

THE POLICY CONTAINS A CLAUSE(S) THAT MAY LIMIT THE AMOUNT PAYABLE

Linx Underwriting Solutions Inc., 20 Bay Street. 16th Floor, Toronto, Ontario, M5J 2N9

Insurance Broker: Aon - Consumer Products Group (CPG) - Consumer Products Division, 20 Bay Street, Waterpark Place, Tower 1, Toronto ON M5J 2N9 1-416-868-5500

Declarations

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

Important: terms and conditions may differ from your previous policy. Please read all documents.

In return for the payment of the premium, and subject to all the terms of this policy, the Insurer(s) agree with you to provide the insurance as stated in this policy, subject to all the conditions, exclusions and stipulations of the policy.

Insurance is provided for any of those coverages for which specific limits of insurance are stated in these Policy Declarations.

Insured and Policy Information

Named Insured	Condominium Corporation 9910542 Ben Calica	Policy No. LCMP000043
Mailing Address	153 Whitmire Villas NE Calgary AB T1Y 7G5	
Policy Status	New	
Policy Period	01-Apr-2025 — 01-Apr-2026 both days at 12:01 a.m. Standard Time at the address of the Named Insured as stated herein	
Premium	\$9,512	
Operations	Condominium - Townhouse	

Important Information for Insureds**PLEASE READ ALL DOCUMENTS**

This Policy is issued and accepted subject to the following provisions, stipulations and conditions which form part of this Policy, together with other provisions, agreements, or conditions which may be endorsed or added.

In witness whereof, this document has been signed, as authorized by the Insurer & Underwriters, by Linx Underwriting Solutions Inc.



Linx Underwriting Solutions Inc.

28-Mar-2025

Date

Issued at Toronto, Ontario

For Aon's Privacy Policy, please refer to: [Aon Canada – Privacy Statement](#)

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of the subscribing Insurers' insurance business in Canada. The business insured / reinsured herein meets the necessary conditions to qualify as, and is being transacted as, "insuring in Canada a risk" in accordance with Part XIII of the Insurance Companies Act (Canada).

Insurer	Interest	Premium
Property, Liability and Crime		
Zurich Insurance Company Ltd (Canadian Branch)	27.5%	\$2,481
AXIS Reinsurance Company (Canadian Branch)	27.5%	\$2,481
Everest Insurance Company of Canada	25%	\$2,257
Liberty Mutual Insurance Company	20%	\$1,805
		<hr/> \$9,024
Equipment Breakdown		
XL Specialty Insurance Company	100%	\$383
Legal Expense		
ARAG Legal Solutions Inc.	100%	\$105

The subscribing Insurers are severally and not jointly liable, each for the percentage interest set against its name, under contracts of insurance to which they subscribe. The subscribing Insurers are not responsible for the subscription of any co-subscribing Insurer that for any reason does not satisfy all or part of its obligation.

To Report a Claim:

Property, Liability, Crime:

SCM International Programs Group LP
123 Front Street West, Suite 911
Toronto, Ontario M5J 2M2
Email: linxsmallbusiness@ipgclaims.com
Phone: 1-888-204-4726

Equipment Breakdown:

XL Specialty Insurance Company – Claims Department
First Canadian Place
3020 – 100 King Street West
Toronto, Ontario
Canada, M5X 1C9
Email: claimscanada@axaxl.com

Legal Expense:

ARAG Legal Solutions Inc.
121 King Street West, Suite 2200
Toronto, Ontario, M5H 3T9
Tel : 1-877-255-4269
Email: claims@arag.ca

Property and Business Interruption

Location	1		Deductible
	153 Whitmire Villas NE		
	Calgary AB T1Y 7G5		
Occupancy:	Condominium - Townhouses		
Sewer Back up Limit	Included		\$10,000
Flood – Annual Aggregate Limit	\$4,000,000	Property of Every Kind and Description	\$25,000 first loss, \$25,000 further losses
Earthquake – Annual Aggregate Limit	\$4,000,000	Property of Every Kind and Description	3%, min \$100,000
Property of Every Kind and Description			\$10,000

Limit of Insurance

Property of Every Kind and Description	\$4,000,000
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Co-Insurance:

Stated Amount Co-insurance:	Included, subject to Statement of Values within 90 days
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Business Interruption – Gross Rentals

Gross Rentals	Not Covered
Indemnity Period	Not Covered

Business Interruption – Gross Profits

Gross Profits	\$30,000
Indemnity Period	12 Months
Ordinary Payroll	30 Days

Property and Business Interruption Extensions

Limits of Liability for these Extensions do not increase the limit of liability for Property, and if covered, Business Interruption

	Limit of insurance
Automatic Coverage, New Acquisitions	\$1,000,000
Automatic Coverage, New Acquisitions-values excess of \$1,000,000 (90 Day Reporting)	Policy Limit(s) of Insurance Apply
Property in Transit	\$250,000
Valuable Papers and Records	\$250,000
Accounts Receivable	\$250,000
Personal Property of Employees	\$2,500 any one individual
Money & Stamps	\$10,000
Master Keys	\$25,000
Lawns, Trees, Shrubs and other Outdoor Plants	\$25,000
Hazardous Substance	Not Covered
Ammonia Contamination	Not Covered
Contamination	\$250,000
Defense Settlement and Supplementary Payments	\$100,000
	\$50,000 per occurrence / \$100,000
Pollution Clean Up and Removal	annual aggregate
Debris Removal	25%, max \$250,000
Consequential Loss	\$50,000
Animals, Fish, and Birds	\$25,000

Contingent Business Interruption (applicable to Gross Rentals and Gross Profits Forms)

Annual Aggregate limit of \$250,000 applies to the sub-limits below.

Contributing Properties	\$250,000
Recipient Properties	\$250,000
Ingress / Egress	4 weeks
Service Interruption	\$100,000
Interruption by Civil Authority	4 Weeks

The following extensions are not subject to sub- limits of insurance; however, they do not increase the limits of insurance for Property, and if insured, Business Interruption

By-Laws	Included
Civil Authority	Included
Leasehold Interest	Included

The following extensions are subject to a Combined Limit of Insurance of 20% of Property of Every Kind and Description, min of \$100,000 and max of \$500,000 , which shall apply as an additional amount of insurance to limits of insurance for Property, and if insured, Business Interruption.

Extra Expense and Expediting Expense
Fire Extinguishing Materials and Fire Fighting Expense
Professional Fees

The following extensions are subject to sub-limits of insurance and shall apply as additional amounts of insurance for Property, and if insured, Business Interruption

Additional Limit to Basic Debris Removal Extension	\$250,000
Removal of Debris of Property in Transit	\$25,000

Basis of Loss Settlement

Property of Every Kind and Description	Replacement Cost
Stock	Market Value/Selling Price
Fine Arts	Agreed Value

Property Endorsement and Extensions:

Installation Floater (LCMP 120-E)	\$50,000 (\$2,500 Deductible)
Peak Season (LCMP 121-E)	25% Peak Season Increase
Damage to Building by Burglary or Robbery (LCMP 123-E)	\$10,000
Declaration of Emergency (LCMP 199-E)	Included
Inflation Protection (LCMP-122-E)	Included

Condominium Unit Owners Assessment Endorsement (LCMP 144-E):		
-	Betterments and Improvements	\$25,000
-	Condominium Contingency Coverage	\$25,000
-	Special Loss Assessments	\$25,000
Condominium Corporation Endorsement (LCMP108-E):		
-	Common Expenses	\$25,000
-	Trustees Fees	\$50,000
-	Unit Owners' Property in Custody	\$2,500 per owner, \$25,000 per occurrence

Other Property Endorsements:

Zurich Insurance Company Limited Endorsement (ZC 8426)
Boiler and Machinery Exclusion (LCMP 116-E)

