer shall not be liable under this extension for any sums due the Insured which the Insured is unable to collect because of loss of records.

Insurance under this extension does not apply to loss due to electrical or magnetic injury, computer viruses, or the disturbance or erasure of electronic recordings, except by lightning.

**B. CATCH-ALL CLAUSE** - In the event of a claim being made under any extension specified under EXTENSIONS OF COVERAGE-PROPERTY Section A, (except as specified below) and following the application of all terms, deductible(s), and conditions applicable to the extension under which claim is made:

If the limit of liability is insufficient to fully indemnify the Insured for loss or damage, then the insurance under this Catch-All Clause is extended to provide additional coverage in excess of any such adjusted claim. In no event shall the Insurer be liable, in any one loss occurrence, for more than:

- (i) the difference between the amount payable under the adjusted claim(s) and the amount required to fully indemnify the Insured; or
  - (ii) \$50,000.
- whichever is the lesser amount.

If coverage provided under any extension is more specifically and separately insured elsewhere in this Policy, then the relevant extension under EXTENSIONS OF COVERAGE-PROPERTY Section 4.A. shall not be eligible for the benefits of this Catch-All Clause.

In no event shall this Catch-All Clause apply to claims for loss or damage under any of the following coverage extensions under EXTENSIONS OF COVERAGE-PROPERTY Section 4.A:

- Item (k) Equipment at Permanent Unnamed Locations
- Item (x) Land and Water Pollution Clean Up
- Item (aa) Newly Acquired Locations
- Item (ab) Off-Premises Power Failure

This Catch-All Clause (without increasing the maximum limit of liability as specified above for this Clause) may be applied to either one or two other eligible extensions in any one loss occurrence. In the event that claim is made under this Catch-All Clause, the Insured shall elect which other eligible extension or which two other eligible extensions shall receive the benefit of this Catch-All Clause.

### **C. EXTENSIONS OF COVERAGE – BUSINESS INTERRUPTION**

The following extensions are subject to all terms, conditions, stipulations and provisions applicable to Business Interruption. The form of Business Interruption Coverage (Gross Earnings Manufacturing Form BI08, Gross Earnings Mercantile Form BI09, Profits Form BI10, Gross Rentals Form BI11, Rental Income Form BI12, Profits Actual Loss Sustained Form BI16, and Gross Earnings Actual Loss Sustained Form BI18) will be determined by the coverage applicable at the main location stated on the "Declaration(s)" under this Policy. The Limit of Insurance for each coverage is an aggregate amount.

(a) **INTERNET SERVICE PROVIDER BREAKDOWN** – Business Interruption coverage is extended to insure up to \$2,500 for loss resulting from the necessary interruption of or interference with the business carried on by the Insured occurring during the term of this policy caused by breakdown of Electronic Data Processing Systems owned by a provider of internet services to the Insured.

The liability of the Insurer, with respect to each interruption of business under this Extension shall not attach until the period of interruption exceeds the 48 hour period that immediately follows the breakdown.

#### **Additional Exclusion:**

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

(b) **LIMITED CONTINGENT LOSS OF INCOME – CONTRIBUTING/RECIPIENT PROPERTY**- This Extension insures up to \$50,000 for loss resulting from the necessary interruption of or interference with the business carried on by the insured caused by direct physical loss or direct physical damage by the insured perils occurring during the term of the policy to "Property of Every Description":

- (i) at a recipient property(ies), being property to which the insured's products are being shipped, which wholly or partially prevents the acceptance of products produced or sold by the Insured; or
- (ii) at a contributing property(ies), being a supplier(s) of materials to the Insured, which wholly or partially prevents the delivery of materials to the Insured; or
- (iii) at the premises of the provider of internet services to the Insured, which wholly prevents the transmission of data.

#### **Additional Exclusion:**

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

(c) **LIMITED CONTINGENT LOSS OF INCOME – NEIGHBOURING PREMISES** - This extension insures up to the \$25,000 for loss resulting from interruption of or interference with the business in consequence of direct physical loss or direct physical damage by the insured perils to property in neighbouring premises to the Insured that shall prevent or hinder the use of or access to such premises, whether the "premises" or property of the Insured in such premises shall be damaged or not, shall be deemed to be loss resulting from damage to property used by the Insured at the "premises".

## **Additional Exclusion:**

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

(d) MORTGAGE RATE GUARANTEE - The Insurer will indemnify the Insured for the increase in mortgage interest costs resulting from a total loss 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 costs 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) 60 months from the date of loss.

whichever occurs first.

All losses under this extension are payable monthly, and are limited to \$100,000 in the aggregate.

Coverage under this extension C.(e) is applicable only if Gross Rentals Form BI11, Rental Income Form BI12, Gross Earnings Manufacturing Form BI08, Gross Earnings Mercantile Form BI09, Profits Form BI10, or Gross Earnings Actual Loss Sustained Form BI18 is insured as stated on the "declaration(s)":

(e) POWER INTERRUPTION - The insurance under this Form is extended to include the necessary interruption of or interference with the business at an insured location arising out of direct damage to or direct destruction of public off-"Premises" poles or towers for power transmission, any public off-"Premises" power transmission line or any public off-"Premises" power distribution line arising out of an insured peril.

The limit of the Insurer's liability for this extension shall not exceed \$100,000.

Coverage under the following extensions C.(f),(g),(h) and (i) replace the extensions of coverage provided in Profits Actual Loss Sustained Form BI16 if insured as stated on the "declaration(s)":

(f) ALTERATIONS, ADDITIONS AND ACQUIRED LOCATIONS - The insurance under this form extends to cover the reduction in "turnover" resulting from loss or destruction of or damage to any alteration or addition to an existing building at the described "premises", or from loss or destruction of or damage to any acquired location that is insured under this Policy.

(g) PROFESSIONAL FEES - \$25,000 in any one occurrence may be applied to pay professional fees necessary for the preparation of a claim under this form. Coverage under this extension (g) is restricted to claims under this form and will not be applied to professional fees made necessary by a loss under any other form. This extension (g) does not apply to the fees and costs of any of the Insured's employees.

(h) PROHIBITION OF ACCESS - The Insurer will indemnify the Insured for reduction in "turnover" during the period of time, not exceeding 30 consecutive days, during which access to the "premises" is:

(i) prohibited by order of civil authority, but only when such order is given as a direct result of physical loss, destruction or damage to property within one (1) kilometre of the "premises", or

(ii) impassable or unsafe as a direct result of physical loss, destruction or damage to property of others at the "premises".

(i) POWER INTERRUPTION - This Form is extended to insure reduction of "turnover" due to interruption of the public power supply to the "premises", but only when such interruption is the direct result of physical loss or destruction of or damage to a power plant, substation or transformer and transmission lines between them by an insured peril.

## **5. EXCLUDED PROPERTY:**

This Form does not insure loss of or damage to:

(a) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;

(ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure; caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:

(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 therefrom to the atmosphere.

(b) money, securities, stamps, evidence of title, evidence of debt, transportation and other tickets, tokens;



- (c) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, nor motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft and amphibious vehicles held for sale, nor to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- (d) gold, silver, platinum and other precious metals and alloys, but this exclusion does not apply, with respect only to gold, silver, platinum and other precious metals and alloys used for commercial or professional purposes in the business of the Insured, to the first \$25,000 of any loss to which insurance under this Form otherwise applies;
- (e) property covered 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;
- (f) growing plants, trees, shrubs and flowers in the open, except as provided by EXTENSIONS OF COVERAGE-PROPERTY 4.A.(s) Growing Plants, Trees, Shrubs, or Flowers in the Open;
- (g) animals, fish and birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or theft or attempted theft;
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones, and pre-recorded video tapes, but this exclusion does not apply to:
  - (i) the first \$1,000 of any loss not otherwise excluded, nor
  - (ii) any loss or damage caused directly by "Named Perils";
- (i) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority unless seizure or confiscation is solely for the purpose of preventing or containing the spread of fire.

## 6A EXCLUDED PERILS:

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

- (a) by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from "fire protective equipment";
- (b) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or artificial, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke or leakage from "fire protective equipment" or to leakage from a water main.  
Exclusions (a) and (b) do not apply to property in transit;
- (c) to the "building" by settling, expansion or contraction, unless caused by or resulting from a peril not excluded elsewhere by this Form;
- (d) by dampness or dryness of atmosphere, change of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, but this exclusion does not apply to loss or damage caused by or resulting from a peril not otherwise excluded elsewhere by this Form;
- (e) by delay, loss of market, loss of use or occupancy;
- (f) by disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning or as provided in EXTENSIONS OF COVERAGE-PROPERTY 4.A.(j) Electronic Data Processing Extension;
- (g) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises", but this exclusion does not apply to:
  - (i) EXTENSIONS OF COVERAGE-PROPERTY Item 4.A.(j) Electronic Data Processing Extension;
  - (ii) ensuing fire, and then only for the loss or damage caused directly by such ensuing fire;
- (h) to "equipment" or "stock" while actually being worked upon and directly resulting from such work, or caused by any repairing, adjusting or servicing of such property, unless fire or explosion ensues and then only for such ensuing loss or damage;
- (i) by any dishonest or criminal act on the part of the Insured or other party of interest, his or their employees or agents or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to malicious acts (other than theft) committed by an employee of the Insured and not otherwise excluded;
- (j) by mysterious disappearance or shortage of "equipment" and "stock" disclosed on taking inventory;
- (k) by wear and tear, gradual deterioration or latent defect, inherent vice or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (l) 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, except as provided in EXTENSIONS OF COVERAGE-PROPERTY 4.A.(e) ByLaws;
- (m) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded;
- (n) to the "building" by explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
  - (i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam

pressure;

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

(iii) other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;

(iv) moving or rotating machinery or 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;

(o) to the "building" by snow slide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from "fire protective equipment";

(p) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

(q) (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;

(ii) by contamination by radioactive material;

(r) by theft or attempted theft from an unattended vehicle, but this exclusion does not apply

(i) to property under the control of a common carrier, nor

(ii) if the vehicle is equipped with a fully enclosed metal body or compartment, the insured property had been locked in such body or compartment, and there is visible evidence of forcible entry.

#### **6B POLLUTION EXCLUSION:**

This Form does not insure against:

(a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:

(i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Form;

(ii) to loss or damage caused directly by a peril not otherwise excluded under this Form;

(iii) to extensions of coverage EXTENSIONS OF COVERAGE-PROPERTY 4.A.(x) Land and Water Pollution Clean Up;

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

#### **7. BREACH OF CONDITIONS**

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the "premises" over which the Insured has no control.

#### **8. COINSURANCE**

This clause applies only where the total loss exceeds \$10,000.

The Insured shall maintain insurance concurrent with this Form on the property insured to the extent of at least the amount produced by multiplying the value of the property (as determined in accordance with VALUATION Section 18) by the coinsurance percentage specified in the "Declaration(s)", and failing so to do, shall only be entitled to recover 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.

#### **9. DEDUCTIBLE**

The Insurer is liable for the amount by which the loss or damage caused by any of the insured perils or arising in connection with any Extension of Coverage exceeds the amount of the deductible specified for this Form in the "Declaration(s)" in any one occurrence.

#### **10. LIBERALIZATION CLAUSE:**

If, during the Policy Period the Insurer introduces any broadening of this policy and for which no additional premium is charged, then such broadened insurance (if applicable at the time of the insured loss or damage under this policy) inures to the benefit of the Insured under this policy effective from the date of the formal

introduction by the Insurer of such broadened insurance.

## **11. LOSS CLAUSE**

Any loss under this Form, except as provided the following extensions shall not reduce the Limit of Insurance shown in the "Declaration(s)":

### **EXTENSIONS OF COVERAGE-PROPERTY 4.A.:**

- Extension (c) Bailee's Customers;
- Extension (g) Cost to Prepare Proof of Loss;
- Extension (j) Electronic Data Processing Extension
- Extension (r) Goods on Consignment;
- Extension (x) Land and Water Pollution Clean Up
- Extension (y) Lock Replacement Costs;
- Extension (ag) Sales Representatives' Samples

## **12. PERMISSIONS**

Permission is granted:

- (a) for other insurance concurrent with this Form;
- (b) to make additions, alterations or repairs;
- (c) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business;
- (d) to cease operation in, and for any individual "building" to remain vacant or unoccupied without limit of time, but the entire "premises" not to cease operations or to be vacant or unoccupied for a period exceeding 30 days at any one time.

## **13. PREMIUM ADJUSTMENT:**

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 said period, separate actual values of "stock" and of all other "Property of Every Description" on the last day of each month at each location, determined in accordance with clause 7 and as commented upon by the Insured's Accountant, the actual premium for the said period shall then be calculated at the rate applying to each location for the average amount of the total values declared. If the premium paid by the Insured exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 25% of the premium paid. In the event of any monthly declared values being in excess of the Limit of Insurance, the amount of the excess shall not be included in the premium adjustment calculations.

## **14. 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.

## **15. PROPERTY PROTECTION SYSTEMS**

It is a condition of this insurance, for the purpose of BREACH OF CONDITIONS Clause 7, that the Insured shall notify the Insurer forthwith of any interruption to or flaw or defect, coming to the knowledge of the Insured, in any:

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

and shall also notify the Insurer forthwith 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.

## **16. REPAIR CLAUSE:**

In case of loss, the Insured may immediately begin "replacement", but such work shall at all times be open to the supervision of the Insurer and in case of dispute as to the cost of "replacement", the loss shall be settled in accordance with the terms of this Policy.

## **17. TITLES OF PARAGRAPHS:**

The several titles of the various paragraphs of this Form are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

## **18. VALUATION**

For the purpose of calculating the total value of the property for the application of Coinsurance, value reporting and for loss adjustment, the following valuation basis applies:

- (a) on unsold "stock" the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "stock" the actual invoice cost after allowance for discounts;
- (c) on property of others in the custody or control of the Insured - the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on tenant's improvements:
  - (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the "replacement cost" of the tenant's improvements immediately prior to the time of destruction or damage;
  - (ii) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration of the lease;
- (e) on records, except as provided in EXTENSIONS OF COVERAGE-PROPERTY 4.A.(am) Valuable Papers and Records;
  - (i) books of accounts, drawings, card index systems and other records, other than as described in below-the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
  - (ii) "E.D.P. Media", "E.D.P. Data" storage devices, and program devices for electronic and electro-mechanical data processing or for electronically controlled equipment - the cost of reproducing such "E.D.P. Media", "E.D.P. Data" storage devices and program devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling "E.D.P. Data" for such reproduction.
  - (iii) "E.D.P. Data" – the amount actually and necessarily expended for re-establishing, gathering or assembling information and for replacing instructions to reproduce those lost or destroyed.
- (f) on all other "Property of Every Description" - the "replacement cost" of the property at the time any loss occurs, subject to the following provisions:
  - (i) "replacement" shall be effected by the Insured with due diligence and dispatch;
  - (ii) settlement 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";
  - (iii) failing compliance by the Insured with provisions (f)(i) and (f)(ii), settlement shall be made on the basis of the actual cash value of the property at the time the loss occurs.

**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.

## 19. 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 property insured and to examine the Insured's books, records and such policies as relate to any property insured under this Form. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Form.

## 20. DEFINITIONS:

Wherever used in this Form and its endorsements:

- (a) **"Building"** means any "building" described in the "Declaration(s)" and includes:
  - (i) fixed structures pertaining to the building and located on the "premises";
  - (ii) additions and extensions communicating and in contact with the building;
  - (iii) permanent fittings and fixtures attached to and forming part of the building;
  - (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 on the "premises" used for decorative purposes when the Insured is the owner of the "building", subject to EXTENSIONS OF COVERAGE-PROPERTY 4.A.(s) Growing Plants, Trees, Shrubs or Flowers in the Open.
- (b) **"Clean Up"** means the clean up, removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (c) **"Contents"** means "Equipment" and "Stock".
- (d) **"Data"** means representations of information or concepts, in any form.
- (e) **"Declaration(s)"** means the "Declaration(s)" attached to this Policy for the current Policy Period.
- (f) **"E.D.P. Data"** means information, concepts, pictures or instructions which have been electronically converted to a form useable by computer equipment.
- (g) **"E.D.P. Media"** means all material on which "E.D.P. Data" is electronically recorded and that does not form an integral and permanent part of any computer equipment.
- (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, however this shall not include property of the Insured's customers or clients:

a. which is being used in the performance of the business service or professional service of the Insured (other than leased office equipment);

b. which the Insured is holding in storage for any reason.

(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;

(iv) growing plants, trees, shrubs or flowers on the "premises" used for decorative purposes when the Insured is not the owner of the "building" but owns or is legally liable for such plants, trees, shrubs or flowers, subject to EXTENSIONS OF COVERAGE-PROPERTY 4.A.(s) Growing Plants, Trees, Shrubs, or Flowers in the Open.

(i) "**Extra expense**" means the excess, if any, of the total cost incurred during the "period of restoration" chargeable to the operation of 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. Any salvage value of property obtained for temporary use during the "period of restoration", which remains after the resumption of "normal" operations, shall be taken into consideration in the adjustment of any loss. In no event shall the Insurer be liable for loss of income.

(j) "**Fire Protective Equipment**" includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

(i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;

(ii) any water mains or appurtenances located outside of the described "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.

(k) "**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 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 their connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure 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 their 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:

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

(2) bursting or rupture caused by any hydrostatic pressure or freezing;

(3) 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 hereunder due to 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 "buildings";

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

There shall in no event be any liability 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 DEFINITIONS Section 20.(k)B.;

(ii) 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 hereunder for any cumulative damage.

F. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT: The term Leakage From Fire Protective Equipment means the leakage or discharge of water or other substance from within "fire protective equipment" on the "premises" described in the "Declaration(s)" or on adjoining premises, and loss or damage caused by the fall or breakage or freezing of such equipment.

G. WINDSTORM OR HAIL:

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

(i) to the interior of the "buildings" insured or their 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.

(l) "**Normal**" means the condition that would have existed had no loss occurred.

(m) "**Period of restoration**" means that period of time 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 the "premises".

(n) "**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.

(o) "**Premises**" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the "Declaration(s)" and in or on vehicles within 100 metres (328 feet) of such locations.

(p) "**Property of Every Description**" includes "building" and "contents", except as specifically limited or excluded by EXCLUDED PROPERTY Section 5.

(q) "**Replacement**" includes repair, construction or re-construction with new property of identical kind and quality, if available, or otherwise new property intended to perform the same function which may include technological advancements.

(r) "**Replacement Cost**" means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property with new property of like kind and quality and for like occupancy without deduction for depreciation.

(s) "**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, however this shall not include property of the Insured's customers or clients:

(1) which is being used in the performance of the business service or professional service of the Insured (other than leased office equipment);

(2) which the Insured is holding in storage for any reason.

## Form# BM12 Equipment Breakdown Rider

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.**

### 1. INSURING AGREEMENT

In consideration of the premium, the Company agrees with the Insured that if there is an Accident occurring during the Period of Coverage to the Insured Equipment as defined herein, while the Insured Equipment is at a location specified in the Declarations and subject to all the terms, provisions and conditions (including Statutory Conditions) of the policy, except as they may be varied herein, and to the Declarations, Exclusions and Conditions applicable to this Rider, as follows:

(a) to pay for loss

(i) to the Insured Equipment and

(ii) to other Insured Property

directly damaged by the Accident;

(b) if Option 3 is indicated as covered in the Declarations, to pay for loss of perishable Insured Property that spoils solely as a result of the Accident;

(c) if Business Interruption / Extra Expense is covered by the policy to which this Rider is attached, to pay for the Business Interruption / Extra Expense which results solely from the Accident.

## 2. EXCLUSIONS

This Rider does not apply:

**(a)** to loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused;

**(b)** to loss caused by or resulting from:

**(i)** war, including undeclared or civil war;

**(ii)** warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

**(iii)** insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these;

**(iv)** civil commotion or sabotage;

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

**(c)** to loss caused by or resulting from pollution, contamination or damage by a Hazardous Substance, however caused, except as provided in Condition 7;

**(d)** to loss from an Accident caused by or resulting from:

**(i)** earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;

**(ii)** wind, including but not limited to cyclone, tornado or hurricane;

**(iii)** fire, smoke or combustion explosion; or

**(iv)** water or other means used to extinguish a fire;

**(e)** to loss caused by or resulting from:

**(i)** fire, smoke or combustion explosion that occurs at the same time as an Accident or that ensues from an Accident. However, with respect to any Insured Equipment which is an electrical or electronic machine or apparatus, fire damage within the said machine or apparatus which occurs at the same time as an Accident or that ensues from an Accident is covered;

**(ii)** flood, however, if an Accident of Insured Equipment results from a flood, damage or expense caused by the Accident is covered;

**(iii)** lightning, if coverage for that cause of loss is provided by any other insurance in effect at the time of the loss;

**(iv)** escape of water resulting from an Accident unless:

**a.** coverage is not provided by any other insurance in effect at the time of the loss, and

**b.** the water escapes from Insured Equipment that normally contains water or steam

**(v)** damage to Data used with any electronic computer or electronic data processing equipment except as provided in Condition 8;

**(f)** to loss from:

**(i)** delay or interruption of business except as may be provided in Insuring Agreement 1(c);

**(ii)** any other indirect result of an Accident except as may be provided in Insuring Agreement 1(b) and 1(c);

**(g)** to loss caused by or resulting from:

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

**(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 virus or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility;

however the Company shall pay for loss that ensues solely from the Accident of any other Insured Equipment;

**(h)** to loss covered under the Commercial Edge or Business Edge policies.

## 3. CONDITIONS

### 1. Limit of Liability

The Company's total liability from any One Accident under Insuring Agreements 1(a) and 1(b) shall not exceed the Limit of Liability as specified in the Declarations as applicable to this Rider.

### 2. Business Interruption/Extra Expense

If the policy to which this Rider is attached insures against Business Interruption / Extra Expense, but not otherwise, this Rider also covers such Business Interruption / Extra Expense which results solely from an Accident of Insured Equipment subject to all the terms, provisions and conditions of the Business Interruption / Extra Expense coverages forming a part of this policy, and subject to the following additional provisions:

#### **(i) Notice of Accident and Commencement of Liability**

The Insured shall immediately give notice of Accident to any office of the Company and that notice must be confirmed in writing. The commencement of the Company's liability under this coverage shall be (1) the time of the Accident or (2) twenty-four hours before the notice of Accident is received, whichever is later.

#### **(ii) Limit of Insurance**

Under Insuring Agreement 1(c), the Company's liability for Business Interruption / Extra Expense shall be separate from and in addition to the Limit of Liability specified in the Declarations applicable to this Rider. This liability, however, is not to exceed the limit of Business Interruption / Extra Expense specified for this coverage in the policy.

### 3. Expediting Expenses

If there is an Accident of Insured Equipment, the Company shall pay the reasonable extra cost to:

**(i)** make temporary repairs;

**(ii)** expedite permanent repairs; or

(iii) expedite permanent replacement;  
of the Insured Equipment or other Insured Property which is directly damaged by the Accident.

#### **4. By- Laws**

If prior to the time of an Accident of Insured Equipment there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of Insured Property, the Company shall be liable under this Rider for:

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

#### **5. Professional Fees/Auditors Fees**

If the policy to which this Rider is attached covers Professional Fees or Auditors Fees, but not otherwise, this Rider also covers such Professional or Auditors Fees subject to the limit specified for this coverage in the policy.

#### **6. Service Interruption**

If there is an Accident of equipment not owned or operated by the Insured, the Company shall be liable:

- (i) only if Option 3 is specified as covered in the Declarations, for loss of perishable Insured Property which spoils; and
  - (ii) only if Business Interruption / Extra Expense insurance is provided by this Rider, for Business Interruption / Extra Expense;
- but only if the equipment is:
- (i) of a type described in the applicable definition of Insured Equipment;
  - (ii) located on or within one thousand (1000) metres of the Insured's premises;
  - (iii) owned by the building owner at the premises of the Insured or by a public utility company; and
  - (iv) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the Insured's premises.

#### **7. Hazardous Substances**

If a Hazardous Substance is involved in or released by an Accident of Insured Equipment, the Company shall be liable to pay:

- (i) the increase in cost to repair, replace, clean up or dispose of, affected Insured Property; and
  - (ii) if Business Interruption / Extra Expense coverage is provided by this Rider, the increase in Business Interruption / Extra Expense loss because of the presence of Hazardous Substances;
- however, in no event shall the Company be liable for loss in excess of \$100,000.

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

#### **8. Data Coverage**

If, as a result of an Accident of Insured Equipment, Data is lost or damaged, the Company shall be liable for:

- (i) the cost of gathering or reproducing the Data; and
- (ii) the Business Interruption/Extra Expense resulting from the loss or damage to the Data only if business Interruption/Extra Expense is provided by this form,

However, in no event shall the insurer be liable for loss in excess of \$50,000.

The Company shall not be liable for Data which is lost or damaged as a result of programming errors of any kind including the inability of software to correctly read, recognize, save, process or interpret any date or time.

#### **9. Basis of Settlement**

##### **(a) Property Damage**

Under Insuring Agreement 1(a), the Company agrees to pay for Insured Property which is damaged, as follows:

- (i) on media, the cost of blank material;
- (ii) on exposed film, records, manuscripts and drawings, the cost of blank material plus the cost of transcription;
- (iii) on any heat exchanger that forms part of forced air heating equipment that is five (5) years old or more from the date of purchase new, its Actual Cash Value;
- (iv) on all other Insured Property, the lesser of the cost at the time of the Breakdown
  - (a) to repair; or
  - (b) to replace with similar property of like kind, capacity, size, quality and function.

The Company shall not be liable:

- (i) for the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- (ii) for more than the cost to replace the property with other property of like kind, capacity, size, quality and function; nor
- (iii) for loss or damage to property which is useless or obsolete to the Insured.

If the damaged property is not repaired or replaced within 12 months after the date of the Accident, the Company's liability will only be for the Actual Cash Value of the damaged property. Actual Cash Value is the



cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. In determining depreciation consideration will be given to such items as the age, condition, and normal life expectancy of the property.

**(b) Spoilage**

If Option 3 is specified in the Declarations of this Rider, the Company shall pay under Insuring Agreement 1(b) the amount that is spent to replace perishable Insured Property which spoils solely as a result of the Accident of Insured Equipment. If the Insured Property is not replaced, the Company shall only pay for the Actual Cash Value of the property.

**10. Deductible**

From the total amount of loss, damage and expense for which the Company is liable following any One Accident of Insured Equipment shall be subtracted the Deductible specified in the Declarations.

**11. Inspection**

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

**12. Suspension**

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

**13. Errors and Omissions**

Insurance under this policy is extended to include the actual amount of loss, up to a maximum of \$250,000.00 for loss not otherwise payable if such loss arises solely out of an error or unintentional omission by the Named Insured in the description of insured property or in a description of the insured property's location. Immediately upon the discovery of any such error or omission, the Named Insured must notify the Insurer of the corrections that are needed. Nothing contained in this Coverage Extension 13 operates to increase the Insurer's limit of liability. The Insurer reserves the right to charge an appropriate premium or to impose appropriate, additional conditions with respect to any such corrections that are made to the policy.

**14. Brands and Labels**

This Coverage Extension 14 applies in the event of loss or damage (arising out of an Accident) to insured property bearing a brand name or trademark. The salvage value of such damaged insured property is determined after removal (in the customary manner) of all such brands or trademarks or other identifying characteristics. Insurance under this policy is extended to insure, up to a maximum of \$100,000.00, the cost of removal of such brands, trademarks or other identifying characteristics (provided that such removal will not physically damage the insured property) prior to the sale, as salvage, of such insured property damaged by an Accident; in accordance with value established by the Insurer during loss adjustment.

**14. Liberalization Clause**

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

- (a) such extension of coverage has not been declined by the present Insurer; and
- (b) such extension of coverage has not been refused by the Insured following conditions proposed by the present Insurer; and
- (c) the Insurer's liability does not exceed the amount of insurance specified for such extension of coverage in the prior policy; and
- (d) this Coverage Extension 14 is limited to a maximum recovery of \$50,000.00 in any one Policy Period.

If during the Policy Period the Insurer introduces any broadening of this Form BM12 and for which no additional premium is charged, then such broadened insurance inures to the benefit of the Insured under this Form (effective from the date of formal introduction by the Insurer of such broadened insurance).

**15. Interruption by civil authority:**

This Coverage Extension 15 does not apply if coverage for loss arising out of interruption by civil authority is specifically insured under a separate form of commercial property or business interruption insurance, whether attached to this policy or not. Insurance under this policy is extended to include the contiguous period of time, not exceeding twenty-one consecutive days that access to the insured premises is prohibited or denied by order of civil authority. Coverage under this extension clause 14 applies only when such order or denial is given as a direct result of an Accident at premises adjacent to the insured premises and only when such order or denial of access arises out of a peril that would have been insured against under this policy had the loss or damage occurred on the Named Insured's premises.

## 4. DEFINITIONS

### 1. Insured Equipment - Option 1

If Option 1 is specified as covered in the Declarations applicable to this Rider, Insured Equipment shall mean any equipment owned, leased, operated or controlled by the Insured as described below:

**A.** any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping and its accessory equipment, any heat exchanger that forms part of forced air heating equipment, but not including:

(i) any vessel or piping forming a part of a refrigerating or air conditioning system;

(ii) any boiler setting, any refractory or insulating material;

(iii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor

(iv) any buried piping, any drainage 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 machinery or apparatus used for refrigeration or air conditioning;

(ii) any vehicle or mobile equipment;

(iii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system; nor

(iv) any electronic machine, device or instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

### 2. Insured Equipment - Option 2

If Option 2 is specified as covered in the Declarations applicable to this Rider, Insured Equipment shall mean any equipment owned, leased, operated or controlled by the Insured as described below:

**A.** any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, 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 drainage 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 mobile equipment;

(ii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system; nor

(iii) any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

### 3. Insured Equipment - Option 3

If Option 3 is specified as covered in the Declarations applicable to this Rider, Insured Equipment shall mean any equipment owned, leased, operated or controlled by the Insured as described below:

**A.** any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, 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 drainage 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 mobile equipment; nor

(ii) any lifting or safety cables, anchorages, 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.

### 4. Insured Property

Insured Property is:

(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.

### 5. Accident

Accident means a sudden and accidental failure of equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

Accident does not mean:

(i) depletion, deterioration, corrosion or erosion of material;

(ii) wear and tear;

(iii) vibration or misalignment;

(iv) the functioning of any safety device or protective device; nor

(v) the failure of a structure or foundation supporting the equipment or a part of the equipment.

#### **6. One Accident**

If either the Accident of Insured Equipment causes the Accident of other Insured Equipment or a series of Accidents occur at the same time as a result of the same cause, they will all be considered as One Accident.

#### **7. Hazardous Substance**

A Hazardous Substance is

(i) any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or

(ii) any Fungi or Spores or toxins created or produced by or emanating from such fungi or spores whether or not allergenic, pathogenic or toxigenic.

As used herein Fungi includes, but is not limited to, any form or type of mould, yeast, mushroom, mildew, bacteria or wet or dry rot, 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.

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

#### **8. Data**

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

#### **9. Media**

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

#### **Sewer Backup Endorsements**

**This Endorsement Changes the Policy, When sewer back up is a coverage showing on the declaration page of the documents refer to the Sewer back up deductible endorsement wording. If the declaration page shows an exclusion for sewer back up refer to the Edge advantage Sewer back up exclusion endorsement. Please Read it Carefully.**

**Attached to and forming part of Section 9. DEDUCTIBLE of form BF41 – Business and Professional Services Edge Advantage (Property)**

#### **Sewer Backup Deductible Endorsement**

Except when otherwise excluded by this policy, with respect to loss, damage or destruction caused by:

(a) 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.

the Insurer is liable only for the amount of such loss, damage or destruction which exceeds the sum specified on the "Declaration(s)" under Sewer Backup Deductible, in any one occurrence.

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

#### **Edge Advantage Sewer Backup Exclusion Endorsement**

**THIS ENDORSEMENT CHANGES THE COVERAGE PROVIDED BY THE EDGE ADVANTAGE PROPERTY RIDER TO WHICH THIS FORM IS ATTACHED.**

Attached to and forming part of the Property and Miscellaneous Coverages as stated on the "Declaration Page(s)".

#### **The following exclusion is added:**

This Rider does not insure against loss or damage caused directly or indirectly 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 Rider.

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

#### **Service Extension Endorsement**

Attached to and forming part of the Comprehensive Dishonesty, Disappearance, Destruction and Forgery Form, Insuring Agreement I. This extension covers any direct loss or losses which any person or organization, having engaged the services of the Insured, shall

sustain with respect to money or other property:

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

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

**Deductible:**

The amount stated on the "Declaration Page(s)" shall be deducted from each adjusted claim arising out of the coverage provided by this endorsement.

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

**Intact Insurance Company**

**Form# G003 - Commercial Property Policy Conditions (All Provinces Except Quebec)**

The following Commercial Property Policy Conditions and Additional Conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy (including fire).

**1. Misrepresentation**

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

**2. Property of Others**

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured in such property is stated in the contract.

**3. Change of Interest**

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

**4. Material Change**

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

**5. Termination**

(1) This contract may be terminated,

(a) by the Insurer giving to the Insured written notice of termination at least:

(i) five days before the effective date of termination if personally delivered;

(ii) fifteen days before the effective date of termination if the contract is terminated by registered mail for non payment of premium; or

(iii) thirty days before the effective date of termination if the contract is terminated by registered mail for any other reason.

(b) by the Insured at any time on request.

(2) When this contract is terminated by the Insurer,

(a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and

(b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.

(3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the

short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

(4) The refund may be made by money, postal or express company money order or cheque payable at par.

(5) The fifteen and thirty days mentioned in clauses (1)(a)(ii) and (iii) of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

## **6. Requirements After Loss**

(1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,

(a) immediately give notice of the loss or damage in writing to the Insurer;

(b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,

(i) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,

(ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,

(iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,

(iv) showing the amount of other insurances and the names of other Insurers,

(v) showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,

(vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,

(vii) showing the place where the insured property was located at the time of loss or damage;

(c) if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;

(d) if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.

(2) The evidence furnished under clauses (1) (c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

## **7. Fraud**

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

## **8. Who May Give Notice and Proof**

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

## **9. Salvage**

(1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.

(2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection (1) of this condition.

## **10. Entry, Control, Abandonment**

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

## **11. Appraisal**

In the event of disagreement as to the value of the insured property or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for one is made in writing and until proof of loss has been delivered.

## **12. When Loss Payable**

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

period.

### **13. Replacement**

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

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

### **14. Action**

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

### **15. Notice**

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

### **Additional Conditions**

#### **I. Notice to Authorities**

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

#### **II. No Benefit to Bailee**

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

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

#### **VI. Basis of Settlement**

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

#### **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.

### **Form# 2485 Declaration of Emergency Endorsement -Extension of Termination or Expiry Date**

## **Intact Insurance Company**

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

1. The "emergency" must have a direct effect or impact on:

- i) the Insured, the insured site or insured property located in the declared emergency area; or
- ii) the operations of the Insurer or its agent/broker located in the declared emergency area.

2. A. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the "emergency" is terminated plus the lesser of:

- i) 30 days; or
- ii) the number of days equal to the total time the "emergency" order was in effect.

2. B. If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:

- i) 30 days; or
- ii) the number of days equal to the total time the "emergency" order was in effect.

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

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

**"Emergency"** means the first statutory declaration of an emergency:

a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or

b) as provided for by the relevant governing legislation if different from a).

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

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

## **Intact Insurance Company**

### **Form# G001 - General Deductible**

In the event of a claim under any Broad Form or Named Perils Form in this policy caused by an insured peril, the Insurer shall be liable only for the amount by which the adjusted claim exceeds the deductible amount shown on the "Declaration Page(s)" for that Form.

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.

The Insured expressly warrants that it will itself bear any loss to the extent of any applicable deductible amount, and warrants that it will not contract for insurance in respect of such deductible amount.

The term "adjusted claim" as used in this endorsement means the amount which would be payable to the Insured under the applicable item(s) of insurance provided by this policy in respect of direct loss or damage arising out of one occurrence before the application of any deductible amount.

This deductible does not operate to reduce any applicable limits of liability.

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

## **Intact Insurance Company**

### **Form# BI16 - Profits Actual Loss Sustained**

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.**

#### **1. INDEMNITY AGREEMENT**

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

## **2. MEASURE OF RECOVERY**

The insurance under this Form is limited to the Actual Loss Sustained of "gross profit" due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable shall be:

(a) In respect of Reduction in Turnover:

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

(b) In respect of Increase in Cost of Working:

The additional expenditure (subject to Special Provisions Clause (b)) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in "turnover" which but for that expenditure would have taken place during the "indemnity period", in consequence of the destruction or damage by an insured peril, but not exceeding the sum produced by applying the "rate of gross profit" to the amount of the reduction thereby avoided; less any sum saved during the "indemnity period" in respect of such of the "insured standing charges" as may cease or be reduced in consequence of the destruction or damage by the insured perils.

## **3. SPECIAL 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 the Insured or by others on the Insured's behalf the money paid or payable in respect of such sales or service shall be brought into account in arriving at the "turnover" during the "indemnity period".

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

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

## **4. EXTENSIONS OF COVERAGE**

Unless otherwise specified by special endorsement to the contrary, and subject to all other terms and conditions of this Form, coverage is extended to include:

(a) Interruption by Civil Authority – The actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the "premises" described in the Declaration Page(s) is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighbouring premises by a peril insured against under this policy.

(b) Alterations, additions and acquired locations – The insurance under this form extends to cover the reduction in "turnover" resulting from loss or destruction of or damage to any alteration or addition to an existing building at the described "premises", or from loss or destruction of or damage to any acquired location that is insured under this Policy.

(c) Professional Fees – The Insurer will pay up to a maximum of \$5,000 for necessary and reasonable fees paid to professionals for producing and certifying any information that may be required by the Insurer in order to arrive at the loss payable under this form. Coverage does not include the fees and cost of any of the Insured's employees or of public adjusters.

Coverage under all of these extensions is subject to all other terms and conditions of the Policy, and takes effect only if more specific insurance is not provided by other parts of this Policy.

## **5. SPECIAL EXCLUSION**

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

## **6. PERMISSION**

Permission is granted:

(a) for other insurance concurrent with this Form;

(b) to make additions, alterations or repairs;

(c) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the business of the Insured.

## **7. WAIVER OF TERM OR CONDITION**

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



## 8. 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 examine the Insured's books, records and such policies as relate to any insurance provided in this Form. Such examination shall not waive nor in any manner affect any of the terms or conditions of this Form.

## 9. DEFINITIONS

Wherever used in this Form:

(a) "Gross Profit" means,

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

(b) "Indemnity Period" means,

the period beginning with the occurrence of an insured peril and ending no later than 12 months after the occurrence of an insured peril, during which the results of the business shall be affected in consequence of the destruction or damage by a peril insured against, except that if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon are damaged or destroyed by the insured perils, the length of time for which the Insurer shall be liable under this Form shall not exceed:

(i) 30 consecutive calendar days after the occurrence of such destruction or damage; or

(ii) the length of time that would be required to rebuild, repair or replace such other property insured hereby as has been damaged or destroyed;

whichever is the greater length of time.

(c) "Insured Standing Charges" means,

all standing charges unless otherwise specified in the Declaration Page(s) in which case only those standing charges so specified are insured.

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

(i) depreciation of stock;

(ii) bad debts.

(d) "Net Profit" means,

the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the "premises" specified in the Declaration Page(s) after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

(e) "Premises" means,

the entire area within the property lines at the location(s) specified in the Declaration Page(s), including areas under adjoining sidewalks and driveways.

(f) "Rate of Gross Profit" means,

the "rate of gross profit" earned on the "turnover" during the financial year immediately before the date of the destruction or damage by an insured peril.

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

(g) "Standard Turnover" means,

the "turnover" during that period in the 12 months immediately before the date of the destruction or damage by insured perils which corresponds with the "indemnity period".

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

(h) "Turnover" means,

the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the "premises" specified in the Declaration Page(s).

## Form# BI11 – Gross Rentals

### 1. INDEMNITY AGREEMENT

This Form insures, up to the limit specified in the Declarations Page(s), against loss directly resulting from loss of "Gross Rentals" caused by "damage" by the perils insured against, to the buildings(s) on the "premises" specified in the Declaration Page(s), occurring during the term of the policy.

### 2. MEASURE OF RECOVERY

The insurance, subject to the limit of the amounts of insurance stated on the Declaration Page(s), is limited to the Insured's interest in Loss of "Gross Rentals" due to (a) REDUCTION IN GROSS RENTALS and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

(a) IN RESPECT OF REDUCTION IN GROSS RENTALS: The amount by which the "Gross Rentals" during the "Indemnity Period" shall, in consequence of the destruction or damage, fall short of the "Standard Gross Rentals".

(b) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in "Gross Rentals" which but for that expenditure would have taken place during the "Indemnity Period" in consequence of the destruction or damage, but not exceeding the loss of "Gross Rentals" thereby avoided;

less any sum saved during the Indemnity Period in respect of Costs as may cease or be reduced in consequence of the damage.

PROVIDED that if the Sum insured be less than the amount of the "Annual Gross Rentals" the amount payable shall be proportionately reduced.

The Insurer will pay the Insured in respect of Auditors' Fees the amount of reasonable fees incurred up to the amount stated on the Declaration Page(s) payable to the Insured's Auditors for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the loss payable in the event of a claim.