Crime: Comprehensive, Dishonesty, Disappearance and Destruction

	Limit of Insurance	Deductible	Premium
Option 1			\$143
Computer Fraud or Funds Transfer Fraud	\$5,000	\$1,000	
Claims Preparation Costs	\$5,000	\$1,000	
Employee Dishonesty	\$10,000	\$1,000	
Forgery or Alteration	\$5,000	\$1,000	
Money and Securities	\$5,000	\$1,000	
Money Order & Counterfeit	\$10,000	\$1,000	
Paper Currency	\$5,000	\$1,000	
Premises Damages	\$5,000	\$1,000	
Safe Burglary	\$5,000	\$1,000	
Unauthorized Business Card Use	\$5,000	\$1,000	
Third Party Extension	Included in the Employee Dishonesty Limit of Insurance		
Endorsement			

Crime Endorsement

Third Party Extension (LCMP 902-E)
Zurich Insurance Company Limited Endorsement (ZC 8426)
Trade and Economic Sanctions (LCMP 505-E)
Statutory Conditions (LCMP 903-E)

Commercial General Liability

Coverage	Limit of Insurance	Deductible	Premium
A: Bodily Injury and Property Damage - Each Occurrence	\$2,000,000		\$1,000
Bodily Injury and Property Damage Deductible		\$2,500	
Annual Aggregate - Products and Completed Operations	\$2,000,000		
B: Personal and Advertising Injury	\$2,000,000		
C: Medical Payments			
Any one Person	\$25,000		
Any one Accident	\$100,000		
D: Tenant's Legal Liability	\$1,000,000	\$2,500	
Employee Benefits Liability		\$2,500	
Each Occurrence	\$1,000,000		
Aggregate	\$1,000,000		
Retroactive Date	01-Apr-2025		
Fire Fighting Expenses	\$100,000	\$2,500	
Limited Pollution Liability	Not Included		
Limited Product Withdrawal Expense			
Each Occurrence	Not Included		
Aggregate	Not Included		
Cut-Off Date			
Manufacturer's Errors and Omissions			
Each Occurrence	Not Included		
Aggregate	Not Included		
Retroactive Date			
SPF 6 – Non-Owned Automobile Liability Policy (LCMP 309-E)	\$2,000,000		
SEF 94 - Legal Liability for Damage to Hired Automobiles - applies to Private Passenger and Light Commercial Vehicles up to 4,500 kg GVW (LCMP 307-E)	\$100,000	\$2,500	
SEF 96 - Contractual Liability Endorsement (LCMP 363-E)			
SEF 99 - Excluding Long Term Leased Vehicles (LCMP 308-E)			
OEF 98B - Reduction of coverage for lessees or drivers of leased vehicles (LCMP 349-E)			
Commercial General Liability Endorsements - Extensions			
Employee Benefits Liability (LCMP 304-E)			
Voluntary Compensation (LCMP 310-E)			
Fire Fighting Expenses (LCMP 305-E)			
Fungi and Fungal Derivatives (LCMP 399-E)	\$250,000		
Difference in Conditions/ Difference in Deductibles/ Excess Limits	\$25,000		
Amendment (LCMP 355-E)			

Commercial General Liability Endorsements

Abuse or Molestation Exclusion (LCMP 316-E)
Access or Disclosure of Personal or Confidential Information (LCMP 506-E)
Trade and Economic Sanctions (LCMP 505-E)
Lead Exclusion (LCMP 501-E)
Violation of Legislative Acts (LCMP 504-E)
Silica or Silica Mixed Dust Exclusion (LCMP 502-E)
ERISA (LCMP 500-E)
Infectious Agent or Communicable Disease Exclusion (LCMP 503-E)
Per- and Polyfluoroalkyl Substances Exclusion (LCMP 509-E)
Zurich Insurance Company Limited Endorsement (ZC 8426)

Equipment Breakdown

	Limit	Premium
Option 3		
Property Damage	\$4,000,000	\$383
Business Interruption		
Gross Profits	\$30,000	
Indemnity Period	12 Months	
Ordinary Payroll	30 Days	
Gross Rentals	Not Covered	
Indemnity Period	12 Months	
Extra Expense	\$100,000	
Consequential Damage	\$50,000	
Production Machinery	Excluded	

Deductible

Any One Accident

Property Damage -	\$1,000
Property Damage - Production Machinery	Excluded
Business Interruption	
Gross Profits	24 hours
Gross Profits - Production Machinery	Excluded
Gross Rentals	24 hours
Gross Rentals - Production Machinery	Excluded
Contingent Business Interruption	24 hours
Extra Expense	24 hours
Extra Expense - Production Machinery	Excluded
Consequential Damage	10% of loss, min \$1,000

Equipment Breakdown Extensions

Limit

Expediting Costs	\$1,000,000
Water Damage	\$250,000
Ammonia Contamination	\$250,000
Hazardous Substances	\$500,000
Professional Fees	\$500,000
Heritage Clause	\$500,000
Errors and Omissions	\$1,000,000
Cancellation	90 days
Contingent Business Interruption	\$50,000
Data & Media	\$50,000
Off Premises Transportable Equipment	\$50,000
Mould & Fungi	\$100,000
Unnamed Locations	\$100,000
Green Standards	\$100,000
** Automatic Coverage - Direct Damage	Included in Limit
** Automatic Coverage - Business Interruption	\$1,000,000
By-Laws	Included in limit
Brands and Labels	Included in limit
Denial of Access by Civil Authority	30 days, limited to 5km of insured locations
Ingress/Egress	30 days, limited to 5km of insured locations
Waiver of Subrogation	Included
Service Interruption	Included - 5 km
** Coverage pertains to new locations only	

Equipment Breakdown Endorsement

Territorial & Jurisdiction (EBD004E)

Sanction Limitation and Exclusion Clause EBD002E

Broad Named Insured Clause (EBD003E)

Forms

Equipment Breakdown Policy SJC2005CANBM (EBD001E)

Forms Attached

Declaration - Legal Expense
 Linx Property Policy (LCMP 100-E)
 Installation Floater (LCMP 120-E)
 Peak Season Endorsement (LCMP 121-E)
 Damage to Building by Burglary or Robbery (LCMP 123-E)
 Declaration of Emergency (LCMP 199-E)
 Inflation Protection (LCMP 122-E)
 Condominium Corporation Endorsement (LCMP 108-E)
 Condominium Unit-Owners Assessment (LCMP 144-E)
 Boiler and Machinery Exclusion (LCMP 116-E)
 Linx Gross Profits Form (LCMP 200-E)
 Zurich Insurance Company Limited Endorsement (ZC 8426 U 1123)
 Linx Equipment Breakdown Policy (EBD001E)
 Equipment Breakdown Endorsements
 Linx Commercial General Liability Policy (LCMP 300-E)
 Employee Benefits Liability (LCMP 304-E)
 S.P.F. NO. 6 - Non-Owned Automobile Policy (LCMP 309-E)
 S.E.F. 94 Legal Liability for Damage to Hired Automobiles Endorsement (LCMP 305-E)
 S.E.F. 96 Contractual Liability Endorsement (LCMP 363-E)
 S.E.F. 99 Excluding Long Term Leased Vehicle Endorsement (LCMP 308-E)
 O.E.F. 98B Reduction of Coverage for Lessees or Drivers of Leased Vehicles Endorsement (LCMP 349-E)
 Fungi and Fungal Derivatives (LCMP 399-E)
 Voluntary Compensation Endorsement (LCMP 310-E)
 Fire Fighting Expenses (LCMP 305-E)
 Difference in Conditions, Deductibles, Excess Limits Amendment (LCMP 355-E)
 Excluding Abuse and Molestation (LCMP 316-E)
 ERISA (LCMP 500-E)
 Access or Disclosure of Personal or Confidential Information Exclusion (LCMP 506-E)
 Trade and Economic Sanctions (LCMP 505-E)
 Lead Exclusion (LCMP 501-E)
 Anti-Spam Exclusion (LCMP 504-E)
 Silica Exclusion (LCMP 502-E)
 Communicable Disease Exclusion (LCMP 503-E)
 Per- and Polyfluoroalkyl Substances Exclusion (LCMP 509-E)
 Zurich Insurance Company Limited Endorsement (ZC 8426 U 1123)
 Linx Crime Policy (LCMP 900-E)
 Third Party Extension Endorsement (LCMP 902-E)
 Statutory Conditions (LCMP 903-E)
 Trade and Economic Sanctions (LCMP 505-E)
 Zurich Insurance Company Limited Endorsement (ZC 8426 U 1123)
 Linx Legal Expense Policy (ROC)
 Additional Named Insured Endorsement
 Privacy Consent



ARAG Business Legal Solutions
Policy Number: LCMPO00043

This document certifies that insurance has been effected under Policy Number LCMPO00043 provided by the **Insurer** HDI Global Specialty SE (HDI). ARAG Legal Solutions Inc. (ARAG) acts as insurance manager and has the authority to issue this insurance policy and administer claims on behalf of HDI. ARAG is not an insurance company and does not provide coverages with respect to this policy.