### 3. DEFINITIONS

(a) "**BUSINESS**" means the business of the Insured as specified on the "Declaration Page(s)".

(b) "**GROSS RENTALS**": The money paid or payable to the Insured by tenants in respect of rental of the premises.

(c) "**DAMAGE**" means the direct physical loss or direct physical damage to property at the "Premises" from an Insured Peril.

(d) "**INDEMNITY PERIOD**": 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 Declaration Page(s) as the maximum indemnity period) thereafter, during which the results of "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 be lost or damaged by a peril insured against, then the "Indemnity Period" in respect thereof shall not exceed beyond: (i) 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 shall be the later.

(e) "**ANNUAL GROSS RENTALS**": The "Gross rentals" during the twelve months immediately before the date of the destruction or damage by a peril insured against. To which such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting "Gross Rentals" either before or after the destruction or damage or which would have affected "Gross Rentals" had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage would have been obtained during the relative period after the destruction or damage.

(f) "**STANDARD GROSS RENTALS**": The "Gross Rentals" during that period in the twelve months immediately before the date of the destruction or damage by a peril insured against which corresponds with the Indemnity Period. To which such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting "Gross Rentals" either before or after the destruction or damage or which would have affected "Gross Rentals" had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage would have been obtained during the relative period after the destruction or damage.

(g) "**PREMISES**" means the entire area within the property lines at the locations described on the Declaration Page(s) and areas under adjoining sidewalks and driveways.

### 4. PROVISIONS

(a) If during the Indemnity Period services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured the money paid or payable in respect of such services shall be brought into account in arriving at the "Gross Rentals" during the "Indemnity Period".

(b) The Liability of the Insurer shall in no case exceed the total sum insured.

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

(d) 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 Form 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.

### 5. SPECIAL EXCLUSIONS

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 "gross rent and rental value" after the period following any loss during which indemnity is payable.

## 6. PERMISSION

Permission is hereby granted:

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

## 7. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the "premises" described in the Declaration Page(s) is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighboring premises by a peril insured against under this policy.

## Form# C002 Comprehensive Dishonesty, Destruction, Disappearance, and Forgery

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.**

### 1. INSURING AGREEMENTS

Subject to the provisions of this policy and only provided that an amount of insurance is shown in the Declaration Page(s) for this policy opposite the categories as listed in the Insuring Agreements below, the Insurer agrees to pay the Insured for:

#### Insuring Agreement I.A

##### 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 stated in the Declaration Page(s) applicable to this Insuring Agreement I.A, resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee", acting alone or in collusion with others.

##### Insuring Agreement I.B

##### Employee Dishonesty Coverage - Form B (Blanket Position Bond)

"Loss" of "money", "securities" and other property which the Insured shall sustain, resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee", acting alone or in collusion with others, the amount of insurance on each of the "employees" being the amount stated in the Declaration Page(s) applicable to this Insuring Agreement I.B.

#### Insuring Agreement II.A

##### Loss Inside The Premises Coverage - Broad Form

- (a) "Loss" of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction of such "money" and "securities" within the "premises" or within any "banking premises" or similar recognized places of safe deposit;
- (b) "Loss" of (a) other property by "safe burglary" or "robbery" within the "premises" or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the "premises" or attempt thereat or by felonious abstraction of such container from within the "premises" or attempt thereat;
- (c) Damage to the "premises" by such "safe burglary", "robbery" or felonious abstraction, or by or following burglarious entry into the "premises" or attempted illegal entry, provided with respect to damage to the "premises" of which the Insured is the owner or for which the Insured is liable.

#### Insuring Agreement II.B

##### Loss Inside The Premises Coverage - Limited Form

"

Loss" of "money" and "securities" and business contents occasioned by "robbery".

#### Insuring Agreement III.A

##### Loss Outside The Premises Coverage - Broad Form

- (a) "Loss" of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction of such "money" and "securities" outside the "premises" while being conveyed by a "messenger" or any armoured motor

vehicle company or while within the living quarters in the home of any "messenger";  
(b) "Loss" of other property by "robbery" or attempted "robbery" outside the "premises" while being conveyed by a "messenger" or any armored motor vehicle company, or by theft within the living quarters in the home of any "messenger".

### **Insuring Agreement III.B**

#### **Loss Outside The Premises Coverage - Limited Form**

"Loss" of "money" and "securities" and business contents occasioned by:

- (a) "Robbery" or attempted "robbery" from a "custodian" away from the "premises" while engaged in his regular duties in connection with such property within Canada or the United States of America;
- (b) Theft from within the home of a "custodian" not exceeding \$1,000. This limitation shall not apply to "robbery".

### **Insuring Agreement IV**

#### **Money Orders and Counterfeit Paper Currency Coverage**

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

### **Insuring Agreement V**

#### **Depositors Forgery Coverage**

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

- (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
  - (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as an agent of the Insured, by anyone impersonating another and made or drawn payable to the one impersonated and endorsed by anyone other than the one impersonated; and
  - (c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;
- whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

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

The Insured shall be entitled to priority of payment over "loss" sustained by any bank aforesaid. "Loss" under this Insuring Agreement, whether sustained by the Insured or such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such "loss". The liability of the Insurer to such bank for such "loss" shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such "loss" would have been allocated had such "loss" been sustained by the Insured. If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Insurer shall give its written consent to the defence of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defence shall be construed to be a "loss" under this Insuring Agreement and the liability of the Insurer for such "loss" shall be in addition to any other liability under this Insuring Agreement.

### **Insuring Agreement VI**

#### **Credit Card Forgery Coverage**

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

### **Securities In Safe Deposit Boxes - Broad Form**

"Loss" of "securities" by the actual destruction, disappearance or wrongful abstraction of such "money" and "securities":

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

## **Insuring Agreement VII.B**

### **Property In Safe Deposit Boxes - Burglary and Robbery**

"Loss" of property other than "money":

- (a) by burglary or attempted burglar, vandalism or malicious mischief from within the Insured's safe deposit box in a vault within the "depository premises";
- (b) by "robbery" or attempted "robbery", vandalism or malicious mischief from within that part of the "depository premises" in the safe deposit vault department reserved for customers; the banking enclosure reserved for the use of the bank's officers and "employees", provided at least one such persons is at work in it; or the "banking premises", while such property is being conveyed between the entrance to the "banking premises" and the vault.

## **2. GENERAL AGREEMENTS**

### **A. Consolidation – Merger**

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

### **B. Joint Insured**

If more than one Insured is covered under this Form, the Insured first named shall act for itself and for every other Insured for all purposes of this Form. Knowledge possessed or discovery made by any Insured or by any partner or officer of the Insured shall, for the purposes of Items G., H. and O. of Clause 3, constitute knowledge possessed or discovery made by every Insured.

Cancellation of the insurance under this Form as respects any "employee" as provided in Item O. of Clause 3 shall apply to every Insured. If, prior to the cancellation or termination of this Form, this Form or any Insuring Agreement under this Form 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 or, as respects Insuring Agreement 1.B, within two (2) years of cancellation or termination date.

Payment by the Insurer to the Insured first named of any "loss" under this Form shall fully release the Insurer on account of such "loss". If the Insured first named ceases for any reason to be covered under this Form, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Form.

### **C. Loss Under Prior Bond Or Policy**

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

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

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

- (a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such "loss" was sustained continuously from the time such "loss" was sustained to the date the coverage of Insuring Agreement V was substituted 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 under this Form for such "loss" shall not exceed the smaller amount.

### **3. CONDITIONS, EXCLUSIONS, DEFINITIONS AND LIMITATIONS**

#### **A. Policy Period, Territory, Discovery**

"Loss" is covered under this Form only if discovered not later than one (1) year from the end of the policy period, except that Insuring Agreement I.B, "loss" is covered only if discovered not later than two (2) years from the end of the policy period.

Subject to General Agreement C:

- (a) this Form, except under Insuring Agreements I.A, I.B, V and VI applies only to "loss" which occurs during the policy period within Canada and the United States of America;
- (b) Insuring Agreements I.A and I.B 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.

#### **B. Exclusions**

This policy does not apply:

- (a) to "loss" due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I.A or I.B, 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;
- (c) under Insuring Agreement I.A or I.B, to "loss", or that part of any "loss", as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and "loss" computation;
- (d) under Insuring Agreement I.A or I.B, 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";
- (e) under Insuring Agreements II.A, II.B, III.A, III.B, V, VI, VII.A and VII.B, 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 (e) does not apply to "safe burglary" or "robbery" or attempted "robbery";
- (f) under Insuring Agreements II.A, II.B, III.A, III.B, VII.A and VII.B, to "loss" due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (g) under Insuring Agreements II.A, II.B, III.A, III.B, VII.A and VII.B, to "loss" due to the giving or surrendering of "money" or "securities" in any exchange or purchase;
- (h) under Insuring Agreements II.A, II.B, III.A and III.B, to "loss" due to accounting or arithmetical errors or omissions;
- (i) under Insuring Agreements II.A, II.B, III.A and III.B, to "loss" of manuscripts, books of account or records, except for blank value;
- (j) under Insuring Agreement II.A or II.B, 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 within the device;
- (k) under Insuring Agreement III.A or III.B, to "loss" of insured property while in the custody of any armored motor vehicle company, unless such "loss" is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with the armored motor vehicle company, (2) the insurance carried by the armored motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of the armored motor vehicle company's service, and then this Form shall cover only such excess;
- (l) under Insuring Agreements II.A, II.B, III.A, III.B, VII.A and VII.B, to "loss" due to any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;

- (m) under Insuring Agreement II.A or II.B, to "loss", other than to "money", "securities" and safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
- (n) to potential income, including but not limited to interest and dividends, not realized by the Insured because of a "loss" covered under this Form;
- (o) to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a "loss" covered under this Form;
- (p) to all costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of "loss" covered under this Form;
- (q) except as may be specifically stated to the contrary in this Form or any applicable endorsement, to the defence of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a "loss" to the Insured covered by this Form;
- (r) under Insuring Agreement III.A or III.B, to "loss" due to the surrender of "money", "securities" or other property away from the "premises" as a result of a threat to do (1) bodily harm to the Insured or any other person, or (2) damage to the "premises" or property owned by the Insured or held by the Insured in any capacity; provided that this exclusion shall not apply to "loss" of "money", "securities" or other property while being conveyed by a "messenger" when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- (s) under Insuring Agreements II.A, IIB, VII.A and VII.B, to "loss" of insured property which has been transferred by any computer to a person or to a place outside the "premises" on the basis of unauthorized instructions;
- (t) under Insuring Agreement VII.A or VII.B, to "loss" of "securities" held by the Depository as collateral or held by the Depository in trust for more than 30 days;
- (u) under Insuring Agreement VII.A or VII.B, to "loss" of "securities" owned by the Depository.

### C. Definitions

As used in this Form:

"Banking premises" means, the interior of that portion of any building which is occupied by a banking institution in conducting its business or a similar safe depository.

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

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

As applied to "loss" under Insuring Agreement I.A or I.B, the above words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject however to Items O. and P. of Clause 3.

"Fraudulent or Dishonest Acts" means fraudulent or dishonest acts committed by such "employee" with manifest intent:

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a) to cause the Insured to sustain such "loss"; and

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

"Loss", except under Insuring Agreements I.A, I.B, V and VI, includes damage.

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

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

"Premises" means the interior portion of that portion of any building which is occupied by the Insured in conducting its business. With respect to "robbery" only, the "premises" shall include the space immediately surrounding such building.

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

"Safe Burglary" means, (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the "premises" by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors of the safe 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.A or VII.B, 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 safe deposit box and also such safe and vault doors 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 of the safe.

"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".

#### **D. Loss Cause by Unidentifiable Employees**

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

#### **E. Ownership of Property: Interests Covered**

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

#### **F. Books and Records**

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

#### **G. Prior Fraud, Dishonesty Or Cancellation**

The coverage of Insuring Agreement I.A or I.B shall not apply to any "employee" from and after the time that the Insured or any partner or officer of the Insured not in collusion with such "employee" shall have knowledge or information that such "employee" has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured. If, prior to the issuance of this policy, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's "employees" shall have been cancelled as to any of such "employees" by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether the Insurer or not, and if such "employees" shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall not be liable on account of such "employees" unless the Insurer shall agree in writing to include such "employees" within the coverage of Insuring Agreement I.A or I.B.

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

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

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 90 days after the required proofs of loss have 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, 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 stated under this Form.



## **I. Valuation - Payment – Replacement**

In no event shall the Insurer be liable as respects “securities” for more than the actual cash value of the “securities” at the close of business on the business day next preceding the day on which the “loss” was discovered, nor as respects other property, for more than the actual cash value of the “securities” 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 at legal rates.

The Insurer may, with the consent of the Insured, settle any claim for “loss” of property with the owner of the property. 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 of like quality and value. The Insurer may, at its election, pay such actual cash value, or make such repairs or replacements. If the Insurer and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value shall be determined by arbitration.

## **J. Recoveries**

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

## **K. Limits of Liability**

Payment of “loss” under Insuring Agreements I.A, I.B, 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 (1) under Insuring Agreement I.A, for all “loss” caused by any “employee” or in which such “employee” is concerned or implicated or (2) under Insuring Agreement I.B, as to each “employee” or (3) under Insuring Agreements V and VI, for all “loss” by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Declaration Page(s) or endorsements amendatory thereto.

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

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

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

## **L. Limit of Liability Under This Form and Prior Insurance**

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

With respect to “loss” caused by any person (whether one of the “employees” or not) or in which such person is concerned or implicated or which is chargeable to any “employee” as provided in Item D. and which occurs partly during the policy period and partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such “loss” under this Form 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 under this Form, for any such “loss”, if the latter amount be the larger.

## **M. Other Insurance**

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

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

#### **N. Subrogation**

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

#### **O. Cancellation as to Any Employee**

Insuring Agreement I.A or I.B shall be deemed cancelled as to any "employee": (1) immediately upon discovery by the Insured, or by any partner or officer of the Insured not in collusion with such "employee", of any "fraudulent or dishonest act" on the part of such "employee"; or (2) at 12:01 A.M. Standard Time at the effective date specified in a written notice mailed to the Insured. Such date shall be not less than 15 days after the date of mailing. The mailing by the Insurer, of notice, to the Insured at the postal address shown in the Declaration Page(s) shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing.

#### **P. No Benefit to Bailee**

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

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

#### **Q. Assignment**

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

#### **R. Changes**

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

#### **S. Increase or Decrease in Amount of Insurance**

Liability under Insuring Agreement I.A or I.B on account of any "loss" through acts or defaults committed during the periods during which Insuring Agreement I.A or I.B shall have been in the two (2) amounts last mentioned shall not be cumulative; in case there shall have been made more than one change in the amount of Insuring Agreement I.A or I.B, the liability of the Insurer on account of any "loss" through acts or defaults as aforesaid committed during periods during which Insuring Agreement I.A or I.B shall have been in different amounts, or committed during periods during which Insuring Agreement I.A or I.B shall have been in the same amount, or committed partly during periods during which Insuring Agreement I.A or I.B shall have been in different amounts and partly during periods during which Insuring Agreement I.A or I.B shall have been in the same amount, shall not be cumulative.

#### **T. Deductible**

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

##### *Insuring Agreement I.A*

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

##### *Insuring Agreement I.B*

The Insurer shall not be liable under Insuring Agreement I.B on account of "loss" through acts or defaults committed at any time, by any "employee", unless the amount of such "loss", after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety or insurance company and covering such

"loss", or by the Insurer on account thereof prior to payment by the Insurer of such "loss", shall be in excess of the dollar amount of deductible as stated in the Declaration Page(s) and then for such excess only, but in no event for more than the amount of insurance carried on such "employee" under Insuring Agreement I.B. If more than one (1) "employee" is concerned or implicated in such "loss", such deductible amount shall apply to each "employee" so concerned or implicated.

*Insuring Agreement II.A or II.B*

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

*Insuring Agreement III.A or III.B*

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

*Insuring Agreements V or VI*

The Insurer shall not be liable under Insuring 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 deductible as stated in the Declaration Page(s), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

#### **4. CANCELLATION OF FORM OR INSURING AGREEMENT**

(1) This policy may be terminated

(a) by the Insurer giving to the Insured

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

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

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

(b) by the Named Insured at any time on request.

(2) Where the policy is terminated by the Insurer, the Insurer will refund the excess of the paid premium for the time the policy has been in force, calculated pro rata.

(3) Where the policy is terminated by the Named Insured, the Insurer will refund the excess of the paid premium above the short rate premium for the time the policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, subject to the retention of the minimum premium, if any, provided by the policy.

(4) Refund of premium may be made by money, postal or express company money order or by cheque payable at par.

(5) The 30 days mentioned in clause (a)(i) and the 15 days in clause (a)(iii) of sub-condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### **Form# G006R1 - Standard Conditions (Crime)**

All of the Standard Conditions set forth hereunder apply with respect to all of the perils insured under Burglary and Robbery riders and/or endorsements attached to this policy except as these Standard Conditions may be modified or supplemented by the riders and/or endorsements attached, but do not apply to Form C002, Comprehensive Dishonesty, Disappearance, Destruction and Forgery.

#### **1. Declarations:**

By acceptance of this policy, the Named Insured agrees that the statements in the Declaration Page(s) are his agreements and representations, that this policy is issued in reliance upon the truth of such representation and that this policy embodies all agreements existing between himself and the insurer and any of its agents relating to this insurance.

#### **2. Ownership Of Property Insured:**

The property covered hereby may be owned by the Insured or held by him in any capacity, whether or not the Insured is liable for such loss or damage as in covered hereby, provided that the Insurer shall not be liable for such damage to the premises unless the Insured is the owner hereof or is liable for such damage thereto.

#### **3. Changes:**

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

#### **4. Assignment:**

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

Representative as the Named Insured.

#### **5. Alarm System And Protective Services:**

If for reasons beyond the Insured's control, the alarm system or any other protective service or equipment described in the Declaration Page(s) is not maintained, 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; except that the full amount of insurance under this policy shall apply if the Insured, until such time as the alarm system described in the Declaration Page(s) has been restored to proper working condition, 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 specified in the Declaration Page(s).

The Insured, upon receipt of advice that the alarm signals from the alarm system will be disregarded by police, shall give immediate notice thereof to the Insurer: the Insurer may suspend the policy by written notice. A pro rata refund will be allowed for the period of suspension.

#### **6. Inspection:**

The Insurer 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.

#### **8. Notice Of Loss:**

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

If securities are insured under this policy, the Insured shall take all reasonable means to prevent their negotiation, sale or retirement in the event of loss thereof.

#### **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 therefore.

#### **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 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 himself and his associates in interest and also, so far as he is able his 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:**

In no case shall the Insurer be liable in respect of loss or damage to:

(1) Property, other than securities and property held by the Insured as a pledge or as collateral for an advance or loan, for more than the actual cash value thereof determined after due allowance for depreciation at the time the loss or damage was discovered by the Insured;

(2) Securities, if insured by this policy, for more than the cost of an equivalent amount of securities of the same issue purchased by or at the instance of the Insurer, the Insured shall be compelled, by the demands of the third party or by market rules, to assume the cost of an equivalent amount of securities of the same issue and shall notify the Insurer, in writing, of such compulsion, such cost shall be taken as the value of such securities. If the securities cannot be replaced and the value cannot be established, it may be determined by agreement or by arbitration;

(3) Property held by the Insured as a pledge or as collateral for an advance or loan, for more than the value of the property as determined and recorded by the Insured when making the advance or loan. In the absence of such record the Insurer's liability shall be limited to the unpaid portion of the advance or loan plus accrued interest at legal rates.

#### **12. 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 defence in the name and on behalf of the Insured.

### **13. 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.

### **14. Other Insurance:**

Where there is any other valid insurance providing indemnity for loss for which this policy provides indemnity, the Insurer shall be liable only for its rateable proportion of such loss.

### **15. Subrogation:**

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

### **16. Recoveries:**

Any property for which the Insurer has paid indemnity shall become the property of the Insurer but the Insured shall be entitled to it upon reimbursing the Insurer the indemnity paid for such property. The party to this contract recovering any such property shall immediately notify the other party in writing.

### **17. Action Against Insurer:**

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

### **18. Termination:**

- (1) This policy may be terminated
  - a) by the Insurer giving to the Insured
    - (i) 30 days written notice of termination by registered mail;
    - (ii) 5 days written notice of termination personally delivered;
    - (iii) 15 days written notice of termination by registered mail when cancelling for non-payment of premium;
  - b) by the Named Insured at any time on request.
- (2) Where the policy is terminated by the Insurer, the Insurer will refund the excess of the paid premium for the time the policy has been in force. calculated pro rata.
- (3) Where the policy is terminated by the Named Insured, the Insurer will refund the excess of the paid premium above the short rate premium for the time the policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, subject to the retention of minimum premium, if any, provided by the policy.
- (4) Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
- (5) The 30 days mentioned in clause (a)(i) and the 15 days in clause (a) (iii) of sub-condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

## **Form# LR20 - Commercial General Liability Max**

**WORDS AND PHRASES THAT APPEAR IN QUOTATION MARKS HAVE A SPECIAL MEANING AS DESCRIBED IN SECTION III – DEFINITIONS.**

### **SECTION I - COVERAGES**

#### **COVERAGE A – “BODILY INJURY”, “PERSONAL INJURY” and “PROPERTY DAMAGE”**

This insurance applies only when a Limit of Liability - Each Accident or Occurrence is indicated in the Declarations

#### **1. Insuring Agreement**

To pay on behalf of the Insured all sums (including prejudgement interest) that the Insured shall become obligated to pay by reason of the liability imposed by law upon the Insured or assumed by the Insured under “contract”, for “compensatory damages” because of:

- (a)** "bodily injury" sustained by any person or persons;
- (b)** "personal injury" ;
- (c)** "property damage" due to an accident or "occurrence".

during the Policy Period and in the "Coverage Territory", subject to the limits of liability, exclusions, conditions and other terms contained in this Policy.

## 2. Limit of Liability

The combined limit of the Insurer's liability under Sub-Section **1(a)**, **1(b)** and **1(c)** of the Insuring Agreements of Coverage A shall be the amount stated in the Declarations for this form as Limit of Liability - Each Accident or Occurrence for all "compensatory damages" for any one accident or "occurrence", or series of accidents or occurrences, resulting from one cause. Subject to such limit, the amount stated in the Declarations for this form as Limit of Liability - Aggregate is the Insurer's maximum limit of liability for any number of accidents or occurrences in any one Policy Period, if caused by the "Products Hazard" or "Completed Operations Hazard".

## 3. Exclusions

This insurance does not apply to:

**1.** "bodily injury" or "property damage" arising out of the ownership, use or operation by or on behalf of the Insured of any "automobile", but this exclusion will not be construed to apply to liability imposed by law upon the Insured for loss or damage arising from the ownership, use or operation of machinery or apparatus (including its equipment), mounted on or attached to any automobile at the site of the use or operation of such machinery or apparatus and provided the Insured is not insured for liability arising from the ownership, use or operation of such mounted or attached machinery or apparatus under any automobile policy.

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".

**2.** "bodily injury" or "property damage" arising out of:

**(a) (i)** the ownership, maintenance, use, or operation, by or on behalf of the Insured of any aircraft or any air cushion vehicle;

**(ii)** the ownership, use, or operation by or on behalf of the Insured of any premises for the purpose of an airport or an aircraft landing area;

**(iii)** all operations that are necessary or incidental to 2(a)(i) or 2(a)(ii) above;

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

**(b)** the ownership, maintenance, use or operation by or on behalf of the Insured of any self-propelled watercraft of more than 100 gross tons but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Insured.

Exclusions 1 and 2(b) do not apply to "bodily injury" sustained by any employees of the Insured while acting on behalf of the Insured.

**3.** "bodily injury":

**(a)** arising out of the liability imposed upon or assumed by the Insured under any Workers' Compensation Statute or assessment by any Workers' Compensation Board or any liability in respect of employees assumed by the Insured under "contract". This exclusion shall not apply to claims arising out of legal liability imposed upon the Insured at common law or at common law as extended by statute for injuries to employees of the Insured;

**(b)** caused intentionally by or at the direction of the Insured, unless committed for the purpose of protecting persons or property.

**4.** "property damage" to

**(a)** property:

**(i)** owned by the Insured;

**(ii)** occupied by the Insured;

**(iii)** rented to the Insured;

**(iv)** held by the Insured for sale; or

**(v)** entrusted to the Insured for storage or safekeeping.

**(b)(i)** property while on premises owned by or leased to the Insured for the purpose of having operations performed on such property by or on behalf of the Insured;

**(ii)** tools or equipment while being used by the Insured in performing operations;

**(iii)** property that is in course of construction by the Insured or property in the custody of the

Insured that is to be installed, erected or used in construction by the Insured;  
(iv) that particular part of any property, not on premises owned by or rented to the Insured:

(A) upon which operations are being performed by or on behalf of the Insured at the time of the "property damage" to such property, arising out of such operations; or

(B) out of which any "property damage" arises; or

(C) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship on such property by or on behalf of the Insured.  
Exclusion 4(b) does not apply to liability under sidetrack agreements covered by this Policy, or the use of elevators or escalators at premises owned, rented or controlled by the Insured, or liability assumed under any easement agreement or agreement required by municipal by-law.

5. "property damage" to:

(a) goods or products manufactured or sold by the Insured; or  
(b) work done by or on behalf of the Insured where the cause of the "occurrence" arises out of a defect in such work, but this exclusion shall only apply to that part of such work that is defective.

6. loss of use of tangible property that has not been physically injured or destroyed resulting from:

(a) a delay in or lack of performance by or on behalf of the Insured of "contract"; or  
(b) the failure of the Insured's products or work performed by or on behalf of the Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Insured, but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Insured's products or work performed by or on behalf of the Insured after such products or work have been put to use by any person or organization other than an Insured.

7. damages, cost, loss or expense claimed for the withdrawal, inspection, repair, replacement, or loss of use of the Insured's products or work completed by or for the Insured or of any property of which such products or work forms a part, if such products, work or property are withdrawn from the market or withdrawn from use because of any known or suspected defect or deficiency in such products, work or property.

8. the rendering of or failure to render any professional service except:

(a) such services performed by an architect or an engineer in their capacity as employees of the Insured where such services are an integral part of other work performed by or on behalf of the Insured or are integral in the manufacture, installation, sale, handling or distribution of the Insured's products or the products of any associated or affiliated company. This exception shall not apply in respect to damage to any work completed by or on behalf of the Insured or damage to the Insured's products;  
(b) the services rendered by first aid personnel.

9. "personal injury" :

(i) caused by the wilful violation of a penal statute or ordinance;  
(ii) arising out of advertising, broadcasting, publishing or telecasting by or in the interest of the Insured.

## **COVERAGE B – ADVERTISING INJURY**

This insurance applies only when an "Advertising Injury" Liability Limit is indicated in the Declarations

### **1. Insuring Agreement**

The Insurer agrees to pay on behalf of the Insured those sums that the Insured becomes legally obligated to pay as compensatory damages because of "Advertising Injury" to which this insurance applies. Subject to Exclusion (c) below, this insurance applies only to offences arising out of the Insured's business activities.

### **2. Limit of Liability**

The limit of the Insurer's liability under Coverage B shall be the amount stated in the Declarations for this coverage as Limit of Liability - Each Accident or Occurrence for all "compensatory damages" for any one accident or "occurrence", or series of accidents or occurrences, resulting from one cause.

Subject to such limit, the amount stated in the Declarations for this form as Limit of Liability - Aggregate is the most the Insurer will pay during the policy period for the sum of all compensatory damages because of "Advertising Injury".

### **3. Exclusions**

This insurance does not apply to:

(a) Liability assumed by the Insured under any "contract" or agreement, except liability of the Insured that would have existed in the absence of a "contract" or agreement;  
(b) "Advertising Injury" arising out of:

- (i) Any failure of goods, products or services to conform to any statement of quality or performance made in an "Advertisement" of the Insured;
- (ii) The infringement of trademark, copyright, patent, trade secret or service mark;
- (iii) The infringement of intellectual property rights;
- (iv) Incorrect description or incorrect price in any "Advertisement" of the Insured;
- (v) Breach of contract, except an implied contract to use another's advertising idea in an "Advertisement" of the Insured;
- (vi) Any tactic to mislead the potential customer of another, including but not limited to the unauthorized use by or on behalf of the Insured of another's name or product in any e-mail address, domain name or meta tag;
- (vii) Any criminal act committed by or at the direction of the Insured or any act committed by or at the direction of the Insured with actual malice or with reckless indifference;
- (viii) Material, in any "Advertisement", that the Insured knew to be false or that the Insured knew would violate the rights of another and would inflict "Advertising Injury";
- (ix) Material whose first publication took place before the beginning of the policy period;
- (x) An electronic chat room, bulletin board or web log owned or hosted by the Insured, or over which the Insured exercises control.

Exclusions (b) (ii) and (b) (iii) do not apply to infringement of copyright, trade dress or slogan in an "Advertisement" of the Insured.

(c) "Advertising Injury" committed or alleged to have been committed by any Insured in the business of:

- (i) Advertising, broadcasting, publishing or telecasting;
- (ii) Designing or determining web-site content for others;
- (iii) An Internet search, access, content or service provider.

For the purposes of Exclusion (c), the mere placing for the Insured on the Internet of frames, borders, links or advertising shall not by itself be considered a business.

Except to the extent that coverage is expressly provided by under Coverage B, this insurance does not apply to claims arising out of the distribution or display of "data" by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data".

## **COVERAGE C - MEDICAL PAYMENTS**

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

### **1. Insuring Agreement**

The Insurer agrees to pay to or for each person who sustains "bodily injury" caused by accident all reasonable medical, surgical, x-ray, dental, ambulance, hospital, professional nursing and funeral services expense incurred within one year from the date of the accident on account of such "bodily injury", provided such "bodily injury":

- (a) occurs on premises the Named Insured owns or rents;
- (b) occurs on ways next to premises the Named Insured owns or rents; or
- (c) arises from operations with respect to which the Named Insured is afforded coverage for "bodily injury" liability under this policy.

### **2. Limit of Liability**

The amount stated in the Declarations for Coverage C as Limit Each Person is the limit of the Insurer's liability for all medical expenses for bodily injury sustained by one person in any one accident.

### **3. Exclusions**

This insurance does not apply to:

- (a) any portion of medical expense the payment of which is prohibited by law;
- (b) "bodily injury"
  - i) arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any "automobile";
  - ii) arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of any watercraft, but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Named Insured;
  - iii) arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of:
    - (1) any aircraft; or
    - (2) any air cushion vehicle;
  - iv) arising out of the ownership, existence, use or operation by or on behalf of the Insured of any premises for the purpose of an airport or aircraft landing strip and all operations necessary or incidental thereto;
- (c) "bodily injury" to
  - i) the Named Insured, any partner therein, any tenant or other person regularly residing on the insured premises or any employee (except a volunteer worker) of any of the foregoing if the bodily injury arises out of and in the course of his/her employment therewith, or
  - ii) any other tenant if the bodily injury occurs on that part of the insured premises rented from the Named



Insured or to any employee of such a tenant if the "bodily injury" occurs on the tenant's part of the insured premises and arises out of and in the course of his/her employment for the tenant, or  
**iii)** any person while engaged in maintenance and repair of the insured premises or alteration, demolition or construction operations at such premises, or  
**iv)** any person if any benefits for such bodily injury are payable under any Workmen's Compensation Law, or  
**v)** any person practising, instructing or participating in any physical training, sport, athletic activity or contest;  
**(d)** Any medical expense for services by the Named Insured, any employee thereof or any person or organization under contract to the Named Insured to provide such services.

#### **4. Conditions**

As soon as practicable the injured person or someone on his behalf shall give to the Insurer written proof of claim, under oath if required, and shall, after each request from the Insurer, execute authorization to enable the Insurer to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Insurer when and as often as the Insurer may reasonably require. The Insurer may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the Insurer.

#### **COVERAGE D - TENANTS' LEGAL LIABILITY**

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

##### **1. Insuring Agreement**

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as "compensatory damages" for injury to or destruction, including loss of use, of premises of others (including building fixtures permanently attached thereto) rented to or occupied by the Named Insured, if such injury or destruction is caused by accident occurring during the term of this Policy.

##### **2. Limit of Liability**

The Insurer shall not be liable for more than amount(s) stated in the Declarations for this coverage as Limit of Liability - Any One Accident for damage arising out of any one accident.

##### **3. Exclusions**

The Insurer shall not be liable for liability assumed by the Insured under "contract" except liability which would attach in the absence of such contract;

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

This insurance does not apply to:

##### **1. Asbestos**

**(a)** "Bodily Injury", "Personal Injury", "Property Damage" or Medical Payments or any other cost, loss or expense incurred by others, resulting from, in consequence of, or arising directly or indirectly from the actual or alleged inhalation of, contact with, exposure to, use of, existence of or presence of asbestos or any material containing asbestos in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or any material containing asbestos;  
**(b)** any loss, damage, injury, cost or expense arising out of any claim, proceeding, action or suit by or on behalf of a governmental authority or arising out of any order or demand under any legislation or regulation that the insured or others perform, or assume liability for, the following:  
**(i)** operations to evaluate or assess the presence or absence of asbestos, its effects or its quantity;  
**(ii)** operations to test for, monitor, contain, treat, detoxify, neutralize, identify, clean up, sample, remove, abate, mitigate or dispose of asbestos;  
**(iii)** any other actions to respond to situations that involve asbestos.  
**(c)** any supervision, instructions, recommendations, warnings, or advice given or that should have been given in connection with a. or b. above;  
**(d)** 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., b. or c. above.  
This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to "Bodily Injury", "Personal Injury" or "Property Damage".

##### **2. Data**

under Coverage A Insuring Agreements 1(a) and 1(c) to liability for:

**(a)** erasure, destruction, corruption, misappropriation, misinterpretation of "data";  
**(b)** erroneously creating, amending, entering, deleting or using "data";

including any loss of use arising therefrom.

This insurance does not apply under Coverage A Insuring Agreement 1(b) to claims arising out of the distribution or display of "data" by means of an Internet Website, the Internet, an intranet, an extranet or similar device or system designed or intended for electronic communication of "data".

### 3. Fungi

**(a)** "Bodily Injury", "Personal Injury" or "Property Damage" or Medical Payments 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"; or

**(b)** any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above;

**(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 "Bodily Injury", "Personal Injury" or "Property Damage".

This exclusion shall not apply to claims arising solely from the presence of bacteria in food products manufactured, sold, distributed or served by the Insured.

### 4. Nuclear

**(a)** liability imposed by or arising under the Nuclear Liability Act;

**(b)** "bodily injury" or "property damage" 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" or "property damage" resulting directly or indirectly from the Nuclear Energy Hazard arising out of:

**(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" used, distributed, handled or sold by an Insured; except for radioactive isotopes, away from a "nuclear facility", that have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

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

### 5. Pollution

**(1)** "Bodily injury", "property damage", or "personal injury" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape at any time 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 the Named Insured may be held liable, if the Named Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Named Insured's policy as an additional insured with respect to the Named Insured's ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional insured; or

**(iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, 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 any Insured or any person or organization for whom the Insured may be legally responsible; or

**(d)** At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site, or location in connection with such operations by such Insured, contractor, or subcontractor.

However, this subparagraph does not apply to:

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

**(ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by the Named Insured or on the Named Insured's behalf by a contractor or subcontractor; or

**(iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, 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, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of "pollutants".

**2.** Any fines or penalties assessed against or imposed upon any Insured arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

**3.** Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effects of, "pollutants" However, this Section (3) does not apply to liability for "compensatory damages" because of "property damage" that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or action by or on behalf of a governmental authority.

## **6. Terrorism**

"bodily injury", "personal injury", "property damage" arising directly, 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 "bodily injury", "personal injury" or "property damage".

## **7. War**

"bodily injury", "personal injury" or "property damage" arising 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 "bodily injury", "personal injury" or "property damage".

## **DEFENCE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D**

With respect to the insurance afforded by the other terms of this Policy, the Insurer agrees:

**(a)** to defend in the name of and on behalf of the Insured, claims, suits or other proceedings that may at any time be instituted against the Insured for any accident or "occurrence" covered by this Policy, although such claims, suits or other proceedings may be groundless, false or fraudulent; or to make settlement of such claims as may be deemed expedient by the Insurer. If the Insurer is prevented by law or otherwise from defending the Insured as specified in the preceding sentence, the Insurer will reimburse the Insured for defence costs and expenses that are incurred with the consent of the Insurer;

**(b)** to pay and satisfy all judgements rendered against the Insured and to protect the Insured against any levy of execution arising from such judgements;

**(c)** to pay:

**(i)** all expenses incurred by the Insurer for investigation, negotiation and defence of any such claims, suits or proceedings;

**(ii)** all costs taxed against the Insured in any such proceeding;

**(iii)** all premiums on bonds to release charges or attachments for an amount not in excess of the applicable limit of liability of this Policy and all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds;

**(iv)** all interest accruing after entry of judgement and up to the date of payment by the Insurer of its share of any judgement;

**(v)** for the expenses incurred by the Insured for such immediate medical and surgical relief to others as shall be imperative at the time such "bodily injury" is sustained:

(vi) for all reasonable expenses incurred at the Insurer's request.

The amounts so incurred, except settlement of claims and suits, are payable by the Insurer in addition to the limit of liability in this Policy.

The Insurer's liability under this Policy, including any obligation to defend, ends when the applicable Limits of Liability stated in the Declarations under this form have been exhausted by payment of settlements or judgments.

## SECTION II – WHO IS AN INSURED

"Insured" means:

(a) The Named Insured as shown in the Declarations;

(b) Any interest under the management control of the Named Insured and for which the Named Insured is responsible for arranging insurance;

(c) Any present or former partner, officer, director, employee (employee includes volunteer worker), or shareholder of the Named Insured, while acting on behalf of the Named Insured with respect to "acts performed" on behalf of the Named Insured in that capacity and any partner or former partner with respect to liability arising out of such partnership or former partnership. "Acts performed" shall include failure or omission to act;

The insurance afforded to any employee does not apply:

(i) to "bodily injury" to (a) the Named Insured or, if the Named Insured is a partnership or joint venture, any partner or member of such partnership or joint venture; or (b) any person who at the time of the "bodily injury" is entitled to benefits under any Workers' Compensation Act; or (c) another employee of the Named Insured;

(ii) to "property damage" to property owned, occupied or used by, rented to or in the care, custody or control of (a) another employee of the Named Insured; or (b) the Named Insured or, if the Named Insured is a partnership or a joint venture, any partner or member.

(d) Any company created or acquired by the Named Insured provided the Insurer is notified within ninety days of such creation or acquisition;

(e) Each person, firm, corporation or government body for which the Named Insured has contracted to provide insurance but only with respect to vicarious liability that arises out of the operations of the Named Insured, and only to the extent required by such contract. Notice of cancellation shall be provided (when cancelled by the Insurer) to such persons, firms, corporations or government bodies in accordance with the certificates of insurance on file with the Insurer;

(f) Co-owners, joint ventures and partners having a non-operating interest with the Named Insured in the operations insured by this policy.

## SECTION III – DEFINITIONS

1. "**Advertising Injury**" means injury, including consequential Bodily Injury arising out of one or more of the following offences when against another person or organization in an "Advertisement" of the Insured:

(i) The disparagement of goods, products or services;

(ii) Infringement of copyright, trade dress or slogan;

(iii) The unauthorized use of someone else's advertising idea;

(iv) Libel, slander, defamation, discrimination (in jurisdictions where insurance against discrimination is permitted by law) or violation of a right of privacy.

2. "**Advertisement**" means a notice about goods, products or services of the Insured that is broadcast or published to the general public or specific market segments and that is for the purpose of attracting customers or supporters. "Advertisement" also means such notice published by placement on the Internet, or similar means of electronic communication and also means that particular part of a web-site that is specifically about the Insured's goods, products or services for the purpose of attracting customers or supporters.

3. "**Automobile**" means self-propelled motor vehicle, trailer or semi-trailer that is obliged by law to carry a license and to be insured under a contract of automobile liability insurance.

4. "**Bodily Injury**" means bodily or mental injury, sickness, disease, disability, shock, including death resulting at any time and "compensatory damages" for incidental care and loss of services.

5. "**Compensatory Damages**" means damages due or awarded as indemnification for actual injury and concomitant economic loss. Compensatory Damages does not include punitive or aggravated damages or the multiple portion of any multiplied damage award.

6. "**Completed Operations Hazard**" means "bodily injury" or "property damage" arising out of operations, but only if the "bodily injury" or "property damage" occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Insured. Operations include materials, parts or equipment furnished in connection with operations.

Operations shall be deemed completed at the earliest of the following times:

(a) when all operations to be performed by or on behalf of the Insured under the contract have been completed;

(b) when all operations to be performed by or on behalf of the Insured at the site of the operations have been completed;

(c) when the portion of the work out of which the "bodily injury" or "property damage" arises has been put to its intended use by any persons or organizations other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.

Operations requiring further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The "Completed Operations Hazard" shall not include:

- (i) operations in connection with the pick up and delivery of property;
- (ii) the existence of tools, uninstalled equipment or abandoned or unused materials.