Policy Declaration Page Number	1		
Policyholder	Condominium Corporation 9910542		
Address	153 Whitmire Villas NE Calgary AB T1Y 7G5		
Premium	\$105		
Policy Term	01-Apr-2025 To 01-Apr-2026 12:01 A.M. Standard Time at the address of the Policyholder as stated herein		
Insured Event/Services		Limit of Indemnity Per Claim/Maximum Usage	Deductible
Employment Disputes		\$100,000	Nil
Employees' Extra Protection		\$100,000	Nil
Legal Defence		\$100,000	Nil
Auto Legal Defence		\$100,000	Nil
Statutory Licence Appeals		\$100,000	Nil
Property Protection		\$100,000	Nil
Bodily Injury		\$100,000	Nil
Tax Protection		\$100,000	Nil
Legal Helpline		Unlimited	Nil
Legal Document Review		12 per year	Nil
Simple Legal Letter Drafting		12 per year	Nil
Legal Document Centre		Unlimited	Nil
HR Assistance		Unlimited	Nil
Aggregate Limit Per Annual Period	\$500,000	Coverage Form	Occurrence Basis
Insurer	HDI Global Specialty SE	Interest	100%

All Other Terms and Conditions Remain Unchanged

Dated this Friday March 28, 2025

Legal Expense Insurance

Policy Declaration Page

Legal Services



1. Legal Helpline

We will provide **you** access to a Legal Helpline through which **you** can receive confidential general legal assistance and information over the phone relating to any legal problem affecting **your** business to help determine **your** legal rights and options under the laws of the applicable province or territory and the federal laws of Canada.

The Legal Helpline is available 24 hours a day, 7 days a week.



For general legal assistance on any matter, please call:
1.877.255.4269

Calls to this service may be recorded. The lawyer cannot provide case specific research or review documents. The helpline cannot provide information in respect of a dispute with **us**, the **Insurer**, or the **Broker**. We will not accept responsibility if the helpline service is unavailable for reasons **we** cannot control.

2. Legal Document Review

A lawyer will review a simple legal document **you** have received and provide **you** with an annotated copy of the document with the lawyer's notes to assist **you** in understanding the general impacts this may have for **you**.



To submit a legal document for review, please call:
1.877.255.4269

You must submit the entire document for the lawyer to review, up to 8 pages single sided, and a readable font. This service is not intended to review documents which **you** have drafted.

This service includes but is not limited to: a letter **you** have received, a contract for goods or services, or a commercial lease.

If a document forms part of an existing claim under **your** legal expense insurance policy, then it is not eligible for this review. If **you** believe that **your** issue may be covered under **your** legal expense insurance policy, please submit it as a claim for assessment before using this service.

This service cannot review any documents which are a part of any ongoing litigation or procedure.



Please note: Legal Document Review service can be accessed a total of twelve (12) times per year.

Legal Services (continued)

3. Simple Legal Letter Drafting

A lawyer will draft a simple legal letter for **you** to send. This service is intended to assist **you** with drafting simple documents, such as a demand letter, complaint letter, or a warning letter to an employee.



To request a simple legal letter to be drafted, please call:

1.877.255.4269

This service is not intended for complex legal documents such as wills, power of attorney documents, contracts, employment termination letters, loan agreements, documents related to the lease of a property, or partnership agreements.

This service is not available for issues which are already subject to a claim under **your** legal expense insurance policy. If **you** believe that **your** issue may be covered under **your** legal expense policy, please submit it as a claim for assessment before using this service.

This service cannot be used to draft letters if the issue is part of any ongoing litigation or procedure.



Please note: Simple Legal Letter Drafting service can be accessed a total of twelve (12) times per year.

4. Legal Document Centre

You have access to current legal documents, all of which have been drafted by lawyers, and are in the form of guided, customizable templates. One account is available per policyholder.



To create an account please first visit:

documentcentre.arag.ca

Then under Step 1: Create an Account, please enter the Customer Code:

oEDJ3Xs91i

5. HR Assistance

We provide **you** with access to HR Assistance where **you** can speak to a Human Resources professional, who can provide **you** with information regarding HR issues that are impacting **your** business.

The HR Assistance service is available Monday to Friday 9:00 a.m. to 6:00 p.m. Eastern Standard Time (EST).



To schedule a time to speak with an HR professional, please call:

1.877.255.4269

Making a Claim

Please contact **us** as soon as practicable following an insured event, and in no event later than 120 days after the **date of occurrence** of the insured event.



You may report a claim to us by:

- Calling the Legal Helpline phone number while **you** are insured under this policy
- Email at claims@arag.ca
- Mail to **our** Head Office address listed on arag.ca

We will then advise **you** on next steps.



Please note:

- That the **Insurer** will not pay for any **legal costs you** incur before **we** have accepted **your** claim, even if **we** later accept the claim.
- This policy contains clauses which may limit the amount payable.

Be confident that **your legal risks are well managed!**

Rest assured when **you** face an unforeseen legal issue, **you** now have access to justice and confidence knowing:

- A Helpline Lawyer is just a phone call away to answer *what are my legal rights and options?*
- **Your** budget is protected as legal expenses are covered when **your** claim is accepted
- **You** can save time and focus on what matters most to **you**!

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of HDI Global Specialty SE insurance business in Canada.

ARAG Legal Solutions Inc.
121 King Street W., Suite 2200
Toronto, ON M5H 3T9

Linx Underwriting Solutions Inc.
20 Bay Street, Suite 2300, Toronto,
Ontario, M5J 2N9

Peter Dempster
CEO

[Name]
[Title]

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning as defined in Clause 7.

SECTION A

GENERAL CONDITIONS

PROPERTY & BUSINESS INTERRUPTION

These conditions apply to all Property and Business Interruption sections of this Policy unless specifically stated otherwise.

1. INTERESTS INSURED

This Policy provides coverage for:

- (a) Physical damage to or loss of property;
- (b) Business Interruption (if cited in the Declarations); and
- (c) Payment of costs, fees, charges and expenses;

all in accordance with and subject to the terms, conditions and exclusions hereinafter set forth.

2. DEDUCTIBLE

Each "occurrence" resulting in a claim for loss or damage shall be adjusted separately and this insurance shall be limited to that amount by which the total loss or damage arising from any one "occurrence" exceeds the deductible amounts cited in the Declarations.

If the "occurrence" involves the application of more than one deductible amount, and the Insured so elects, only the highest deductible amount shall apply.

The deductibles cited applicable to "earthquake" and "flood" shall not apply to property in transit, which shall be subject to the deductible amount cited for all other losses unless a transit deductible is specifically cited.

In respect of loss caused directly by the peril of "earthquake", landslide, snowslide and earth movement: the percentage (%) as cited in the Declarations) of the total insurable values at each location for which indemnity is being claimed hereunder. In the interpretation of this clause, it is agreed that each building or structure insured herein shall be considered as a separate location. Regardless of the number or value of the buildings or structures involved in the loss, the minimum deductible for any one "occurrence" shall be \$(as cited in the Declarations).

3. LIMIT(S) OF INSURANCE

The Limit of Insurance for the total of all adjusted net claims resulting from any one "occurrence" shall not exceed the applicable amount(s) cited in the Declarations.