**7. "Contract"** means:

- (a) a warranty of fitness or quality of the Insured's products or a warranty that work performed by or on behalf of the Insured will be done in a workmanlike manner;
- (b) any written contract or written agreement or any oral or verbal contract or agreement that is in the process of being written provided that it is reduced to writing within 90 days of its inception

**8. "Coverage territory"** means anywhere in the world, provided that all claims, suits or other proceedings are brought within Canada or the United States of America, its territories and possessions.

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

**10. "Explosion"**, as used in Coverage D, means the explosion of natural gas, coal, manufactured gas or manually portable gas cylinders;

**11. "Fissionable Substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

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

**13. "Hostile Fire"** means a fire that becomes uncontrollable or breaks out from where it was intended to be.

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

- (a) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- (b) Vehicles maintained for use solely on or next to premises the Named Insured owns or rents;
- (c) Vehicles that travel on crawler treads;
- (d) Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- (e) Vehicles not described in (a), (b), (c) or (d) above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- (f) Vehicles not described in (a), (b), (c) or (d) above maintained primarily for purposes other than the transportation of persons or cargo.

However, "mobile equipment" does not include any "automobile".

**15. "Nuclear Energy Hazard"** means the radioactive, toxic, explosive or other hazardous properties of radioactive material.

**16. "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; or
    - (ii) processing the utilizing spent fuel; or
    - (iii) handling, processing or packaging waste;
  - (c) any equipment or device used for the processing, fabrication, or alloying of plutonium, thorium and uranium or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material; and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations;
- 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.

**17. "Occurrence"** (in the singular or the plural) means continuous or repeated exposure to conditions that result in "property damage" neither expected nor intended by the Insured. All "property damage" arising out of a continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

**18. "Personal Injury"** means:

- (a) false arrest, malicious prosecution, wrongful detention or imprisonment;
- (b) invasion of privacy, wrongful eviction or wrongful entry;
- (c) libel, slander, humiliation or defamation of character;
- (d) discrimination, (except in such jurisdictions where by legislation, court decisions or administrative ruling, such insurance is prohibited or held to violate the law or public policy of any such jurisdiction) sustained by any person or persons during the Policy Period.

**19. "Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, odour, vapour, soot, fumes, airborne or waterborne particles, acids, alkalis, chemicals, sewage, micro-organisms and waste. Waste includes (but is not limited to) materials to be recycled, reconditioned or reclaimed.

**20. "Products Hazard"** means "bodily injury" or property damage arising out of any accident or "occurrence" that takes place away from the Insured's premises due to the consumption, handling, use or existence of goods or products made, sold, handled or distributed by or for the Insured after the Insured had relinquished possession of such goods or products;

**21. "Property Damage"** means physical injury to or physical destruction of tangible property, including loss of use of such property, or loss of use of tangible property that has not been physically injured or destroyed

**22. "Radioactive Material"** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes or 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.

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

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

## **GENERAL CONDITIONS**

**1. NOTICE OF CLAIM OR SUIT:** Upon the happening of an accident or "occurrence" that may give rise to a claim under this Policy, the Insured shall give notice of such accident or "occurrence" to the Insurer as soon as practicable after notice has been received by an officer of the Insured. Such notice shall contain all available information pertaining to such accident or "occurrence" that is obtainable at the time. If a claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or the Insured's representatives.

**2. ASSISTANCE AND COOPERATION:** The Insured shall cooperate with the Insurer and, upon the Insurer's request, assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this Policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

**3. ASSUMPTION OF LIABILITY:** The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for first aid to others at the time of accident.

**4. ACTION AGAINST INSURER:** No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgement against the Insured after actual trial, or by written agreement of the Insured, the claimant and the Insurer. Every action or proceeding against the Insurer shall be commenced within one year of the date of such judgement or written agreement and not afterwards. The sole venue for coverage legal action related to this Policy shall be a Superior Court in Canada.

Nothing contained in this Policy shall give any person or organization any right to join the Insurer as a co-defendant in any action against the Insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations under this Policy.

## **5. PREMIUM AND ADJUSTMENT OF PREMIUMS:**

(a) Unless indicated as "Flat rate premium", the premium stated in the Declarations for this Form is an estimated deposit premium only. Adjustment of premium shall be made at least annually and for this purpose the premium basis and rates shown in the Declarations for this form as "Basis of premium adjustment" shall be used in ascertaining the earned premium.

(b) In the case of any hazards existing and covered under coverage rider(s) attached but not specified in the Declarations, or in any endorsement, the earned premium shall be computed in accordance with the Insurer's rules, rates, rating plans and minimum premiums applicable to such hazards.

(c) Subject to the retention by the Insurer of the amount stated in the Declarations for this form as "Minimum

annual premium", if the earned premium for this Policy thus computed exceeds the estimated deposit premium paid, the Insured shall pay such excess to the Insurer; on the other hand, if the estimated deposit premium exceeds the earned premium, the Insurer shall return to the Named Insured such excess.

**(d)** The Named Insured shall maintain for each hazard insured against, a record of the information necessary for premium computation on the basis stated and shall submit such record to the Insurer at the end of the Policy Period and at such other times during the Policy Period as the Insurer may direct.

#### **6. INSPECTION AND AUDIT:**

**(a)** The Insurer shall be permitted, but is not obligated, to inspect the Insured's property and operations. Neither the Insurer's right to inspect nor reporting based on such inspections shall constitute an undertaking on behalf of or for the benefit of the Insured or others to determine or warrant that such property or operations are safe.

**(b)** The Insurer may examine and audit the Insured's books and records at any time during the Policy Period and extensions of the Policy Period and within three years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

**7. OTHER INSURANCE:** The Insurer shall not be liable if at the time of an accident or "occurrence" covered by this Policy there is any other insurance that would have attached if this insurance had not been effected, and this insurance shall specifically exclude losses covered by such other valid insurance. This insurance shall apply only as excess insurance and in no event as contributing insurance and then only after all such other insurance has been exhausted.

The Insurer acknowledges the existence of any Policies arranged to apply in excess of the insurance provided by this Policy and it is agreed that notwithstanding anything contained in this Condition the insurance provided by such excess Policies shall be considered as excess and non-contributing insurance insofar as the insurance provided under this Policy is concerned and shall be held to attach and cover only after the insurance under this Policy has been exhausted.

**8. SUBROGATION:** In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery against any third party except where the amount of settlement exceeds the amount provided in aggregate by this Policy and any other valid and collectible insurance in which case the Insured shall be entitled to all recovery until such excess has been made good to the Insured. The Insured shall execute all papers required and shall do everything necessary within his power to secure such rights.

#### **9. CANCELLATION - TERMINATION:**

**(a)** This Policy may be terminated;

**(i)** in the event of non-payment of premium by the Named Insured to the Insurer, by the Insurer giving to the Named Insured 15 days written notice of termination by registered mail or 5 days written notice by personal delivery;

**(ii)** except in the event of termination for non-payment of premium, by the Insurer giving to the Named Insured 30 days written notice of termination by registered mail or personal delivery;

**(iii)** by the Named Insured at any time on written request.

**(b)** Where the Policy is terminated by the Insurer;

**(i)** and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the Policy has been in force, calculated pro rata; or

**(ii)** where the premium is developed on an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.

**(c)** Where the Policy is terminated by the Named Insured;

**(i)** and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, and except in Quebec, subject to the retention of any minimum retained premium, provided by the Policy; or

**(ii)** where the premium is developed on an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, and except in Quebec, subject to the retention of any minimum retained premium, provided by the Policy.

**(d)** Refund of premium may be made by money, postal or express company money order or by cheque payable at par.

**(e)** Except in Quebec, the 15 days or 30 days mentioned above in this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

**(f)** In Quebec, the Notice of Cancellation from the Insurer takes effect 15 days or 30 days after receipt by the Insured at the last known address.

**(g)** Premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.

**(h)** In this condition the expression "paid premium" means premium actually paid by the Insured to the Insurer and does not include all or any part of any premium paid to the Insurer by an Agent unless actually paid to the Agent by the Insured.

**10. WAIVER:** No notice to any Agent or knowledge possessed by any Agent or by any other person shall be held to

effect a waiver or change in any part of this Policy. The terms of this Policy shall not be waived or changed except by endorsement issued to form a part of this Policy.

**11. ASSIGNMENT:** Assignment of interest under this Policy shall not bind the Insurer until their consent is endorsed on this Policy, except through change of title by succession, death or proceedings under any bankruptcy act.

**12. SPECIAL STATUTES:** If any condition of this Policy, relating to limitation of time for notice of accident or for instituting legal proceedings, is at variance with any specific statutory provision in the province in which the accident occurs such statutory provision shall be substituted for such condition.

**13. CROSS LIABILITY and SEPARATION OF INSURED:** The insurance as is afforded by this Policy shall apply in respect to any claim or action brought against any one Insured by any other Insured. The coverage shall apply in the same manner and to the same extent as though a separate Policy had been issued to each Insured. The inclusion under this Policy of more than one Insured shall not operate to increase the limit of liability under this Policy. Any breach of a condition of this Policy by any Insured shall not affect the protection given by this Policy to any other Insured who is not, or was not, a party to such breach of condition.

#### **14. DEDUCTIBLE CLAUSE:**

##### **COVERAGE A**

The Insured shall pay the amount stated in the Declarations for this form as "Deductible" or "Deductible - U. S. Claims" for each and every claim under Insuring Agreement 1(c) ("Property Damage"). If more than one claim arises or results from a single "occurrence", the deductible amount shall only apply once.

##### **COVERAGE D**

The amount stated in the Declarations for this form as "Deductible" shall be deducted from the amount of each claim covered under the terms of this Form and the Insurer shall be liable for loss only in excess of that amount. However, this deductible shall not be applied to claims arising out of the perils of fire, "explosion", smoke and sprinkler leakage.

The terms of the Policy, including those with respect to notice of accident or "occurrence" and the Insurer's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the deductible amount. The Insurer may pay part of or the entire deductible amount to effect settlement of any claim or suit, and upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

**15. REIMBURSEMENT CLAUSE:** In the event a claim payment is made by the Insurer, the Insured shall reimburse the Insurer up to the Deductible amount stated in the Declarations for this form as Reimbursement or Reimbursement - US with respect to all claims, legal fees and adjusting expenses combined in any one accident or "occurrence", and the Insurer shall only be liable for loss, damage or expense in excess of that amount. The terms of the Policy, including those with respect to notice of accident or "occurrence" and the Insurer's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the reimbursement.

**16. CURRENCY CLAUSE:** All Limits of Liability and amounts of insurance in the Declarations are in Canadian currency.

#### **Liability Restriction of Operations Endorsement – Property Management**

##### **WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Attached to and forming part of the Commercial General Liability section of the Policy when the description of operations does not include property management and where a premium for this operation has not been charged.

This insurance shall not apply to any liability:

- 1) arising out of any activity shown in the Schedule below that the Insured engages in, organizes, or sponsors
- 2) due to the rendering of or failure to render any service shown in the Schedule below; or
- 3) arising out of the Named Insured's products or work performed shown in the Schedule below.

##### **SCHEDULE:**

Property Management



"Property Management Operations are defined as ;

The Discretionary Management of real property on behalf of Owners, including but not limited to;

- a. Maintaining books of account for rents collected and the remittance of rental income to owners net of operating expenses and management fees;
- b. Advertising property for rent and the granting of lease or tenant agreements;
- c. Maintenance and Repairs as needed but excluding building renovations or refurbishing;

All without the need to obtain approval from the owners of the properties under management by the authority granted to the manager under the terms of the property management agreement."

This limitation endorsement does not apply if Property Management Operations are shown as insured operations in the declarations and when the insured has paid the additional premium for the exposure.

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

### **Non-Stacking of Limits Endorsement**

This endorsement changes the Policy. Please read it carefully.

Attached to and forming part of the Commercial General Liability Form LR10 or Commercial General Liability Max LR20.

The Named Insured acknowledges that it has a financial interest in or is financially linked with the entities listed on the following Schedule of Liability Policies and are insured by this Insurer under the policy numbers shown on the Schedule.

It is agreed between the Named Insured and the Insurer that if a claim is made under this Policy which may also involve any one or all of the policies listed on the Schedule of Liability Policies, the Insurer's total Limit of Insurance under all applicable policies shall not exceed the Limit of Insurance provided under this Policy.

In no event shall the Limits of Insurance for this Policy be cumulative with any of the Limits of Insurance of any policy listed on the following Schedule:

**Schedule of Liability Policies:** Liability policies issued by Intact Insurance issued for this type of operation. Listed on Policy docs.

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

### **Form# L410 - Employee Benefit Program Liability**

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
THIS ENDORSEMENT APPLIES TO THE GENERAL LIABILITY SECTION(S) OF THE POLICY.  
SUBJECT TO ALL THE PROVISIONS OF THIS ENDORSEMENT AND THE CONDITIONS OF THE POLICY  
TO WHICH THIS ENDORSEMENT IS ATTACHED, THE INSURER AGREES:  
INSURING AGREEMENTS**

#### **1. COVERAGE**

The Insurer agrees to pay on behalf of the Insured, all sums which the Insured shall become legally obligated to pay as a result of damages sustained by an employee, prospective 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 Benefit Programs as defined herein, and for the limits as stated in the Declarations.

#### **2. DEDUCTIBLE**

It is agreed that the amount stated in the Declarations for this form as "Deductible" hereof shall be deducted from the amount of each claim arising out of the same negligent act, error or omission and the Insurer shall be liable for loss only in excess of that amount.

It is further understood and agreed that 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, in accordance with the terms of the Endorsement and the Insurer may at its option, investigate such claim or 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 a deductible amount, if and when such claim is paid by the Insurer.

### 3. DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENT

As respects such insurance as is afforded by this endorsement the Insurer shall:

- a) Defend in his name and behalf any suit against the Insured alleging such negligent act, error or omission and seeking damages on account thereof, even if such suit is groundless, false or fraudulent; but the Insurer shall have the right to make such investigation and negotiation of any claim or suit as may be deemed expedient by the Insurer;
- b) Pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this Endorsement, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the Insured in any such suit, all expenses incurred by the Insurer, all interest accruing after entry of judgment until the Insurer had paid, tendered or deposited in court such part of such judgement as does not exceed the limit of the Insurer's liability thereon;
- c) Reimburse the Insured for all reasonable expenses, other than loss of earnings, incurred at the Insurer's request. The Insurer agrees to pay the amounts incurred under divisions (a), (b), and (c) of this section, in addition to the applicable Limit of Liability of this Endorsement.

### 4. COVERAGE PERIOD AND TERRITORY

This Endorsement applies to negligent acts, errors and omissions which occur within Canada or the Continental United States of America and to claims therefrom which are under the legal jurisdiction of a court of law or court of equity within the Territory as defined herein, and then only if claim is made or suit is brought against the Insured for:

- a) Negligent acts, errors or omissions which occur during the Coverage Period and, concerning which, the Named Insured has given written notice to the Insurer within this Coverage Period in accordance with Condition 3 of the Endorsement; or
- b) Negligent acts, errors or omissions which have occurred prior to the Coverage Period but then only if, during the Coverage Period, the Named Insured first has knowledge of or can reasonably foresee any circumstances which might result in a claim or suit and has given written notice thereof to the Insurer in accordance with Condition 3 of this Endorsement.

### EXCLUSIONS

#### THIS COVERAGE DOES NOT APPLY:

- (a) To any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation;
- (b) To 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;
- (c) To any claim for failure of performance of contract by any Insurer, including failure of any Employee Benefit Program;
- (d) To any claim based upon the Insured's failure to comply with any law concerning Workmen's Compensation, Unemployment Insurance, Social Security or Disability Benefits;
- (e) To any claim based upon:
  - 1) failure of stock to perform as represented by an Insured;
  - 2) advice given by an Insured to any employee to participate or not to participate in stock subscription plans;
  - 3) the investment or non-investment of funds.

### CONDITIONS

#### 1. DEFINITIONS

##### a) Insured

The unqualified word "Insured", wherever used, includes not only the Named Insured but also any partner, officer, director, stockholder or employee (provided such employee is authorized to act in the administration of the Insured's Employee Benefit Program).

##### b) Employee Benefit Programs

The term "Employee Benefit Programs" shall mean group life insurance, group health insurance, group accident insurance, profit sharing plans, pension plans, employee stock subscription plans, worker's compensation, unemployment insurance, social security, travel and disability benefits insurance, savings or vacation plans.

##### c) Administration

The unqualified word "Administration", wherever used, shall mean:

- (i) Giving counsel to employees with respect to the Employee Benefit Programs;
- (ii) Interpreting the Employee Benefit Programs;
- (iii) Handling or records in connection with the Employee Benefit Programs;
- (iv) Effecting enrolment, termination or cancellation of employees under the Employee Benefit Programs; provided all such acts are authorized by the Named Insured.

#### 2. LIMIT OF LIABILITY

The amount stated in the Declarations for this form as "Limit of liability - Each claim" is the Limit of the Insurer's Liability for all damages incurred on account of any claim covered hereunder; the amount stated in the Declarations for

this form as "Limit of liability - Aggregate" is, subject to the above provision respecting each claim, the total amount of the Limit of the Insurer's Liability for all claims hereunder and occurring during each Policy year. The inclusion herein of more than one Insured shall not operate to increase the Limits of the Insurer's Liability.

### **3. NOTICE OF NEGLIGENT ACT, ERROR, OMISSION, CLAIM OR SUIT**

As soon as practicable notice must be given to the Insurer or any of its authorized agents during the Period of Coverage when the Insurance Department of the Named Insured:

- a) Receives any suit, summons, process or information as to an alleged negligent act, error or omission, with full particulars of any claim arising therefrom;
  - b) Has knowledge of or can reasonably foresee circumstances which might result in a claim.
- Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

### **Intact Insurance Company**

## **Form# L535 - Employment Practices Liability**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
THIS ENDORSEMENT APPLIES TO THE GENERAL LIABILITY SECTION(S) OF THE POLICY.  
WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 7 OF THIS FORM.**

### **1. Insuring Agreement**

The Insurer agrees to pay on behalf of the "Insured" the "ultimate net loss" which the "Insured" shall become obligated to pay by reason of liability. The liability must be imposed upon the "Insured" by law. Such liability must arise out of "wrongful employment practices" in Canada during the Period of Insurance of this Policy. For the purpose of determining the applicability of this Form, all "wrongful employment practices" involving the same "employee", regardless of the number or type of incidents alleged, shall be deemed to have occurred on the date of the first alleged incident.

### **2. Deductible**

- (a) The Insurer shall be liable only for the "ultimate net loss" in excess of the deductible shown in the "declarations"
- (b) The deductible is to be borne by the "Insured" for each Period of Insurance. When the deductible has been exhausted, this Form shall apply without such deductible for the remainder of the Period of Insurance.

### **3. Limit of Liability**

Regardless of the number of

- (a) "Insured", or
  - (b) claims made or "actions" brought, or
  - (c) persons making claims or bringing "actions",
- the total limit of the Insurer's liability for all "ultimate net losses" during each Period of Insurance of this Policy shall not exceed the Aggregate limit shown for this Form in the "declarations"

### **4. Defense Provisions**

The Insurer shall defend any "action" against the "Insured". This obligation applies even if any of the allegations of the "action" are groundless, false or fraudulent. The Insurer may investigate and settle the "action" as it deems expedient. The Insurer shall not be obligated to defend any "action" after the limit of the Insurer's liability under this Form is exhausted by payment of judgments, settlements, investigation costs and defence costs.

### **5. Exclusions**

This Form does not apply to:

- (a) any obligation for which an "Insured" or the insurer of an "Insured" may be held liable under a workers' compensation law, a disability benefits law, an unemployment benefits law or other similar laws or regulations;
- (b) 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;
- (c) liability arising from any federal or provincial occupational health and safety law or regulation;
- (d) "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 the absence of the contract or agreement;
- (e) liability arising from a lock-out, a strike, picketing, a walk-out, a boycott or similar actions resulting from labour disputes or labour negotiations;
- (f) liability arising from
- (i) the bankruptcy of the "Insured" or the "Insured" being placed into receivership, or

- (ii) the closure of a business operation or location by the "Insured", or
  - (iii) any re-organization of employees which results, within any sixty (60)-day period, in the termination of the employment of 25% or more of the total workforce of the "Insured";
  - (g) claims made or "actions" brought by persons who are non-residents of Canada;
  - (h) losses claimed by relatives of an "employee" or former "employee" or by members of the household of an "employee" or former "employee";
  - (i) fines or penalties imposed by law or regulation;
  - (j) non-monetary relief;
  - (k) any aggravated, exemplary or punitive damages, other than such damages for which the "Insured" is liable vicariously and not because of the fault of any "Insured";
  - (l) (1) (a) Erasure, destruction, corruption, misappropriation, misinterpretation of "data";
  - (b) Erroneously creating, amending, entering, deleting or using "data" including any loss of use arising therefrom.
  - (2) The distribution or display of "data", by means of an internet website, the internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data";
  - (a) Liability or expenses 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;
  - (b) (1) Liability 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 or discharge of asbestos or material containing asbestos in whatever form or quantity, however caused, including any costs or expenses incurred to prevent, respond to, test for monitor, abate, mitigate, remove, clean up, contain, remediate, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or material containing asbestos in whatever form or quantity;
  - (2) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with 1. above;
  - (3) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in 1. or 2. above.
- This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs, or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

## 1. Additional Conditions

In addition to the conditions of the Policy to which this Form is attached:

### (a) Duties Following a Complaint

The "Insured" named first in the "declarations" shall promptly notify the Insurer of any administrative charge, allegation, complaint or demand concerning "wrongful employment practices" of an "Insured" received by its management or supervisory staff. Notice shall include:

- (i) the name of the person or organization alleging "wrongful employment practices",
- (ii) the name of the "Insured" accused of "wrongful employment practices",
- (iii) the name of any witness to the alleged "wrongful employment practices",
- (iv) the date and place of the alleged "wrongful employment practices", and
- (v) the date and place of receipt of the administrative charge, allegation, complaint or demand, and the name of the recipient.