4. AUTOMATIC COVERAGE, NEW ACQUISITIONS

This Policy automatically covers property similar in nature to that already known and insured under this Policy at policy inception, whether such property comes to the risk of the Insured before or during the term of this Policy. In addition, this policy will automatically cover Business Interruption, as insured herein, at any newly acquired location. However, the limit(s) of insurance as provided

herein shall not be increased by this extension. Further, it is agreed that any property newly acquired (or property installed or constructed) during the policy period, if having a value in excess of \$1,000,000 (or as cited in the Declarations) including any Business Interruption values shall be reported to Insurer(s) within ninety (90) days; if deemed necessary by the Insurer(s), an additional premium will be paid by the Insured at rates to be agreed.

5. BUSINESS INTERRUPTION REPORTING AND PREMIUM ADJUSTMENT

After policy expiration and solely for the purpose of premium calculation and adjustment, and at the option of the Insurer(s) or Insured, the Insured agrees to file with Linx Underwriting Solutions Inc. with respect to any Business Interruption a statement of 100% of the Business Interruption values as were insured under this Policy during the policy period (such values to include an estimated amount in respect of any property under construction). If such reported values differ from the estimated values reported at policy inception the deposit premium shall be adjusted accordingly. If the Business Interruption is written on an Actual Loss Sustained Form then the above adjustment would not apply.

6. CO-INSURANCE

(a) Stated Amount

- (i) In consideration of a statement of values filed and attested by the Insured, the following clause paragraph (ii) is substituted for the Co-Insurance (Percentage) clause cited in this Policy, and if this policy is renewed, it shall continue to be substituted for a further period of 90 days following the expiry date. It is understood and agreed that a new Statement of Values shall be filed with the Insurer(s) within 90 days of the inception of each new policy period. The terms and conditions of this clause shall cease to be in effect and the terms and conditions of the Co-Insurance (Percentage) Clause shall be reinstated 90 days after the said inception date of the new policy period if the Insured fails to file a new Statement of Values within the said 90 days.
- (ii) 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 property hereby insured, so that the total amount of insurance on the said property (including the amount of insurance effected by this Policy) shall be not less than the total amount stated in the most current Statement of Values 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 total amount stated in the most current Statement of Values and, in that capacity, shall bear their proportion of any loss that may occur.
- (iii) If the terms and conditions of this Stated Amount Co-Insurance agreement cease to be in effect, the terms and conditions of the Co-Insurance (Percentage) clause cited in the policy shall apply unless otherwise endorsed hereon.

(b) Co-Insurance (Percentage)

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 concurrent in form, range and wording with this Policy on each and every item of the property hereby insured (in accordance with the valuation prescribed by the Basis of Settlement clause) and that failing to do so, the Insured

shall be a Co-Insurer to an extent of an amount sufficient to make the aggregate insurance equal to ninety percent (90%) of the value of each and every item of the property hereby insured and in that capacity shall bear his, her or their proportion of any loss that may occur. Each division or subdivision (if any) of the sum insured shall be deemed to be an item.

(c) Co-Insurance Waiver

In case of loss the Co-Insurance (Percentage) clause shall not be held to apply where the total loss does neither exceeds \$10,000 nor 5% of the sum insured on the item(s) involved. Each division or subdivision (if any) of the sum insured shall be deemed to be an item.

7. DEFINITIONS

In this Property Policy and any endorsements attached to it, the words and terms noted below have the following meaning:

“Accident” – means a sudden and accidental breakdown of an “object”, or part thereof, as accompanied at the time of the occurrence by physical damage to the “object” that necessitates repair or replacement of the “object” or part thereof.

“Active Data Processing Media” – means all forms of converted “data”, program or instruction vehicles employed in the Insured’s data processing operation, except “media”.

“Annual Aggregate Limit” – means the Limit for which the Insurer is liable during any policy period specified in the declarations of the policy.

“Building(s)” – means any building(s) including:

- (a) fixed structure(s) pertaining to the building(s) and located on the “premises”;
- (b) additions and extensions communicating and in contact with the building(s);
- (c) permanent fittings and fixtures attached to and forming part of the building(s);
- (d) materials, equipment and supplies on the “Premises” for maintenance of, and normal repairs and minor alterations to the building(s) or for building services;
- (e) growing plants, trees, shrubs or flowers inside the building(s) used for decorative purposes when the Insured is the owner of the building(s).

“Clean up” – means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “pollutants”, including testing which is integral to the aforementioned process.

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

“Data problem” – means:

- (a) erasure, destruction, corruption, misappropriation, misinterpretation of “data”;
- (b) error in creating, amending, entering, deleting or using “data”; or
- (c) inability to receive, transmit or use “data”.

“Earthquake” – shall include snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

“Earthquake” shall not include ensuing damage that results from fire, explosion, smoke, leakage from fire protective equipment, theft, vandalism and malicious acts, “flood”, waterborne objects or ice.

Each loss caused by earthquake shall constitute a single claim hereunder, provided that more than one earthquake shock occurring within any one hundred and sixty-eight (168) consecutive hours during the term of this Policy shall be deemed as a single earthquake within the meaning hereof. Notwithstanding the foregoing, the Insurer(s) shall not be liable for any loss or damage caused by any earthquake shock occurring before this Policy becomes effective nor for any loss or damage caused by any earthquake shock occurring after the expiration of this Policy.

“Electronic data processing equipment” – means any calculating or computing or data processing or word processing systems, including equipment and component parts thereof, and any air conditioning equipment used exclusively in connection therewith.

“Fine Arts” – includes but is not limited to paintings, etchings, pictures, tapestries and other bona fide works of art, (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, collectibles and bric-a-brac) all of which are rare or have historical value or artistic merit.

“Flood” – means waves, tides, tidal waves, tsunamis, highwater and the rising of, the breaking out or the overflow of, any body of water whether natural or man made. "Flood" does not mean loss or damage:

- (a) caused by escape of water from an elevated water tank, or by Sewer Back-up ; or
- (b) resulting from an ensuing peril not excluded elsewhere in this Policy.

Each loss caused by “Flood” shall constitute a single claim, provided that more than one “Flood” occurring within any one hundred and sixty-eight (168) consecutive hours during the term of this Policy shall be deemed as a single “Flood”. We shall not be liable for any loss or damage caused by “Flood” occurring before this Policy becomes effective nor for any loss or damage caused by “Flood” occurring after the expiration of this Policy.

"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.

“Hazardous substance” – means any “pollutant”, contaminant or other substance declared by a governmental agency to be hazardous to health or the environment.

“Increase in cost” or “increase in loss” – means that cost or loss beyond that which would have been incurred had no “hazardous substance” been present.

“Media” – means blank or obsolete vehicles on which “data” is recordable, such as magnetic tapes, disk packs, paper tape and cards

"Named perils" – means:

- (a) Fire or Lightning;
- (b) Explosion: except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - (i) a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;

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- 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 therefrom;
 - d) smelt dissolving tanks.
 - (ii) other vessels and apparatus, and pipes connected therewith, 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 pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosions;
 - (v) gas turbines.

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

- (i) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (ii) bursting or rupture caused by hydrostatic pressure or freezing;
 - (iii) 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 therefrom.

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 building(s).
- (d) 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.
- (e) Leakage from Fire Protective Equipment – means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the “premises” or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
- (f) Windstorm or Hail – there shall in no event be any liability hereunder for loss or damage:
- (i) to the interior of the building(s) insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;

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- (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.
 - (g) 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 "Named perils" (b);
 - (iii) due to theft or attempted theft

"Object" – means any boiler, fired or unfired pressure vessel, refrigeration or air-conditioning system, piping and its accessory equipment and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

"Occurrence" – means any one loss, casualty, "accident" or disaster or series of losses, casualties, "accidents" or disasters arising from one event whether the event continues for a period of time or not.

Insofar as loss involving in whole or in part the perils of lightning, tornado, windstorm, ice storm, rainstorm, cyclone, hurricane or hail is concerned, the term "one disaster, occurrence or cause" – means one single disturbance as designated by the Canadian or United States Weather Bureau. In the event the Bureau does not make such a designation, any of the aforementioned perils occurring within any consecutive seventy-two (72) hours during the term of this Policy shall be construed to be a single disaster, occurrence or cause.

"Policy Territory" means Canada and the United States of America (including its territories and possessions); including all international waters or airspace, but only if damage occurs in the course of travel or transportation between any places included within the "Policy Territory".

"Pollutants" – means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Premises" – means the entire area within the property lines at the business of the Insured and within 1000 metres thereof.

"Sewer Back-up" – means the backing up of sewers, sumps or drains, but does not mean:

- (a) water which backs up through septic tanks;
- (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.

"Spores" includes but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi"

“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.

“Valuable papers and records” – means written, printed or otherwise inscribed documents or records, including blueprints, maps, plans, surveys, mortgages, deeds, abstracts, manuscripts, books, drawings, sketches, films, linens, scale models, photographs and photographic reproductions, and similar property.

SECTION B1**PROPERTY INSURANCE****1. PROPERTY INSURED**

This Policy insures property of every kind and description, except as hereinafter excluded.

2. PROPERTY EXCLUDED

This Policy does not insure:

- (a) land, but this exclusion does not apply to improvements and betterments to land; water, except water which is normally contained within any type of tank, piping system or other process equipment;
- (b) motor vehicles licensed for and intended for regular highway use;
- (c) money and securities except as provided in Section B1 6A(f) of this Policy section, evidences of debt or title, but this item shall not be deemed to exclude "valuable papers and records";
- (d) aircraft, watercraft (except watercraft held for sale on the premises of the insured) spacecraft, associated launch vehicles and satellites (including property contained in any such spacecraft, associated launch vehicles and satellites);
- (e) furs, fur garments, jewels, jewellery, watches, pearls, precious and semi-precious stones, platinum, silver, gold and other precious metals and alloys, except as provided in Section B1 6A(e) of this Policy section;
- (f) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of public authority;
- (g) property covered under the terms of any Marine Insurance;
- (h) sewers, drains or water mains located beyond the "premises" of the Insured;
- (i) growing plants while in the open except as provided in Section B1 6A(h) of this Policy section;
- (j) animals, fish and birds, except as provided in Section B1 6A(q) of this Policy section;
- (k) property at "premises" which to the knowledge of the Insured are vacant or unoccupied for sixty (60) consecutive days unless the Insurer(s) has/have been notified;
- (l) property to the extent it is more specifically insured elsewhere under insurance which is valid and collectible by the Insured.
- (m) Production Machinery (Accident to Object) which includes any complete production machine or apparatus which processes, forms, cuts, shapes, grinds, or conveys raw materials, materials in process, waste materials or finished product, and any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus; except:
 - (i) any pump, compressor, fan, blower, engine or turbine;
 - (ii) any motor or generator;
 - (i) any separate enclosed gear set connected to such production machine or apparatus by a coupling, clutch, belt or chain;
- (n) transmission and distribution lines situated more than 300 meters from the "Premises".

3. PERILS INSURED

This Policy insures against All Risks of direct physical loss of or damage to the property insured except as hereinafter excluded.

4. PERILS EXCLUDED A

With respect to "Electronic Data Processing Equipment" this Policy does not insure:

- (a) gradual deterioration, wear and tear, but this exclusion shall not apply to damage resulting therefrom caused by a peril not otherwise excluded;
- (b) dishonest, fraudulent or criminal acts by an officer, director or trustee of the Insured (whether acting alone or in collusion with others);
- (c) delay, loss of market, or loss of use or occupancy except as may be specifically provided elsewhere in this Policy;
- (d) 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. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (e) loss or damage caused by:
 - (i) any nuclear incident as defined in the Nuclear Liability and Compensation Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - (ii) contamination by radioactive material.

4. PERILS EXCLUDED B

With respect to all other property this Policy does not insure:

- (a) mysterious disappearance of property (except property in the custody of carriers or bailees for hire) or any loss or shortage evidenced solely by taking inventory;
- (b) any dishonest or criminal act on the part of the Insured or their employees 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;
- (c) damage from marring, scratching, rust, corrosion, moths, vermin, termites or other insects, exposure to light, wet or dry rot, mould, dampness or dryness of atmosphere, extremes of temperature, or loss due to shrinkage, evaporation, loss of weight, leakage of contents, or change in color, texture or finish, or contamination but this exclusion shall not apply to damage from the excluded peril if such excluded peril is directly caused by another peril not otherwise excluded by this Policy;
- (d) latent defect, inherent vice, but this exclusion shall not apply to damage from the excluded peril if such excluded peril is directly caused by another peril not otherwise excluded by this Policy;

- (e) wear and tear or gradual deterioration in any part of the property insured, or damage caused by settling, shrinkage or expansion of buildings or foundations. Nothing in this exclusion shall be construed to void any Replacement Cost valuation provided in this policy;
- (f) the breakdown of any "object" or part thereof while undergoing any pressure test, any insulation breakdown test, or while being dried out;
- (g) loss or damage to any vehicle, crane, hoist, power shovel, dragline or excavator caused by mechanical or electrical breakdown but this exclusion shall not apply to:
 - (i) resulting damage caused by a peril not otherwise excluded; nor
 - (ii) any electrical equipment mounted on or forming a part of any crane, hoist, power shovel, dragline or excavator.

The following exception applies separately in respect of each of the excluded perils cited in Section 4A (a) to (e), and 4B (a) to (f) inclusive of this Policy section:

This exclusion shall not apply to any ensuing or coincident loss or damage that is the result of another peril which is not excluded elsewhere in this Policy section, even if the non-excluded peril is a direct result or consequence of an excluded peril, nor shall the excluded peril(s) apply if directly caused by "earthquake" occurring during the policy period;

- (h) delay, loss of market, loss of use or occupancy except as may be specifically provided elsewhere in this Policy;
- (i) except with respect to contents in the course of erection or installation, loss of or damage to stock sustained while such stock is actually being actively worked upon and the loss or damage results directly from such work; however coverage shall be provided for any ensuing loss from any peril(s) not otherwise excluded;
- (j)
 - (i) 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 Policy;
 - b) to loss or damage caused directly by a peril not otherwise excluded under this Policy.
 - (ii) 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".
- (k) loss or damage caused by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.
- (l) loss or damage caused by:
 - (i) any nuclear incident as defined in the Nuclear Liability and Compensation Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear

explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;

- (ii) contamination by radioactive material from radioactive material.

This exclusion applies whether or not there are more other causes or events.

- (m) This Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism", regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.

The Insurer shall not be liable for Extra Expense, loss of Gross Rentals, loss of Gross Earnings, loss of Gross Profit, or any other loss attributable to the interruption of business, provided such coverage is currently included in the Policy to which this endorsement is attached, resulting from loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

- (n) Data Exclusion

- (a) Section A does not insure "data".

- (b) Section A does not insure loss or damage caused directly or indirectly by "data problem". This exclusion (b) does not apply to loss or damage caused directly by a resultant "Named Peril" (excluding "Named Peril") as defined in Clause 7 of Coverage A of Section I, or by the escape of water from any tank, apparatus or pipe. This exception only applies to the extent that such resulting loss or damage would otherwise be insured under Section I of this policy

- (o) (i) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;

- (ii) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or spores".

The Insurer shall not be liable for "Extra Expense", loss of "Business Income", loss of "Rental Income", loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", loss of "Gross Rent and Rental Value" or any other loss attributable to any interruption of business, provided such coverage is currently included in the policy to which this endorsement is attached, resulting from loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy.

- (p) Cyber Loss Exclusion

- (i) Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

- a) Cyber Loss, unless subject to the provisions of paragraph 2;

b) loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

(ii) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.

(iii) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.

(iv) In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

(v) This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

(vi) Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

(vii) Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

(viii) Cyber Incident means:

a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or

b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

(ix) Computer System means:

a) any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

(x) Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

(q) Communicable Disease Exclusion

(i) Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

(ii) As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

b) the method of transportation, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

c) the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

5. BASIS OF SETTLEMENT

For the purpose of settling losses, the value of the Property Insured is agreed as follows:

(A) Market Value/Selling Price (applicable to stock as cited in the Declarations)

The measure of loss or damage shall be the market value of the stock at the place and on the date of the loss. Market value is defined as the Insured's current standard selling price of the stock as a finished product, less those costs of manufacturing, selling, handling and shipping the product, which had not yet been incurred at the time of the loss; but under no circumstances shall such market value be less than the total amounts expended by the Insured to purchase the merchandise and materials (including supplies directly consumed in processing or handling the product), plus

the manufacturing, handling, storage, transportation, and processing costs pertaining thereto that are incurred by the Insured to the time of loss.