### (b) Exhaustion of Aggregate Limit

If the limit of the Insurer's liability under this Form is exhausted by payment of judgments, settlements, investigation costs or defence costs before the end of the Period of Insurance of this Policy:

- (i) the premium charged for this Form shall be deemed fully earned;
- (ii) the Insurer shall notify the "Insured" named first in the "declarations" of all outstanding claims under this Form and co-operate in transferring the control of those claims to the first named "Insured";
- (iii) the Insurer shall take measures to continue the defence of outstanding claims and avoid a default judgment until the transfer of control has been completed to the "Insured" named first in the "declarations";
- (iv) the "Insured" agrees that, by taking the measures described in the preceding sub-paragraph (iii), the Insurer does not waive or give up any of its rights;
- (v) the "Insured" named first in the "declarations" shall promptly reimburse the Insurer for any expenses incurred by the Insurer during the transfer of control that exceed the limit of the Insurer's liability under this Form.

## 2. Modified Definitions

Whenever used in this Form and its endorsements:

- (a) "Action"** means a civil proceeding in which damages because of "wrongful employment practices" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which the "Insured" must submit or submits with the consent of the Insurer.
- (b) "Data"** means representations of information or concepts, in any form.
- (c) "Declarations"** means the declarations for the current Period of Insurance attached to this Policy.
- (d) "Employee"** means an individual whose labour or service is engaged and directed by the "Insured", other than independent contractors.

**(e) "Insured"** means each of the following:

- (i) the persons, partnerships, joint ventures or organizations named in the "declarations", but only for the conduct of the business to which this Policy applies;
- (ii) the spouse of a person named in the "declarations", but only for the conduct of the business to which this Policy applies;
- (iii) the members and partners of a partnership or joint venture named in the "declarations" and their spouses, but only for the conduct of the business of the partnership or joint venture to which this Policy applies;
- (iv) the corporate officers and members of the board of directors of an organization named in the "declarations" and their spouses, but only for the conduct of the business of the organization to which this Policy applies;
- (v) the stockholders of an organization named in the "declarations", but only for their liability as stockholders;
- (vi) the "employees", other than corporate officers, of the entities shown in paragraph (1) of this definition, but only for acts within the scope of such employment;
- (vii) any organization formed or acquired by any of the entities shown in paragraph (1) of this definition during the Period of Insurance, provided
  - (1) such organization is not a partnership or joint venture,
  - (2) coverage for such organization is afforded only until the ninetieth (90th) day after its formation or acquisition or the end of the Period of Insurance, whichever is earlier, and
  - (3) no coverage is afforded for such organization for "wrongful employment practices" that happened before its acquisition.

**(f) "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.

**(g) "Ultimate Net Loss"** means

- (i) the amount paid or payable by the "Insured" in settlement or satisfaction of a claim or judgment, after making proper deduction for all recoveries and contribution from other sources;
- (ii) reasonable and necessary expenses that result from the investigation, settlement or defence of a claim by the Insurer, other than the salaries of its own staff and its regular overhead costs;
- (iii) security for costs and the premiums for appeal bonds and bonds to release attachments, to the extent that the costs and bond amounts are within the limit of the Insurer's liability under this Form;
- (iv) costs assessed against the "Insured" by a court or tribunal.

"Ultimate net loss" does not include

- (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;
- (4) the cost of modifying a work environment to provide accessibility to people with disabilities;
- (5) severance pay or any payments required to be made by a written employment contract upon termination of employment.

**(h) "Wrongful Employment Practices"** means

- (i) 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
- (ii) 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 counselling 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 terms and conditions of this policy shall remain unchanged.**

**Intact Insurance Company**

## **Form# L432 - S.P.F. No. 6 - Standard Non-Owned Automobile Policy**

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

### **ITEMS**

1. FULL NAME OF THE APPLICANT **SEE POLICY DECLARATIONS**  
POSTAL ADDRESS  
(Including County or District)**SEE POLICY DECLARATIONS**  
Applicant is: **SEE POLICY DECLARATIONS**  
(State whether Individual, Partnership, Corporation, Municipality or Estate)
2. Policy Period  
12.01 A.M. STANDARD TIME AT THE APPLICANT'S ADDRESS

- From **SEE POLICY DECLARATIONS** STATED HEREIN AS TO EACH OF SAID DATES
3. THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF:
 

**AS KNOWN TO THE INSURER**
  4. The Applicant's Partners, Officers, Employees And Agents As Of The Date Of This Application Are As Follows: Partners, Officers And Employees Who Regularly Use Automobiles Not Owned By The Applicant In His Business. All Other Partners, Officers And Employees
 

LOCATION CLASS A1  
Private Passenger  
CLASS A2  
Commercial  
**AS KNOWN TO THE INSURER**  
LOCATION CLASS B  
CLASS C  
**AS KNOWN TO THE INSURER**
  5. "HIRED AUTOMOBILES" - THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS: TYPE OF AUTOMOBILE ESTIMATED COST OF HIRE RATES PER \$100 OF COST OF HIRE ADVANCE PREMIUM **COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT** THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.
  6. "AUTOMOBILES OPERATED UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS: TYPE OF AUTOMOBILE & ESTIMATED CONTRACT COST RATES PER \$100 OF CONTRACT ADVANCE PREMIUM DESCRIPTION OF USE COST

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

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

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

<b>INSURING AGREEMENT SECTION A THIRD PARTY LIABILITY</b>	<b>PERILS</b> Legal Liability for Bodily Injury to or Death of any Person or Damage to Property of Others not in the Care, Custody or Control of the Applicant	<b>LIMIT \$ IN ACCORDANCE WITH POLICY LIMITS</b>	(Exclusive of Interest and Costs) for loss or damage resulting from Bodily Injury to or the Death of one or more Persons, and for loss or damage to Property, regardless of the number of claims arising from any one Accident.	<b>COMBINED PREMIUMS \$ INCLUDED</b>

Endorsements  
MINIMUM RETAINED PREMIUM \$  
TOTAL PREMIUM **\$ INCLUDED**

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

**AS KNOWN TO THE INSURER**

9. STATE PARTICULARS OF ALL ACCIDENTS OR CLAIMS ARISING OUT OF THE USE OR OPERATION IN HIS BUSINESS OF NONOWNED AUTOMOBILES BY THE APPLICANT WITHIN THE THREE YEARS PRECEDING THIS APPLICATION. INJURY TO PERSONS DAMAGE TO PROPERTY OF OTHERS

**AS KNOWN TO THE INSURER AS KNOWN TO THE INSURER**

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

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

## **INSURING AGREEMENT**

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

### **SECTION A - THIRD PARTY LIABILITY**

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

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

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

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b) for any liability imposed upon any person insured by this Policy (Not applicable in the Province of Ontario)
  - 1) by any workmen's compensation law; or
  - 2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- (c) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- (d) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

#### **ADDITIONAL AGREEMENTS OF INSURER**

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

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

#### **AGREEMENTS OF INSURED**

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

- (a) by the acceptance of this Policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this Policy.

#### **GENERAL PROVISIONS AND DEFINITIONS**

##### **1. ADDITIONAL 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 stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional Insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or (b) any automobile

hired

or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

## 2. TERRITORY

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

## 3. HIRED AUTOMOBILES DEFINED

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

## 4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

## 5. TWO OR MORE AUTOMOBILES

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

## 6. PREMIUM ADJUSTMENT

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

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

The Advance Premiums are subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates stated therein; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained Premium stated therein. The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium bases or the subject matter of this Policy.

## STATUTORY CONDITIONS

**The Statutory Conditions for Non-Owned Automobile Insurance as set out in the Insurance Act of the Province in which this Policy covers shall form part of the Policy.**

**Intact Insurance Company**

## **Form# - L431 SEF No. 99 Excluding Long Term Leased Vehicle Endorsement**

***(for attachment only to an S.P.F. No. 6 - Standard Non-Owned Automobile Policy)***

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

The term "Hired Automobiles" as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the Named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

**Intact Insurance Company**



## Legal Liability for Damage to Hired Automobiles Endorsement (S.E.F.No.94)

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### **Applicable to Non-Owned Automobile Liability – S. P. F. No. 6**

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

### **Legal Liability for Damage to Hired Automobiles**

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of "Hired Automobiles" as defined in such policy and resulting from loss or damage thereto, caused solely by:

Subsection 1 – **All Perils** – from all perils;

Subsection 2 – **Collision or Upset** – caused by collision with another object or by upset;

Subsection 3 – **Comprehensive** – from any peril other than by collision with another object or by upset;

The words "another object" as used in this subsection shall be deemed to include (a) a vehicle to which the automobile is attached and (b) the surface of the ground and any other object therein or thereon.

Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage for which insurance is provided under subsection 3.

Subsection 4 – **Specified Perils** – caused by fire, lightning, theft or attempt thereof, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or of parts thereof, rising water, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the automobile is being transported on land or water.

### **Deductible Clause**

Each occurrence causing loss or damage covered under any subsection hereof except loss or damage caused by fire or lightning or theft of the entire automobile covered by such subsection shall give rise to a separate claim in respect to which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, stated in the applicable subsection hereof.

### **Two or More Automobiles**

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the liability, including the deductible provision, if any, under this Insurance Agreement.

The Insurer shall not be liable:

- (1) for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
- (2) under any subsection hereof for loss or damage
  - (a) to tires or consisting of or caused by mechanism fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by each subsection; or
  - (b) to any automobile while being used without the consent of the owner thereof; or
  - (c) caused directly or indirectly by contamination by radioactive material; or
  - (d) to contents of trailers or to rugs or robes; or
  - (e) to tapes and equipment for use with a tape recorder when detached therefrom; or
  - (f) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
  - (g) for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached; or
- (3) under subsections 3 (Comprehensive), 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

### **Additional Agreement**

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured is legally liable.

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

**Intact Insurance Company**

**Form# L220 - Contractual Liability Endorsement (SEF No. 96) (for attachment only to a Non-Owned Policy SPF No. 6)**

This Endorsement Changes the Policy. Please Read it Carefully.

In consideration of the premium herein stated, it is understood and agreed that exclusion (c) of the Insuring Agreement of the policy to which this endorsement is attached is amended to read as follows:

(c) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

**Date(s) of Contract(s) Name(s) of other contracting party or parties**

As reported to the Insurer As reported to the Insurer

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

**Intact Insurance Company**

**Form # C002 Enhancement - Real Estate Industry Insurance Program – Comprehensive Dishonesty, Destruction, Disappearance and Forgery Enhancement Endorsement**

**This endorsement changes the policy. Please read it carefully.**

Attached to and forming part of C002 – Comprehensive Dishonesty, Destruction, Disappearance and Forgery Endorsement, it is agreed that the agreements are amended as follows:

**Insuring Agreement II.A Loss Inside the Premise Coverage – Broad Form:**

The limit of insurance is increased to \$100,000 with respect to (d) "Loss" of "bank draft or money order" made payable to the Real Estate Brokerage or Lawyer by the actual destruction, disappearance or wrongful abstraction of such "bank draft or money order" within the "premises" or within any "banking premises" or similar recognized places or safe deposit.

**Insuring Agreement III.A Loss Outside the Premise Coverage – Broad Form:**

The limit of insurance is increased to \$100,000 with respect to (c) "Loss" of "bank draft or money order" made payable to the Real Estate Brokerage or Lawyer by the actual destruction, disappearance or wrongful abstraction of such "money" and "securities" outside the "premises" while being conveyed by a "Real Estate Associate" or while within the living quarters in the home of any "Real Estate Associate"

**Insuring Agreement V Depositors Forgery Coverage:**

The limit of insurance is increased to \$100,000 with respect to this coverage.

**3. Conditions, Exclusions, Definitions and Limitations – Section C Definitions is amended to include:**

"Bank Draft or Money Order" means an instrument representing "money" payable to the Real Estate Brokerage named in this policy or to a Lawyer representing the Seller or buyer, to be held in trust as a deposit for a real estate transaction but does not include "money"

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

**Intact Insurance Company**

**Form# E023 - Flood Endorsement**

This endorsement modifies insurance provided under the following:

Commercial Building and Contents Broad Form (BF02)  
Commercial Building and Contents Named Perils Form (NP02)  
Residential Condominium Corporation Broad Form (BF12)  
Builders' Risk Broad Form (BF03)  
Builders' Risk Named Perils (NP03)  
Business and Professional Services Edge Advantage (Property) Form BF41  
Graphic Trades Edge Advantage (Property) Form BF43  
Manufacturers Edge Advantage (Property) Form BF40

Oil & Gas Lease Property Form BF35  
Real Estate Edge Advantage (Property) Form BF44  
Warehouse Edge Advantage (Property) Form BF45  
Wholesalers Edge Advantage (Property) Form BF42

### **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" for this endorsement in any one "flood occurrence".  
This Deductible Clause applies separately to each "premises" or "project site" to which this endorsement applies.

### **3. Exclusions**

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

- (a) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the "Declarations Page", 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, basement or other floors, or through doors, windows or other openings in such 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 water main.

### **4. Extension of Coverage**

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

### **5. Definitions**

- (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 168 consecutive hours commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.
- (c) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground. Except as otherwise provided in this extension all terms and conditions of the policy remain unchanged.

### **Intact Insurance Company**

## **Form#E111 - Key Personnel Accident Form**

**Words and phrases in quotations have special meaning as defined in Clause 10.**

### **1. INSURING AGREEMENT:**

Subject to all its terms and conditions, this Form insures the "named insured" against the "total disability" of an "insured person" caused by or resulting from "injury".

### **2. INDEMNITY PAYABLE FOR TOTAL DISABILITY:**

- (a) When an "insured person", prior to age sixty-five (65), sustains "total disability" commencing within thirty (30) days from the date of the accident, the Insurer will pay "named insured" a "weekly indemnity" for each week of "total disability", subject to the "maximum period payable" stated for the "insured person" in the "schedule", or until the "insured person" reaches age sixty-five (65), whichever occurs first.
- (b) The "weekly indemnity" payable for "total disability" shall be payable from the first day of such "total disability".
- (c) The "weekly indemnity" payable for periods which are less than one (1) week will be paid on the basis of one-seventh (1/7th) of the "weekly indemnity", for each day of "total disability".

### **3. CONDITIONS OF INDEMNITY:**

Indemnity under this Form:

- (a) is payable to the "named insured";
- (b) is applicable only with respect to an "insured person" who is gainfully employed on a "full-time" or "permanent part-time basis immediately before the date of the "injury";
- (c) is payable for "total disability" caused by or resulting from an "injury" for which medical treatment is being rendered, prescribed or recommended;
- (d) is payable only if "total disability" occurs within thirty (30) days of the accident;

(e) is not payable for any period of "total disability" during which the "insured person" is not under the "regular care and attendance of a physician".

#### **4. EXCLUSIONS:**

This Form shall not apply to:

- (a) intentionally self-inflicted injury while sane or self-inflicted injury while insane;
- (b) declared or undeclared war or any acts thereof, nor perpetuation of acts of terrorism, nor participation in a riot or insurrection or civil commotion;
- (c) service in the armed forces of any country;
- (d) participation in any professional athletics;
- (e) participation in acrobatic or stunt flying, mountaineering, hang gliding, scuba diving or any racing or speed contests.

#### **5. EXAMINATION OF RECORDS:**

The Insurer shall be permitted to examine the records of the "named insured" relating to this insurance at any reasonable time until two (2) years after expiration of the Policy or final adjustment and settlement of all claims under this Form, whichever is the later.

#### **6. REQUIREMENTS IN THE EVENT OF LOSS:**

- (a) Written notice of loss must be given to the Insurer within thirty (30) days of the date of such loss. The notice may be given to the Insurer at any of its offices within Canada or to the insurance agent or broker named in the "declarations". The notice shall include particulars sufficient to identify the "insured person" and the "named insured".
- (b) Within thirty (30) days of receiving notice of loss, the Insurer will supply the claimant with such forms as are usually supplied by it for filing proofs of loss.
- (c) Written proof of loss must be given to the Insurer within ninety (90) days of the date of loss.
- (d) Failure to comply with paragraphs (a) and (c) of this condition shall not invalidate any claim, provided it is shown not to have been reasonably possible to give such notice within thirty (30) days or proof within ninety (90) days, and that notice or proof was given as soon as reasonably possible, but in any event within twelve (12) months of the date of loss.
- (e) The Insurer shall have the right and opportunity to examine the person of the "insured person" when and so often as it may reasonably require during the pendency of a claim against this Form.
- (f) All indemnity payable under this Form shall be paid by the Insurer immediately after receiving proper proof of loss.
- (g) Legal action to recover indemnity under this Form shall not be taken before sixty (60) days or later than twelve (12) months (thirty six (36) months in the province of Quebec) after proof of loss has been submitted to the Insurer.

#### **7. TERMINATION OF COVERAGE RESPECTING AN "INSURED PERSON":**

The coverage provided to an "insured person" by this Form shall immediately terminate on the earliest on the following dates:

For an "insured person" named in the "schedule"

- (a) on the date the Policy is terminated or expires, or
- (b) on the date such "insured person" no longer conforms to Definition (e) in Clause 10 of this Form.

#### **8. CANCELLATION OF FORM AND POLICY:**

- (a) This Form or Policy may be cancelled by the "named insured" mailing written notice to the Insurer, stating the cancellation date, which shall not be sooner than the date of mailing.
- (b) This Form or Policy may be cancelled by the Insurer mailing fifteen (15) days' written notice by registered mail to the "named insured" at the address shown in the "declarations".
- (c) Any refund of premium shall be calculated on a pro rata basis. If the Form or Policy is cancelled by the Insurer, the refund shall accompany the notice of cancellation.

#### **9. CURRENCY:**

All "weekly indemnity" premiums and other amounts in this Form are in Canadian currency.

#### **10. DEFINITIONS:**

Wherever used in this Form and its endorsements:

- (a) "Declarations" means the declarations attached to this Policy for the current Period of Insurance.
- (b) "Full-time" means the "insured person" must work a minimum of thirty (30) hours per week for wage or profit.
- (c) "His occupation" means the occupation engaged in by the "insured person" on a "full-time" or "permanent part-time" basis for wage or profit immediately prior to the occurrence of any "injury" covered under this Form.
- (d) "Injury" means bodily injury caused by an accident occurring during the Period of Insurance shown in the "declarations", and resulting directly and independently of all other causes in "total disability".
- (e) "Insured person" means the individual(s) named in "schedule" so long as they are owners, officers or employees of the "named insured", resident in Canada and under the age of sixty five (65).
- (f) "Maximum period payable" means the maximum number of weeks for which indemnity will be payable due to "injury" to an "insured person" as specified in the "schedule" attached to this Form.
- (g) "Named insured" means the person(s) or organization(s) shown as THE NAMED INSURED in the "declarations".
- (h) "Permanent part-time" means the "insured person" must work a minimum of twenty (20) hours per week for wage or profit.

(i) "Regular care and attendance of a physician" means observation and treatment to the extent necessary under existing standards of medical practice for the condition requiring medical attention.

(j) "Total disability" means that the "insured person", due to an "injury":

(i) is unable to perform the substantial and material duties pertaining to "his occupation"; and

(ii) requires the "regular care and attendance of a physician".

(k) "Schedule" means the schedule attached to this Form for the current Period of Insurance.

(l) "Weekly indemnity" means the maximum weekly amount payable due to "injury" to an "insured person" as specified in the "schedule" attached to this Form.

## **Intact Insurance Company**

### **Form# E112 - Travellers' Medical Expense**

**Words and phrases in quotations have special meaning as defined in Section 13.**

**Any payments made under this Benefit will be in accordance with the current fee guide for general practitioners published by the dental association of the province in which the principal residence of the "insured person" is located.**

#### **1. INSURING AGREEMENT**

Subject to all its terms, conditions and exclusions, this Rider covers each "insured person" for Benefits arising from "injury" or "sickness" occurring during the Period of Insurance in the course of a "trip" outside the province in which the principal residence of the "insured person" is located.