(B) Cost to Replace (applicable to stock as cited in the Declarations)

The Cost to replace shall be not less than the total amounts expended by the Insured to purchase the merchandise and materials (including supplies directly consumed in processing or handling the product), plus the manufacturing, handling, storage, transportation, and processing costs pertaining thereto that are incurred by the Insured to the time of loss.

(C) Agreed Value (applicable as cited in the Declarations)

The value of each item is agreed as follows:

- (i) if appraised prior to the loss: the value stated therefore on the most current appraisal;
- (ii) if not appraised: the value of the item as declared to the Insurer(s) prior to the loss;
- (iii) in the absence of an appraisal or an itemized schedule of declared values: the Actual Cash Value.

In the event of partial loss or damage of any item(s), the Insurer(s) shall be liable for the cost of repairing or replacing the materials so lost or damaged but in no event to exceed the value as determined above.

(D) Electronic Data Processing Equipment

In the event of loss or damage, settlement shall be made on the basis of the new replacement cost of the lost or damaged property. The property may be replaced by property of greater or more efficient processing ability, but, except as stated in G (ii) (d) below, the Insurer'(s) liability shall not exceed the new replacement cost of property similar in kind, capacity, size and quality to that which sustained the loss.

(E) Valuable Papers and Records including their Active Data Processing Media

(i) "Valuable Papers and Records"

This Insurance shall be limited to the actual cost of blank books, blank pages or other materials, all reasonable costs incurred in gathering or assembling "data" for reproduction, and the cost of labour for actually transcribing, copying or producing said information and records.

(ii) "Active Data Processing Media"

This Insurance shall be limited to the actual cost of reproducing the lost information, including the cost of gathering or assembling data or information for such reproduction.

(iii) "Media"

This Insurance shall be limited to the actual cost of repairing or replacing the damaged or lost property with material of like kind and quality.

(F) Accounts Receivable including their "Active Data Processing Media"

In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date loss occurs, such amount shall be based on the Insured's monthly statements and shall be computed as follows:

- (i) a) the monthly average of accounts receivable represented by the Insured shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross sales of goods and services which may have occurred in the interim;
- b) the monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from that average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved;

but in no event shall the Insurer(s) be liable for more than the maximum monthly amount of accounts receivable represented by the Insured, after adjustment to correspond with the trend in average monthly gross sales of goods and services.

(G) All Other Property

- (i) Actual Cash Value (applicable as cited in the Declarations)

In case of loss, settlement shall be based on the Actual Cash Value of the property at the time of destruction or damage.

- (ii) Replacement Cost (applicable as cited in the Declarations)

Replacement cost shall mean the cost of repairing, replacing or reconstructing (whichever is the least) the property on the same site using new materials of similar kind and quality without deduction for depreciation but is subject to the following:

- a) until the property is actually repaired, replaced or reconstructed, the maximum amount recoverable shall be the actual cash value of the lost or damaged property;
- b) the Insured shall exercise due diligence and dispatch in effecting repair, replacement or reconstruction;
- c) replacement need not be effected on the same site, nor be of same or similar style, construction or occupancy provided that the Insurer(s) shall not be liable under this clause for that portion of the increased replacement cost that is directly attributable to the inclusion of this provision;
- d) in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this provision.

If there is in force any law, by-law, regulation or ordinance restricting or prohibiting repair, replacement or reinstatement of property, at the Insured's request this Policy shall also pay for:

- (A) loss of any undamaged portion of insured property due to the necessary demolition or removal thereof; plus
- (B) the cost of demolishing, and clearing the site of, any undamaged portion of "buildings" or structures; plus
- (C) the increased cost to repair, replace or reinstate the insured property. However, the Insurer(s) maximum additional liability for this item shall be based on the

cost of repairing, replacing or reinstating the property on the same site, with property of like size, function and style to the minimum standards required by law, having due regard to changes required by any law, by-law, regulation or ordinance,

provided that the liability of the Insurer(s) shall be limited to the amount of insurance which would have existed in the absence of provisions (A) and (B) unless and until the damaged or destroyed property is actually repaired, replaced, constructed or reconstructed and unless this is executed with due diligence and dispatch.

6. PROPERTY AND BUSINESS INTERRUPTION SECTIONS – EXTENSIONS**A. The Sublimits of Insurance for the following extensions of coverage are cited in the declarations and do not increase the Limit(s) of Insurance for Property, and if insured, Business Interruption.****(a) Automatic Coverage**

See Item 4 of Section A General Conditions Property & Business Interruption for a description of this coverage.

(b) Property in Transit

This policy insures direct physical loss or damage to property in transit caused directly by an insured peril while anywhere in the “policy territory”.

(c) Valuable Papers and Records including their “Active Data Processing Media”

This Policy covers direct physical loss or damage to the Insured’s records of accounts receivable, caused by a peril insured.

(d) Accounts Receivable including “Active Data Processing Media”

This Policy covers loss or damage to the Insured’s records of accounts receivable, caused by a peril insured.

The Insurer(s) agree to pay:

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

THIS EXTENSION DOES NOT INSURE LOSS DUE TO BOOKKEEPING, ACCOUNTING OR BILLING ERRORS OR OMISSIONS.

(e) Personal Property of Employees

At the option of the Named Insured this Policy is extended to insure direct physical loss or damage to personal property of officers, employees and guests of the Insured caused by a peril insured. The amount of insurance under this extension shall not exceed the amount cited in the Declarations for property of any one individual. Losses, if any, shall be adjusted with the Named Insured. The owner of such personal property is included herein as an Additional Insured as their interest may appear.

(f) Money and Stamps

Notwithstanding anything contained in Section B1 2. (c) of this Policy section, this Policy is extended to cover loss of money, stamps, notes, securities, cheques and other negotiable instruments while on, or away from, the Insured’s “premises” caused by a peril insured.

(g) Master Keys

This policy is extended to cover the cost of repairing, replacing or reprogramming keys, locks and cards resulting from direct physical loss or damage to insured property caused by a peril insured.

(h) Lawns, Trees, Shrubs and other Outdoor Plants

This Policy covers direct physical loss or damage to lawns, trees, shrubs and other outdoor plants caused by a peril insured.

(i) Hazardous Substance

If a "hazardous substance" is involved in or released by an "accident" to any "object", the Insurer(s) shall be liable, for the "increase in cost" to repair, replace, clean up or dispose of affected insured property. The Insurer(s) shall also be liable for any "increase in loss" if Business Interruption coverage is provided in the policy.

(j) Ammonia Contamination

Notwithstanding anything contained in Section B1 4B(c) or 4 B(j) of this Policy section, this Policy covers damage by ammonia contacting or permeating property under refrigeration or in process requiring refrigeration, resulting from an accident to any system of refrigerating or air conditioning vessels and piping.

(k) Contamination

Notwithstanding anything contained in Section B1 4B(c) or 4 B(j) of this Policy section, this Policy is extended to cover loss or damage caused by contamination to product and/or stock insured by this Policy.

(l) Defence, Settlement, Supplementary Payments

In respect of such insurance as is afforded herein, in the event of loss or alleged loss, from an insured peril, to property in the care, custody or control of the Insured, the Insurer(s) also agree to:

- (i) defend any suit against an Insured alleging such damage or destruction and seeking damages on account thereof, even if such suit is groundless, false or fraudulent, but the Insurer(s) may make such investigation, negotiation and settlement of any claim or suit as they deem expedient;
- (ii) pay not exceeding the amount cited in the Declarations for any one "occurrence":
 - a) all expenses incurred by the Insured, all costs taxed against an Insured in any such suit and any interest accruing after entry or judgment (or in those jurisdictions where interest accrues from the date of action, any interest accruing from such date) upon that part of the judgment which is within the limit(s) of insurance;
 - b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments for an amount not in excess of the applicable limit of insurance of this Policy, but without any obligation to apply for or furnish any such bonds;
 - c) all reasonable expenses, other than loss of earnings, incurred by an Insured at an Insurer's request.

(m) Pollution Clean Up and Removal

Notwithstanding anything contained in Section B1 4B(c) or 4 B(j) of this Policy section, and subject to the limits of insurance cited in the Declarations for any one "occurrence" and "annual aggregate limit", for any one policy period, this Policy is extended to insure:

- (i) expenses incurred by the Insured to clean up and remove "pollutants" from land or water at the "premises" of the Insured directly resulting from physical damage by a peril insured;
- (ii) a) loss or damage to property insured caused directly by "pollutants"; and
b) expenses incurred to clean up "pollutants" at the Insured's "premises", or elsewhere as a result of loss or damage to property in transit.

provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is sudden, unexpected and unintended from the standpoint of the Insured, is not otherwise insured under this Policy and first occurs during the policy period.

If Business Interruption is insured by this Policy the period during which indemnity (as defined by in the Business Interruption Section of this Policy) is payable, without extending any maximum period of indemnity, shall include such time as may be necessary and reasonable, with the exercise of due diligence and dispatch by the Insured, to clean up and remove the "pollutants".

ADDITIONAL EXCLUSION APPLICABLE TO POLLUTION CLEAN UP AND REMOVAL

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

- (i) 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;
 - (ii) fines, penalties, punitive or exemplary damages.
- (n) Contingent Business Interruption

The Contingent Business Interruption extensions of coverage to the Business Interruption Section of this Policy are applicable only if Business Interruption coverage is insured by this Policy, as cited in the Declarations and as described in the applicable Business Interruption wording.

(o) Debris Removal

- (i) The Insurer(s) will indemnify the Insured for expenses incurred in the removal from the Insured's "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 Policy.

The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured subject to the maximum as shown in the Declarations.

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

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

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

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

Debris removal expense shall not be considered for the purpose of applying any Co-insurance Clause.

(P) Consequential Loss

The insurance under this Policy is extended to cover physical loss of or damage to stock, merchandise, provisions and/or supplies on the "premises" caused by dampness or dryness of atmosphere or change of temperature.

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

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

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

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

(q) Animals, Fish, and Birds

The insurance under this Policy is extended to cover direct physical loss of or damage to animals, fish, and birds, where loss or damage is caused by "Named Perils", or explosion of an "object", "Riot Vandalism or Malicious Acts" "earthquake", "flood", theft (or attempt thereof), sonic boom or collapse of a building or other structure.

6. PROPERTY AND BUSINESS INTERRUPTION SECTIONS – EXTENSIONS

B. The following Extensions are not subject to Sublimits of Insurance, nevertheless they do not increase the Limit(s) of Insurance for Property, and if insured, Business Interruption.

(a) By-laws

in the event of direct physical loss of or damage to insured property directly caused by a peril insured under this policy, the Insurer will indemnify the Insured for expenses incurred when there is in force any law, by-law, regulation or ordinance restricting or prohibiting repair, replacement or reinstatement of property, at the Insured's request this Policy

This extension applies to property to which Replacement Cost Basis of Settlement applies and is more fully described in the Replacement Cost clause 5 (g) (ii) of this Policy section.

(b) Civil Authority

This Policy insures loss, as covered herein, which is sustained by the Insured as a result of damage caused by order of civil authority to retard or prevent a conflagration or other catastrophe.

(c) Leasehold Interest

If as a result of a peril insured the Lessor cancels the lease (in accordance with the conditions of the lease), whether or not there is damage to Tenants Improvements, this Policy covers the Insured's Leasehold Interest.

Leasehold Interest – means:

- (i) the Net Present Value of the excess, if any, of the rental value of the premises over the actual rental payable for such premises (including any maintenance or operating charges paid by the Insured) during the unexpired term of the Insured's lease, whether the premises be occupied in whole or in part by the Insured or whether they be sublet to other tenants; and
- (ii) the Insured's interest in building improvements.

The Insurer(s) will pay the costs incurred by the Insured to replace the improvements at another location.

If the Insured does not replace the improvements then the Insurer(s) will pay to the Insured that proportion of the original cost of the improvements which the unexpired term of the lease bears to the period from the date(s) such improvements were made to the expiration of the lease.

6. PROPERTY AND BUSINESS INTERRUPTION SECTIONS – EXTENSIONS

C. The following Extensions are subject to a combined blanket Limit of Insurance as Cited in the Declarations, which shall apply as an additional amount of insurance to the Limit(s) of Insurance for Property, and if insured, Business Interruption.

(a) Extra Expense and Expediting Expense

The Insurer(s) will pay 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 insured caused by a peril insured.

The Insurer(s) will also pay reasonable extra cost of temporary repair and of expediting repair or replacement of damaged property insured including overtime and the extra cost of express or other rapid means of transportation and use of temporary facilities.

(b) Fire Extinguishing Materials and Fire Fighting Expense

This Policy covers:

- (i) accidental escape, loss of or damage to foam solution, halon or other fire extinguishing materials;
- (ii) municipal or private fire department charges, and/or fire fighting expenses payable by the Insured because of an insured peril in, on or exposing property insured hereunder.

Fire Fighting expenses shall include charges for use of fire fighting equipment and supplies of the Insured or of others, salaries of personnel required to operate such equipment, cost of transporting such equipment to and from insured "premises"

(c) Professional Fees

In addition to any cover provided for professional fees and other charges incurred in the settlement of loss, this Policy covers other reasonable and necessary fees and charges incurred by the Insured in preparing or substantiating any claim hereunder (except fees of any adjusters hired by the Insured) and/or the method of repair or replacement and/or for producing and certifying particulars or details of the Insured's business required by the Insurer(s) in order to arrive at the amount of loss payable in the event of claim.

6. PROPERTY AND BUSINESS INTERRUPTION SECTIONS – EXTENSIONS

D. The following Extensions are subject to the Limits of Insurance as Cited in the Declarations, which shall apply as additional amounts of insurance to the Limit(s) of Insurance for Property, and if insured, Business Interruption.

(a) Additional Limit to Basic Debris Removal Extension

An additional amount of insurance is provided for that coverage described in Extension 6. A (o).

(b) Removal of Debris of Property in Transit

The Insurer(s) will indemnify the Insured for expenses incurred in the removal of debris of property in transit occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Policy.

STANDARD MORTGAGE CLAUSE**(APPROVED BY THE INSURANCE BUREAU OF CANADA)**

The following clauses shall apply for only those loss payees having a Memorandum of Insurance specifically stating a Mortgage Clause is applicable.

1. **Breach of Conditions by Mortgagor, Owner or Occupant** – This insurance and every documented renewal thereof – as to the interest of the mortgagee only therein – is and shall be in force notwithstanding any act, neglect, omission, or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk; provided always that the Mortgagee shall notify forthwith the Insurer(s) (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increase of hazard that shall come to his knowledge; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
2. **Right of Subrogation** – Whenever the Insurer(s) pay the Mortgagee any loss award under this Policy and claims that—as to the Mortgagor or Owner—no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer(s), or the Insurer(s) may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. **Other Insurance** – If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee – at law or in equity – then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. **Who May Give Proof of Loss** – In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
5. *** Termination** – The term of this mortgage clause coincides with the term of the Policy:
Provided always that the Insurer(s) reserve the right to cancel the policy as provided by Statutory provision but agree that the Insurer(s) will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
6. **** Termination** – The term of this mortgage clause coincides with the term of the Policy:
Provided always that the Insurer(s) reserves the right to cancel the policy as provided by Article 2477 of the *Civil Code of the Province of Quebec*, but agrees that the Insurer(s) will neither terminate nor alter the policy to the prejudice of the Mortgagee without fifteen (15) days notice to the Mortgagee by registered letter.

- 7. Foreclosure** – Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of said Mortgagee and/or assigns.

Subject to the terms of this mortgage clause (and these shall supersede any policy provisions in conflict therewith but only as to the interest of the mortgagee), loss under this Policy is made payable to the Mortgagee.

* Termination Clause applicable to All Provinces except Quebec

** Termination Clause applicable to the Province of Quebec

STANDARD CONDITIONS

If any of these clauses conflict with any other conditions provided elsewhere in this Property Policy, the terms more favorable to the interest of the Insured shall apply.