#### **2. BENEFITS**

##### **(a) Medical Expense Reimbursement**

The Insurer will reimburse the reasonable and necessary charges for eligible medical services and supplies received by an "insured person", but not exceeding, in total, the Limit of Insurance shown in the "declarations". Eligible medical services and supplies comprise:

(i) "hospital" charges, including those for room and board up to and including the semi-private accommodation level, for a period not exceeding twelve (12) consecutive months;

(ii) "hospital" charges for medically necessary out-patient services;

(iii) up to \$5,000 each "injury" or "sickness" for the services of a "nurse" that are ordered or prescribed by a "physician", provided the "nurse" does not ordinarily live in the principal residence of the "insured person";

(iv) charges for up to thirty (30) days' supply of prescription drugs, sera and vaccines that are obtainable only upon a written prescription by a "physician" or legally-qualified dentist and from a registered pharmacist or "physician", but excluding any charges for the administration of injectable drugs, sera and vaccines;

(v) up to \$1,000 each "injury" or "sickness" for the services of a licensed professional physiotherapist that are ordered or prescribed by a "physician", provided the physiotherapist does not ordinarily reside with the "insured person" and is not a "relative";

(vi) up to \$10,000 each "injury" or "sickness" for the services of a licensed ground ambulance or, when recommended by a "physician", of any other conveyance licensed to carry passengers for a charge, including an air ambulance, to or from the nearest "hospital" equipped to provide the required treatment;

(vii) blood plasma, whole blood or oxygen, and the administration of any of these;

(viii) x-rays and laboratory tests required for diagnostic purposes;

(ix) up to \$2,000 expenses incurred in any one calendar year for artificial limbs, artificial eyes and other prosthetic devices;

(x) costs of renting or buying casts, cervical collars, crutches, trusses, non-dental splints and non-dental braces;

(xi) up to \$5,000 each "injury" or "sickness" for the rental of a wheelchair, an iron lung and other durable medical equipment for temporary therapeutic treatment;

(xii) medical care and treatment and surgical procedures performed by a "physician";

(xiii) the services of a licensed anaesthetist, when recommended by a "physician";

(xiv) up to \$300 each specialty each "injury" or "sickness" for the services (including one diagnostic x-ray and laboratory tests) of any chiropractor, osteopath, chiropodist, podiatrist, speech therapist, psychologist or (on the recommendation of a "physician") masseur, provided the practitioner is licensed, does not ordinarily reside with the "insured person", and is not a "relative".

##### **(b) Emergency Dental Treatment**

When treatment by a legally-qualified dentist or oral surgeon is required for "injury" to whole and sound teeth due to a force or blow from outside the mouth, the Insurer will pay the reasonable and necessary expenses actually incurred by the "insured person", up to a maximum of \$1,000 as the result of any one "injury". For the purposes of this Benefit, treatment includes replacement and x-rays, and capped and crowned teeth will be considered whole and sound teeth.

##### **(c) Repatriation**

If an "insured person" dies more than fifty (50) kilometres away from the principal residence of that "insured person", the Insurer will pay the reasonable and necessary expenses actually incurred for the transportation of the body to its first resting place in the vicinity of the principal residence of that "insured person", up to a maximum of \$5,000. Such expenses may include charges for preparing the body for transportation. The first resting place of the body may include, but is not limited to, a funeral home or the place of interment.

Payments under this Benefit will be made to the person who actually incurs the expenses.

##### **(d) Emergency Air Transportation**

The Insurer will pay up to \$2,500 in total any one "injury" or "sickness" for:

(i) the one-way "airfare" actually incurred, up to a maximum of \$625, for the transportation of an "insured person" by the most direct route to the air terminal nearest the principal residence of that "insured person", if (1) the attending "physician" certifies in writing that the medical condition of the "insured person" warrants immediate return for treatment to the province in which the principal residence of the "insured person" is located, such treatment being unavailable from a "hospital" in the vicinity where the "injury" or "sickness" occurred, or

(2) confinement of the "insured person" in a "hospital" as an in-patient under observation and treatment by a "physician" prevents the "insured person" from travelling on a previously-booked flight, provided the ticket for that flight is not changeable or refundable;

(ii) in addition, the one-way "airfare" actually incurred, up to a maximum of \$625, for one additional seat, if the attending "physician" recommends in writing that the "insured person" requires stretcher accommodation for medical reasons on the flight to the air terminal nearest the principal residence of that "insured person";

(iii) in addition, the reasonable and necessary expenses actually incurred, up to a maximum of \$1,250 for one round-trip "airfare" and one night's accommodation and board, if the attending "physician" recommends in writing that the "insured person" requires the presence of a medical attendant on the flight to the air terminal nearest the principal residence of that "insured person". The medical attendant must be qualified to work in that capacity where the "insured person" received emergency medical attention, not ordinarily reside with the "insured person", and not be a "relative".

(e) Family Transportation and Accommodation

The Insurer will pay up to \$2,500 in total any one "injury" or "sickness" for:

(i) 75% of the one-way "fare" actually incurred by an "insured person" or "travelling companion" who is prevented from returning to the province in which the principal residence of such "insured person" or "travelling companion" is located, because they have remained with another "insured person" who dies or is confined in a "hospital" as an in-patient for at least four (4) consecutive days under observation and treatment by a "physician", provided the ticket for the original return trip is not changeable or refundable;

(ii) 75% of one return "fare" actually incurred by a "relative" for transportation by the most direct route between their principal residence and the "hospital" where an "insured person" is confined as an in-patient for at least four (4) consecutive days under observation and treatment by a "physician", if such "insured person" was travelling unaccompanied by a "relative" at the time of hospitalization;

(iii) in addition, up to \$50 each day for board and lodging in the vicinity where the "hospital" referred to in paragraphs (e)(i) and (e)(ii) above is located, when actually incurred by an individual who is entitled to the Benefit described in either of those paragraphs, provided the duration of such board and lodging does not exceed -

(1) the total number of days of hospitalization, not exceeding twenty (20) consecutive days, if the "insured person" is confined in a "hospital", regardless of whether or not such "insured person" dies, or

(2) up to five (5) consecutive days, if the "insured person" dies without hospitalization.

(iv) If transportation occurs in an automobile other than one operated under a license for the conveyance of fare-paying passengers, \$0.20 cents for each kilometre travelled.

(f) Return of Vehicle

If the attending "physician" certifies in writing that the "insured person" is unable to continue driving the owned or rented automobile being used for the "trip", the Insurer will pay up to \$1,000 in total any one "injury" or "sickness" for the reasonable and necessary expenses actually incurred for a commercial agency to return such automobile to the principal residence of the "insured person" or to the rental agency that supplied the automobile.

### 3. EXCLUSIONS

(a) This Rider shall not apply to any "injury" or "sickness" or death resulting from either which is caused by or results from:

(i) intentionally self-inflicted injury while sane or self-inflicted injury while insane;

(ii) declared or undeclared war or any acts thereof, nor perpetuation of acts of terrorism, nor participation in a riot or insurrection or civil commotion;

(iii) active full-time service in the armed forces of any country;

(iv) pregnancy or childbirth, except that complications arising from either will be treated as 'sickness';

(v) any "trip" undertaken by an "insured person" for the purpose of obtaining medical treatment, assessment or consultation;

(vi) participation in any professional athletics;

(vii) participation in acrobatic or stunt flying, mountaineering, hang gliding, scuba diving or any racing or speed contests;

(viii) any condition for which the "insured person" received medical advice, consultation or treatment during the six (6) months before starting the "trip". but this exclusion does not apply to a chronic disease or disorder that has existed for a minimum of six (6) months and which is under treatment, provided there has been no change in the medical condition for at least six (6) months through the regular use of a prescribed medication.

(b) This Rider shall not pay for:

(i) expenses covered by any governmental hospital, medical, dental or healthcare insurance plan, whether payable or not, and expenses prohibited by law;

(ii) expenses which are reimbursed under any other group health and hospitalization plan arranged by the Named Insured for the benefit of officers and employees;

(iii) medical examinations for the use of a third party, cosmetic surgery and any dental services not required as

the direct result of Injury";

(iv) experimental drugs not approved by the Drugs Directorate of Health and Welfare Canada's Health Protection Branch, oral contraceptives and patent medicines;

(v) experimental medical treatments;

(vi) services for which no charge would normally be made in the absence of this insurance;

(vii) treatment or surgery which medically could be delayed until the Insured person" has returned to the province in which the principal residence of the Insured person" is located;

(viii) treatment or surgery which the Insured person" elects to have rendered or performed outside the province in which the principal residence of the "insured person" is located following unexpected and unplanned treatment for or diagnosis of a medical condition that, on medical evidence, would not prevent the Insured person" from returning to that province before such treatment or surgery.

#### **4. WHEN COVERAGE APPLIES**

(a) For each "trip", coverage under this Rider begins when an "insured person" leaves the border of the province in which the principal residence of the "insured person" is located or, if the "insured person" is travelling by aircraft, when such aircraft takes off in the province in which the principal residence of the "insured person" is located.

(b) For each W, coverage under this Rider ends on the earliest of the following dates:

(i) Thirty (30) days after the date described in paragraph (a) of this Clause, or

(ii) when an Insured person" crosses the border of the province in which the principal residence of the "insured person" is located or, if the "insured person" is travelling by aircraft, when such aircraft lands in the province in which the principal residence of the "insured person" is located.

#### **5. ELIGIBILITY OF EXPENSES**

All expenses must be incurred:

(a) on a non-elective, unexpected and unplanned basis, and

(b) outside the province in which the principal residence of the "insured person" is located, and

(c) in excess of expenses payable under any other individual, group or government-sponsored hospital or medical insurance plan.

#### **6. NON-DUPLICATION OF BENEFITS**

(a) Any benefits normally payable under any other individual, group or government-sponsored hospital or medical insurance plan that duplicates the Benefits payable under this Rider shall be co-ordinated to the extent that the aggregate reimbursement does not exceed the total expenses incurred.

(b) The Insurer may, at its discretion, require an assignment from the "insured person" of all rights of recovery against any other party for loss, to the extent that payment has been made under this Rider.

#### **7. PAYEE FOR BENEFITS**

Unless otherwise stated, all Benefits, including those payable for a spouse and dependent children, shall be paid to or at the direction of the "insured person" named in the "schedule". Accrued Benefits, if any, that are unpaid at the time of the death of the "insured person" named in the "schedule", shall be paid to the estate of that "insured person".

#### **8. EXAMINATION OF RECORDS**

The Insurer shall be permitted to examine the records of the Named Insured relating to this insurance at any reasonable time until two (2) years after expiration of the Policy or final adjustment and settlement of all claims under this Rider, whichever is the later.

#### **9. REQUIREMENTS IN THE EVENT OF LOSS**

(a) Written notice of loss must be given to the Insurer within thirty (30) days of the date of such loss. The notice may be given to the Insurer at any of its offices within Canada or to the insurance agent or broker named in the "declarations". The notice shall include particulars sufficient to identify the "insured person" and the Named Insured.

(b) Within thirty (30) days of receiving notice of loss, the Insurer will supply the claimant with such forms as are usually supplied by it for filing proofs of loss.

(c) Written proof of loss must be given to the Insurer within ninety (90) days of the date of loss.

(d) Failure to comply with paragraphs (a) and (c) of this condition shall not invalidate any claim, provided it is shown not to have been reasonably possible to give such notice within thirty (30) days or proof within ninety (90) days, and that notice or proof was given as soon as reasonably possible, but in any event within twelve (12) months of the date of loss.

(e) The Insurer shall have the right and opportunity to examine the person of the "insured person" when and so often as it may reasonably require during the pendency of a claim against this Rider.

(f) All Benefits payable under this Rider shall be paid by the Insurer immediately after receiving proper proof of loss.

(g) Legal action to recover Benefits under this Rider shall not be taken before sixty (60) days or later than twelve (12) months (thirty six (36) months in the province of Quebec) after proof of loss has been submitted to the Insurer.

#### **10. TERMINATION OF COVERAGE FOR AN "INSURED PERSON"**

(a) The coverage provided to an "insured person" by this Rider shall immediately terminate on the earliest of the following dates:

(i) For an "insured person" named in the "schedule"

- on the date the Policy is terminated or expires, or

- on the date such "insured person" no longer conforms to Definition (e)(i) in Clause 13 of this Rider.
- (ii) For the spouse or dependent child of an "insured person" named in the "schedule"
- on the date such spouse or dependent child no longer conforms to Definition (e)(ii) or (e)(iii) respectively in Clause 13 of this Rider, or
- on the termination date of the insurance for such "insured person" named in the "schedule".
- (b) If an "insured person" becomes ineligible for coverage under this Rider during a 'trip', the insurance for that "insured person" shall continue until the earliest of the following dates:
  - (i) on the date the "insured person" returns to the province in which the principal residence of the "insured person" is located, or
  - (ii) at the end of the thirtieth (30th) day of the "trip".

#### **11. CANCELLATION OF RIDER AND POLICY**

- (a) This Rider or Policy may be cancelled by the Named Insured mailing written notice to the Insurer, stating the cancellation date, which shall not be sooner than the date of mailing.
- (b) This Rider or Policy may be cancelled by the Insurer mailing fifteen (15) days' written notice by registered mail to the Named Insured at the address shown in the "declarations".
- (c) Any refund of premium shall be calculated on a pro rata basis. If the Rider or Policy is cancelled by the Insurer, the refund shall accompany the notice of cancellation.

#### **12. CURRENCY**

All Benefits, premiums and other amounts in this Policy are in Canadian currency.

#### **13. DEFINITIONS**

Wherever used in this Rider and its endorsements:

- (a) "airfare" means the regular fare charged for an economy-class seat on a regular flight by a domestic or international scheduled air carrier which holds an operating certificate issued by Transport Canada or by a similar governmental authority with jurisdiction over such air carrier in the country of its certification.
- (b) "fare" means:
  - (i) the "airfare", or
  - (ii) the regular fare charged for
    - a coach seat on a passenger train,
    - a regular seat on a passenger bus, or
    - an economy-class seat on a boat,
 provided the carrier holds an operating certificate issued by Transport Canada or by a similar governmental authority with jurisdiction over such carrier in the country of its certification.
- (c) "hospital" means an institution
  - (i) licensed as a hospital,
  - (ii) open at all times for the care and treatment of sick and injured people,
  - (iii) with at least one "physician" available at all times on staff,
  - (iv) with 24-hour nursing services by at least one "nurse",
  - (v) providing organized facilities for diagnostics, and
  - (vi) that is not primarily a clinic, convalescent hospital, nursing home, rest home or similar establishment.
- (d) "injury" means bodily injury sustained caused by an accident during the course of a 'trip' while this insurance is in force as to the "insured person", resulting - directly and independently of all other causes - in eligibility for the Benefits of this insurance.
- (e) "insured person" means any person described below who is covered under a federal or provincial health and hospitalization insurance plan:
  - (i) the individual(s) named in the "schedule so long as they are owners, officers or employees of the Named Insured, resident in Canada and under the age of 71;
  - (ii) the spouse of such individual, meaning a person under the age of 71
    - to whom such individual is legally married, or
    - to whom such individual is married by a marriage that is voidable but that has not been declared null and void, or
    - with whom such individual has continuously co-habited and who has been represented publicly as that individual's spouse for at least 12 months immediately before the "injury" or "sickness", provided that only one person shall qualify as that individual's spouse.
  - (iii) the dependent children of such individual, meaning a person
    - under the age of twenty one (21), or
    - under the age of twenty six (26) if in attendance on a full-time basis at a university, college, CEGEP or trade school in Canada, or
    - who is incapable of self-sustaining employment and is totally dependent upon such individual for support within the terms of the Income Tax Act by reason of mental or physical infirmity, and who is unmarried, dependent upon such individual for maintenance and support, and is the legitimate child, illegitimate child, adopted child or step-child of such individual, or who is in a child-parent relationship with such individual.
- (f) "nurse" means a graduate registered nurse or a nurse who is licensed to practice nursing services by a governmental agency with jurisdiction over such licensing, but does not include an "insured person" or (except in connection with a "hospital") a "relative".
- (g) "physician" means a doctor of medicine who is licensed to practise medicine by and is a member in good standing



of a recognized medical licensing organization located where the "physician" provides treatment, or who is licensed to practise medicine by a governmental agency with jurisdiction over such licensing, but does not include an "insured person" or (except in connection with a "hospital") a "relative".

(h) "relative" means a person over the age of seventeen (17) whose relationship to the "Insured person" is that of

(i) son, daughter, father, mother, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law, whether natural, adopted or by marriage, and

(ii) spouse, grandson, granddaughter, grandfather or grandmother.

(i) "schedule" means the schedule attached to this Rider for the current Period of Insurance.

(j) "sickness" means sickness or disease first occurring during the course of a "trip" while this insurance is in force as to the "insured person", resulting - directly and independently of all other causes - in eligibility for the Benefits of this insurance.

(k) "travelling companion" means a person who is booked to share the same accommodation as the "insured person".

(l) "trip" means travel undertaken by an "insured person" which lasts for up to thirty (30) consecutive days from the time of leaving the province in which the principal residence of the "insured person" is located until the time of returning to that province.

## Form # L265 - Legal Expense Extension

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
ATTACHED TO AND FORMING PART OF LR20 COMMERCIAL GENERAL LIABILITY MAX, OR LR10  
COMMERCIAL GENERAL LIABILITY, WHICHEVER IS APPLICABLE.**

### SECTION I – COVERAGES

#### COVERAGE X – Legal Expense Extension

##### 1. Insuring Agreement

The Insurer will pay those sums that the Insured pays out due to "Legal Expenses" incurred that arise from any complaint, disciplinary hearing or review instituted during the policy period under the provisions of any professional discipline legislation governing or regulating the "Professional Services". No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under DEFENCE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS. The complaint, disciplinary hearing or review must take place in the "coverage territory".

##### 2. Limit of Liability

a. The Limits of Insurance under this extension shall be ninety percent (90%) of "Legal Expenses", subject to a \$200 minimum retention by each Named Insured. This limit of liability is subject to a maximum hourly rate for lawyer's fees of \$200 and is subject to a maximum of \$10,000 per claim and an annual aggregate limit of liability of \$25,000 for each Named Insured.

b. The Each Claim Limit is the most the Insurer will pay for the sum of Legal Expenses because of each claim or action covered.

c. Subject to **b.** above, the Aggregate Limit is the most the Insurer will pay for the sum of "Legal Expenses" under this Form.

The Limits of Insurance applicable to this form apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown on the "Declaration Page(s)" unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

##### 3. Exclusions

This insurance does not apply to:

a. Any Legal Expenses incurred as a result of any deliberate violation or contravention by the Insured of any provision of, or order made under, any professional discipline legislation to which this extension applies.

b. Abuse – See Common Exclusions (if this Form is attached to LR10 Commercial General Liability), or L516 Sexual Abuse/Harassment Exclusion Endorsement (if such Form is attached to this Policy).

c. Asbestos – see Common Exclusions.

d. Fungi or Spores – See Common Exclusions.

e. Nuclear Energy Liability – See Common Exclusions.

f. Pollution Liability – See Common Exclusions.

g. Terrorism – See Common Exclusions.

h. War Risks – See Common Exclusions.

##### Amended General Conditions

It is agreed that the following General Conditions:

###### 1. Notice of Claim or Suit,

###### 2. Assistance and Cooperation, and

###### 3. Assumption of Liability

are deleted and replaced with the following, under **General Conditions** of the LR20 Commercial General Liability Max, or LR10 Commercial General Liability; whichever is applicable, but only with respect to the coverage provided under this

Endorsement:

- a. The Named Insured must see to it that the Insurer is notified promptly of any complaint that will result in any "Legal Expenses" covered by this extension. Notice should include:
  - 1) How, when and where the complaint, disciplinary hearing or review took place or will take place; and
  - 2) The names and addresses of any persons and of witnesses bring the complaint forward
- b. If a complaint, disciplinary hearing or review is brought against any Insured, the Named Insured must see to it that the Insurer receives prompt written notice of the complaint, disciplinary hearing or review.
- c. The Named Insured and any other involved Insured must:
  - 1) Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the complaint, disciplinary hearing or review;
  - 2) Authorize the Insurer to obtain records and other information;
  - 3) Cooperate with the Insurer in the investigation, settlement or defence of the complaint, disciplinary hearing or review and
- d. No Insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Insurer's consent.
- e. On conclusion of the review or hearing the Insured must forward within 60 days to the Insurer copies of all relevant documents and proof of expenses.

### Section III Definitions

It is agreed that the following definition is added:

**"Legal Expenses"** means:

- (a) In the event a hearing or review covered by this endorsement is actually instituted, lawyers fees arising from consultation prior to such hearing review;
- (b) Lawyers fees arising from a hearing or review covered by this endorsement, but excluding the amount of such lawyers fees which relates to investigative services or the involvement of any expert witness and
- (c) Lawyers fees arising from consultation as a result of any complaint covered under the provisions of Section 1 – Insuring Agreement

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

### Intact Insurance Company

## Form# D508 - Identity Theft Expense Endorsement

Words and phrases in quotation marks have special meaning as defined in Clause 3 of this Endorsement. (In this Endorsement, words importing the masculine gender shall include the feminine gender).

### 1. Insuring Agreement:

The Insurer agrees to provide insurance for reimbursement of "Identity Theft Expenses" as described in this Endorsement in return for payment of the premium and subject to the terms, conditions and exclusions set out in this Endorsement. Only "Insured's" as herein defined are entitled to coverage under this Endorsement.

The "Insured" shall also have access to Intact Insurance Company which will provide legal information and support through our 10 Step Fraud Resolution Emergency Response.

### 2. Limit of Liability:

The Insurer will reimburse any "Insured" for "Identity Theft Expenses", arising directly from an act of "Identity Theft" discovered within a single policy period.

The Limit of Liability of the Insurer stated in the Declarations Page for this endorsement shall be applied per "Claim" per "Insured" and in the aggregate per "policy period". If the insured loss expands over more than one "policy period", the coverage limit per "Claim" still applies.

### 3. Definitions:

"Claim" means an act or series of acts of "Identity Theft" by a person or group resulting in an insured loss that takes place and is discovered within the "policy period".

"Identity Theft" means the act of acquiring key pieces of an "Insured's" identifying information and knowingly transferring or using that information, without lawful authority, with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of any federal, provincial, territorial, municipal or quasi-criminal law.

"Identity Theft Expenses" means the costs associated with the restoration of an "Insured's" identity. For the purpose of this Endorsement, coverage is limited to:

1. the cost of notarizing fraud affidavits or similar documents for law enforcement agencies, financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized;
2. the costs for certified mail, and/or fax transmissions and/or telephone expenses for calls to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
3. loan application fees for re-applying for loan(s) due to the rejection of the original application based solely on the lender receiving incorrect information resulting from an act of "Identity Theft" committed against the "Insured";
4. lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors and/or legal counsellors to complete fraud affidavits. The maximum payment for loss of wages is \$1000.00 per week for a period of five weeks. This coverage

does not increase the amount of insurance provided by this Endorsement;

5. reasonable legal counsel fees incurred directly as a result of a "claim" with prior written consent from the Insurer for:

- a. defence of lawsuits brought against the "Insured" by financial institutions, merchants, other credit grantors or their collection agencies;
- b. the removal of any criminal or civil judgements wrongly entered against the "Insured";
- c. challenging the accuracy or completeness of any information in a customer credit report.

6. fees resulting from the fraudulent transfer or removal of funds from Internet accessed bank accounts.

The "Insured" shall have the right to select and instruct their own legal counsel to assist them. The Insurer reserves the right to challenge or tax any expenses that are covered by this Endorsement, including legal expenses.

"Insured" means:

1. if the "Named Insured" is an organization other than a partnership, any present director or officer thereof;
2. if the "Named Insured" is a partnership, any present partner thereof;
3. any present employee of the "Named Insured" whose labour and service is engaged by and directed by the "Named Insured" and who is on the payroll of the "Named Insured".

"Named Insured" means any individual or organization named in the Declarations. No change in the legal personality of the "Named Insured" shall invalidate this insurance, provided the risk has not increased or been misrepresented.

"Policy period" means the period from the effective date of this policy to the policy expiration date as set forth in the declarations, or its earlier cancellation in accordance with the policy conditions.

#### **4. Additional Conditions:**

1. The "Insured" must comply with all of the terms and requirements stipulated with the issuance of any bank or credit card including secure storage of PINs (Personal Identification Numbers) and personal information.

2. All costs incurred which are submitted for payment under this Endorsement must be directly and solely as a result of the fraudulent use of the "Insured's" credit or identity, and/or the process subsequently required to restore the "Insured's" credit history or to contact merchants, financial institutions, or similar credit grantors and credit agencies relating to the theft of identity or to a fraud perpetrated against the "Insured".

3. If the "Insured" does not comply with 1. above, he will not be entitled to any coverage under this Endorsement, and if any costs do not directly and solely result from the use or process described in 2. above, he will not be entitled to reimbursement for them.

4. In the event of a "claim" the "Insured" must:

a. Provide notice to the Insurer as soon as he becomes aware of any fact or circumstance which would cause a reasonable person to assume that a loss of type covered by this Endorsement has been or will be incurred, even though the exact details of loss may not then be known, and while this policy is in force, or in the case of cancellation or non renewal within thirty (30) days after the expiry date of the policy;

b. Keep books, receipts, bills and other records in such a manner that the Insurer can accurately determine the amount of any claim;

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c. File a detailed proof of loss, duly sworn to, with the Insurer within four (4) months after the discovery of the loss;

d. Notify law enforcement authorities;

e. At the request of the Insurer, submit to examination under oath and give the Insurer a signed statement of the answers;

f. Cooperate with the Insurer in all matters pertaining the loss or "claims" with respect thereto.

#### **5. Exclusions:**

The coverage provided under this Endorsement shall not apply to any costs which are caused or contributed to, in whole or in part, directly or indirectly, by any of the following:

1. Loss due to any fraud, dishonest or criminal act, including intentional misuse of identity or credit by an "Insured" or any person acting in collusion with an "Insured";

2. Failure to report upon realization of the "Identity Theft" and/or a notice of a civil suit;

3. If the commencement of loss occurs prior to the effective date of this Endorsement, or after its expiration;

4. If the commencement of loss occurs during such time that an individual was not an "Insured";

5. Arising from a dispute involving another "Insured" under the policy to which this Endorsement is attached. That is, if the person or persons responsible for the "Identity Theft", and any "Claim" arising there from, are also "Insured's" under this Endorsement, any loss or damage is not insured;

6. Any debts and obligations contracted in the "Insured's" name while their identity had been stolen;

7. Any amounts exceeding the limits of liability.

#### **6. Additional or Amended General Conditions:**

Except as amended or added below, the General Conditions of this policy to which this Endorsement is attached will have full force and effect.

##### **1. Other Insurance**

If the "Insured" has other valid insurance against damages covered by this Endorsement, then this insurance shall be excess over such other insurance, unless such other insurance is written only as specific excess insurance, in which case this insurance shall be primary.

If the "Insured" has other valid insurance against damages covered by this Endorsement, under a policy issued by Intact Insurance Company, the policy that applies most specifically to the claim shall be primary and the other insurance shall be excess and only the deductible applicable to the primary insurance shall apply. The Insurer's liability for any one loss, however, shall in no event exceed the highest limit of liability applicable to the loss under all policies.

##### **2. Subrogation**

In the event of any payment under this Endorsement, the Insurer shall be subrogated to all of the "Insured's" rights of recovery against any person or organization to the extent of such payment 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 to prejudice such rights. 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.

### 3. Currency

All limits of liability, premiums, deductibles and other amounts as expressed in this Endorsement are in Canadian currency.

### 4. Action against the Insurer

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

### 5. Territory

The coverage provided by this Endorsement shall apply anywhere in the world.

### 6. Reporting Period

This Endorsement applies to "Identity Theft Expenses" only if a "claim" is first made while this Endorsement is in force. If during the "policy period" an "Insured" has knowledge of or becomes aware of an "Identity Theft" and during the policy period gives written notice to the Insurer, then such notice will be considered to be a "claim" under this Endorsement. "Claim"(s) may also be made within thirty (30) days after the date of expiration or termination of the "policy period" (except in the case of termination for non-payment of premium) as stated in the Declarations, but only for "Identity Theft" committed before the date of such expiration or termination. Such thirty (30) day reporting extension does not increase or reinstate any limits of liability under this Endorsement.

### 7. Deductible

Each "claim" arising out of an "Identity Theft" will be subject to the Deductible amount stated in the Declarations Page. The Insurer will be liable only for the difference between such deductible amount and the Limit of Liability for each "claim". The payment of any deductible amount by the "Insured" shall not operate to reduce the aggregate limit of the Insurers' liability.

## 7. Intact Insurance Company

Intact Insurance Company is available Monday to Friday, from 6:00am to 5:00pm (PST) / 9:00am to 8:00pm (EST) at:  
**1-866-49THEFT / 1-866-498-4338**

Assistance provided includes legal information about your rights as an Identity Theft victim, and support through our 10 Step Fraud Resolution Emergency Response, including assistance in reporting to Credit Bureaus, Creditors and Authorities.

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

## **CYBER Expense Endorsement** **Insuring Agreement A: Privacy Breach Expenses and** **Insuring Agreement B: Business Interruption**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
CERTAIN WORDS AND PHRASES IN BOLD FONT HAVE SPECIAL MEANING AS DEFINED IN THIS ENDORSEMENT.  
THIS ENDORSEMENT APPLIES TO ALL LOCATIONS INSURED UNDER THE PROPERTY SECTION OF THE POLICY AND IS SUBJECT TO THE TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS THAT ARE APPLICABLE TO THE COMMERCIAL PROPERTY INSURANCE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

Coverage as extended by each Insuring Agreement of this Endorsement may also be provided elsewhere in the Policy or by another Policy issued by the Insurer. In the event of any such coverage duplication or overlap, only the coverage as extended by this Endorsement will apply.

Coverage as extended by each Insuring Agreement of this Endorsement applies only in Canada.

This Endorsement applies regardless of anything contained to the contrary in a policy Data Exclusion. Except to the extent of coverage under this Endorsement, the terms of such Data Exclusion remain in full force and effect.

### **LIMIT OF INSURANCE**

The Insurer's maximum limit of liability for coverage as extended by this Endorsement under Insuring Agreement A is limited to the sum of \$25,000 per claim and in the aggregate.

The Insurer's maximum limit of liability for coverage as extended by this Endorsement under Insuring Agreement B is limited to the sum of \$25,000 per claim and in the aggregate.

The aggregate limit is the Insurer's maximum limit of liability in any one policy period, regardless of the number of occurrences or claims, the number of breaches or the number of **Named Insureds**.

Multiple claims that arise from the same **privacy breach** will be regarded as one claim provided that occurrences giving rise to such multiple claims are discovered at the same time. An occurrence(s) giving rise to a claim and discovered at a later time within the policy period of this Endorsement, whether arising from the same cause or not, will be considered a separate claim.

**Deductible – Insuring Agreement A: \$1,000**

Each claim shall be adjusted separately and the deductible sum(s) specified above shall be deducted from the amount of each such adjusted claim.

**Waiting Period Deductible – Insuring Agreement B:** The forty-eight (48) hour waiting period specified for **business interruption loss** (if any such insured loss occurs) shall apply with respect to each **privacy breach**. Each such claim for **business interruption loss** shall be adjusted separately.

**INSURING AGREEMENT A  
PRIVACY BREACH EXPENSES COVERAGE**

The Insurer will reimburse the **Named Insured** for **remediation expenses** that are incurred by the **Named Insured** in relation to the **Named Insured's** business activities in Canada. The amount of coverage for such expenses is included within (and is not in addition to) the Limit of Insurance that is specified above.

A **privacy breach** must first take place (or must first be activated) during the time that this Endorsement's coverage is in effect and must first be discovered by the **Named Insured** during the time that this Endorsement's coverage is in effect.

**INSURING AGREEMENT B  
BUSINESS INTERRUPTION COVERAGE**

Coverage under this Endorsement applies (subject to Additional Condition B) to **business interruption loss** that is:

- A. related directly to and caused by a **privacy breach** to which coverage under Insuring Agreement A applies; and
- B. incurred no sooner than forty-eight consecutive hours after such a **privacy breach** is first discovered.

**Business interruption loss** means actual loss sustained of net income (before taxes, excluding interest and after depreciation) from the **Named Insured's** declared business operations in Canada provided that such loss would not have been incurred had no **privacy breach** taken place.

**Business interruption loss** also means, without increasing the limit of liability for Insuring Agreement B, necessary extra expenses (excluding **remediation expenses** other than computer forensic services) for which the Insurer shall reimburse the **Named Insured** and that are required for the reduction of actual loss of net income when such extra expenses:

- i. are in excess of the **Named Insured's** normal operating expenses; and
- ii. would not have been required had no **privacy breach** occurred; and
- iii. are not otherwise excluded under this Endorsement.

The Insurer's liability for such necessary extra expenses shall not exceed the amount of said reduction. Such necessary extra expenses are not subject to the waiting period deductible that is specified above for Insuring Agreement B provided that such actual loss sustained of net income exceeds the specified forty-eight (48) hour waiting period.

The duration of coverage for **business interruption loss** ends at the earliest of the following times:

- a) After thirty consecutive days beginning on the day that a **privacy breach** to which coverage under Insuring Agreement A applies is first discovered; or,
- b) At the time that the **Named Insured's** declared business operations in Canada are returned to the same state or the same level of operation that existed immediately before the **privacy breach**.

The **Named Insured** shall with due diligence do (and shall agree to do and give permission to do) all things that are reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.

**EXCLUSIONS (applicable to Insuring Agreements A and B unless otherwise specified)**

Insurance granted by this Endorsement shall not apply to:

- 1. expenses or other loss arising from any fact or circumstance known to the **Named Insured** or to any Insured (or about which the **Named Insured** or any Insured should reasonably have known) prior to the effective date of this Endorsement;
- 2. expenses or other loss arising from unauthorized use of, unauthorized access to, loss of or damage to data or information on a personal mobile device of an employee, volunteer or authorized representative of the **Named Insured**. This exclusion 2 does not apply, with respect to a **privacy breach**, to laptop personal computers used with permission of the **Named Insured** in the business of the **Named Insured**, while on the **Named Insured's** business premises in Canada (including offices in the homes of employees and while in transit to or from such offices and the **Named Insured's** business premises) and that are personally owned by an employee, volunteer or authorized representative of the **Named Insured**;
- 3. unexplained deletion, disappearance or diminution of **data** or of non-computer data;

4. fines, penalties or assessments of any nature including (but not limited to) fines, fees or damages for breach of contract or for late or non-completion of orders or payments, or levies or assessments of any nature including but not limited to levies or assessments that are related to payment cards or to Payment Card Industry Standards;

5. wear and tear, gradual deterioration, hidden or latent defect or any quality in **data**, in computer media or in non-computer data that causes it to damage or destroy itself;

6. a **privacy breach** (except for theft of non-computer data) arising from failure of the **Named Insured** (or of an employee, volunteer or authorized representative of the **Named Insured**) to diligently deploy updated functional security software including but not limited to anti-malware software, security patches and including but not limited to a functional hardware and software firewall for each computer, all in accordance with a standard of care that at least meets (at the time of such breach) current standards and best practices for computer security and data security.

For the purposes of the Exclusion 6 above, available security patches (available as patches in response to computer security threats as recognized and specified by any CERT entity, or available otherwise) that are not applied automatically or semi-automatically must be applied by the **Named Insured** as soon as practicable following the **Named Insured's** discovery of a **privacy breach** related to a computer security vulnerability that is addressed by such a patch; and in any event no later than thirty days following a security patch being made available by a software developer, a software supplier or by a computer security specialist;

7. expenses or other loss arising from errors in the programming or configuration of computer equipment or from errors in the configuration of **data** or of computer media;

8. criminal, fraudulent or dishonest acts of any **Named Insured** or criminal or penal proceedings against any **Named Insured** (in any event, including but not limited to any employee, volunteer or authorized representative of the **Named Insured**, whether acting alone or in collusion with others);

9. loss, damage, expense or costs (including judgements against the **Named Insured**) arising out of liability to a third party;

10. legal fees or other defence expenses;

11. any gain, profit, remuneration or advantage to which the **Named Insured** is not legally entitled;

12. liability assumed by the **Named Insured** under any contract or agreement, except to the extent that the **Named Insured** would have been liable in the absence of such a contract or such an agreement;

13. loss, damage, expenses or increased costs due to delay, loss of use, loss of market, loss of occupancy or (except to the extent of coverage under Insuring Agreement B) other interruption of business or other consequential loss;

14. loss, damage, expenses or increased costs due to mechanical failure, breakdown, short circuit or other electrical disturbance, or interruption of internet service or of electrical power supply;

15. any cost or expenses incurred to update, upgrade or otherwise improve **data**, non-computer data, computer media or computer equipment;

16. payments made by the **Named Insured** in response to **cyber extortion** or otherwise complying with or responding to **cyber extortion**. This Exclusion 16 does not apply to **remediation expenses** due directly to the carrying out of a **cyber extortion** threat;

17. with respect to Insuring Agreement B (in addition to the exclusions above):

a. **Business interruption loss** arising out of unauthorized use of, unauthorized access to, loss of, or damage to unlicensed software or to copyrighted software that has been copied or that is being used without authorization;

b. Payment of **Remediation expenses** (other than computer forensic expenses that are necessary extra expenses);

c. Payments in response to **Cyber extortion** or loss arising from the carrying out of a **cyber extortion** threat.

## DEFINITIONS

### For the purpose of this Endorsement

1. **Cyber extortion** means a demand (that originates from outside the **Named Insured** entity) made to the **Named Insured** for money or something else of value in exchange for not carrying out a threat to commit harm to computers or to **data**. **Cyber extortion** also means a threat to disseminate **data** without authorization, or to deny, to impede, to make unavailable or to otherwise disrupt access to **data** or network or computer services or resources;

2. **Data** means representations of information or concepts in any form and residing in or on the **Named Insured's** computer equipment except for and excluding programmable manufacturing machines or programmable controllers for industrial use.

**Data** does not include money, currency, funds, bonds or instruments of debt, credit or equity.

**Data** does not include deeds, accounts, bills, records, abstracts, manuscripts or other documents except as they have been converted to computer data and then only in that converted form.

**Data** does not mean such property already sold or that is held for sale or for distribution.

**Data** does not include data or information stored using the centralized facilities (whether public or private) of a data or information storage provider or other service provider.

3. **Named Insured** means the entity named in the Policy Declarations;

4. **Privacy breach** means failure to prevent unauthorized use of or unauthorized access to **data** (excluding such unauthorized use, unauthorized collection or unauthorized access by the **Named Insured** or from within the **Named Insured** entity by a person or persons affiliated with the **Named Insured** entity) that are possessed, managed, entrusted to, or held by the **Named Insured** and that are non-public and personal information as established by law. **Privacy breach** also means theft of non-computer data (excluding theft by the **Named Insured** or from within the **Named Insured** entity by a person or persons affiliated with the **Named Insured** entity) that are possessed, managed, entrusted to, or held by the **Named Insured** and that are non-public and personal information as established by law. **Privacy breach** does not include theft of, or failure to prevent unauthorized use of or unauthorized access to, intellectual property or trade secrets of any kind.

5. **Remediation expenses** means reasonable and necessary expenses that are required by law or that have received the Insurer's consent and approval beforehand, incurred by the **Named Insured** for:

a) notification to existing or former customers or existing or former employees of the **Named Insured**, provided that the need for such notification arises directly from a **privacy breach**;

b) computer forensic services, provided that such services are retained with the Insurer's consent beforehand and provided that the need for such services arises directly from a **privacy breach**;

c) public relations services provided that such services are retained with the Insurer's consent beforehand and provided that the need for such services arises directly from a **privacy breach**.

**Remediation expenses** also means, with respect to a **privacy breach**, the **Named Insured's** expenditures that may be incurred for services for credit monitoring or for fraud monitoring and pertaining directly to existing or former customers or existing or former employees of the **Named Insured**, such individuals notified in accordance with item 5a) above, for a period not exceeding fifty two (52) consecutive weeks from the date that the actual **privacy breach** is first discovered.

## **ADDITIONAL CONDITIONS**

### **A. NOTICE TO INSURER (applicable to Insuring Agreements A and B)**

As a condition of insurance under this Endorsement, the **Named Insured** shall give written notice to the Insurer as soon as practicable of a **privacy breach**. Such written notice to the Insurer must be given no later than thirty consecutive days from the **Named Insured's** discovery of a **privacy breach**.

### **B. DATA BACKUP REQUIREMENT – REASONABLE PRECAUTIONS (applicable to Insuring Agreement B)**

As a condition of insurance under this Endorsement's Insuring Agreement B, with respect to insured **business interruption loss**, the **Named Insured** will have diligently instituted and deployed a backup strategy and procedures for the **Named Insured's** business-critical and sensitive **data**. Such strategy and procedures must include (as the minimum requirements) regular backups (daily, weekly or monthly), backup archiving and backup testing. Failure of the **Named Insured** to fulfill this requirement will void coverage under Insuring Agreement B with respect to **business interruption loss** due to a **privacy breach**.

This condition B does not apply to **remediation expenses**.

This condition B does not apply to the theft of non-computer data.

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