1. TERRITORIAL LIMITS

This Policy covers while in transit or otherwise anywhere in Canada and the Continental United States of America including inland or coastal waters.

2. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured voids this contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer(s) or to Aon Reed Stenhouse Inc. The Insurer(s), when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of such notice, pay an additional premium. In default of such payment the contract is no longer in force and the Insurer(s) shall return the unearned portion, if any, of the premium paid.

3. MISREPRESENTATION

When applying for insurance hereunder, if the Insured has intentionally given, to the prejudice of the Insurer(s), a false description of the property to be insured, or has fraudulently misrepresented or fraudulently omitted to communicate any circumstances that are material to be made known to the Insurer(s) in order to enable them to judge the risk to be undertaken, this contract is void as to any property in relation to which the misrepresentation or omission is material.

4. OWNERSHIP

The Insured's interest, of whatever capacity, shall be covered continuously throughout the term of this Policy, notwithstanding any provisions herein concerning change of ownership or management. This insurance shall not be invalidated if the interest of the Insured in any property be other than sole or unconditional ownership. Coverage provided herein shall respond if such property be wholly or partially owned:

- (a) by the Insured; or
- (b) by others to the extent of the Insured's legal liability for loss or damage to such property. If such property of others is specifically insured elsewhere, this Policy covers only the Insured's liability thereon and interest therein to the extent that such liability and interest is not covered under said specific insurance. The Insurer(s) will defend that portion of any suit against the Insured as that alleges such liability and seeks damages for such insured loss or damage, as provided for in Clause 6A(I), Section B1 of this Policy.

Bankruptcy or insolvency of the Insured, or title change by succession or by operation of law, shall not relieve the Insurer(s) of any of its obligations under this Policy. Deeds of trust, bonded indebtedness or mortgages may exist or be negotiated on the insured property, foreclosure proceedings may be instituted or notice given of sale of any insured property, and buildings may be on land not owned by the Insured in fee simple; changes may take place in the interest, title or possession of the insured property whether by legal process or by voluntary act of the Insured or otherwise, all without prejudice to this cover.

5. SEVERABILITY OF INTEREST

Coverage under this Policy applies individually as to the interest of each Insured covered by this Policy in the same manner and to the same extent as if a separate policy had been issued to each; however, these provisions shall increase neither the limits of Insurance nor the deductible(s) for any one occurrence beyond the amounts that would apply in the absence of this clause.

6. ADDITIONAL INSURED

Insofar as their respective interests may appear, at the option of the Insured, the following are included as Additional Insureds:

- (a) with respect only to premises undergoing alterations, renovations, construction, reconstruction, installation or maintenance: architects, engineers, consultants, contractors, subcontractors and/or all trades providing services or materials to or for the Named Insured. However, architects and engineers who are not employees of the Named Insured shall not be insured for their interest in any property lost or damaged as a result of any error in design or any other professional error or omission;
- (b) any third party having a definable interest in property insured herein if such interest has been acknowledged in a Certificate of Insurance or a Memorandum of Insurance issued by Aon Reed Stenhouse Inc.

7. AGENCY

The Named Insured who obtained this Policy and paid the premium therefor did so on his own behalf and as agent for the others insured herein, including those referred to by general description. It is specifically acknowledged and agreed by the Insurer(s) as evidenced by their acceptance of the premium paid that, if the Named Insured shall so elect, any person or corporation coming within the description of an unnamed person insured by this Policy may ratify such agency at any time subsequent to the issuance of the policy for the purpose of entitlement to coverage granted by its terms for good consideration.

The Named Insured shall be deemed to be the sole and irrevocable agent of each and every other Insured under this Policy for the purpose of:

- (a) instructing or agreeing with the Insurer(s) on alterations of the policy wording;
- (b) making or receiving payments of premiums or adjustments of premium;
- (c) giving to or receiving from the Insurer(s) all notices contemplated by the policy, including notices of cancellation, damage or claim.

8. BILLS OF LADING

The Insured may, without prejudice to this insurance, accept such bills of lading, receipts or contracts of carriage as are ordinarily issued by carriers, containing a limitation as to the value of goods and/or merchandise.

9. PERMISSIONS

No privileges, notices or permissions are required in order to establish or maintain the validity of this insurance unless such requirements are expressly stated in this Policy.

10. LOSS AGREEMENT

In the event a recoverable loss exists, should a dispute arise between Property and Boiler/Machinery Insurer(s) as to which Insurer(s) is liable or as to the proportion of the loss to be paid by each Insurer(s), the Insurance Bureau of Canada "Agreement Respecting Disputed Losses between Property Insurance and Boiler and Machinery Insurance Policies" shall, at the Insured's option, apply. The said agreement shall apply whether or not an Insurer(s) is signatory thereto.

11. REQUIREMENTS AFTER LOSS

Whenever the Insured has information from which it may reasonably be concluded that an occurrence covered hereunder is likely to involve this Policy, the Insured shall:

- (a) forthwith give notice thereof in writing to the Insurer(s) or Aon Reed Stenhouse Inc.;
- (b) deliver as soon as practicable to the Insurer(s) a proof of loss verified by a statutory declaration;
 - (i) giving a complete inventory of the damaged property and showing in detail quantities, costs, value and particulars of amount of loss claimed;
 - (ii) stating when and how the loss occurred, and if caused by explosion or fire due to ignition, how the fire or explosion originated, insofar as the Insured knows or believes;
 - (iii) stating that the loss did not occur through the procurement or connivance of the Insured;
 - (iv) showing the amount of other insurances and the names of other Insurer(s);
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;
 - (vi) showing any changes in occupation, location, possession, exposures, title or use of the property since the issuance of this Policy;
 - (vii) showing the place where the property insured was at the time of loss.
- (c) if required, give a complete inventory of undamaged property, showing, in detail, quantities, costs and values;
- (d) if required and if practicable, produce stock lists, warehouse receipts and books of account, and furnish invoices and/or other vouchers verified by statutory declaration and furnish a copy of the written portion of any other contract.

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars shall vitiate the claim of the person making the declaration. Evidence furnished under clauses (c) and (d) shall not be considered "Proofs of Loss".

12. WHO MAY GIVE NOTICE AND PROOF

Notice of loss may be given and proof of loss may be made by an agent of the Insured in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

13. IMMEDIATE REPAIRS

In case of loss or damage, the Insured is authorized and permitted to immediately carry out repairs, which can conveniently and advantageously be undertaken by them. The Insurer(s) will reimburse the Insured for the cost of such repairs and all expenses and fees incurred relative to any claim, subject to the Policy terms and conditions.

14. SUE AND LABOUR

It is the duty of the Insured, in the event of any loss or damage or threatened loss or damage to any property insured under this Policy, to take all reasonable steps to prevent damage or further damage to any such property, including its removal if necessary, and if the property is lost to take all reasonable steps in and about the recovery of the property.

The Insurer(s) shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing, according to the respective interests of the parties.

Cover provided by this Clause does not increase the Insurer'(s) Limit(s) of Insurance under this Policy, and deductible provisions shall apply.

15. GENERAL AVERAGE AND SALVAGE CHARGES

Whether or not there is loss or damage to property insured, the Insurer(s) shall indemnify the Insured for any general average and salvage charges and special charges, if incurred, in accordance with the contract of affreightment or, if there be no contract of affreightment, payable in accordance with the York Antwerp Rules (1974) or in accordance with Canadian law.

16. BRANDS AND LABELS

If the Insurer(s) exercise its option to take all or any part of the stock involved in a loss, the Insured reserves the right to first remove therefrom their trademarks, guarantees, names or other evidence of their interest therein or connection therewith and where the removal of such marks is impossible or impractical, the stock may be stamped "salvage" and/or transferred to bulk containers with the cost to be borne by the Insurer(s).

17. PAIR AND SET

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

18. WHEN LOSS PAYABLE

Any loss is payable within sixty (60) days after completion of the Proof of Loss.

19. LOSS PAYABLE

Loss, if any, shall be payable as follows:

- (a) on all real and personal property: to the Named Insured or their order, except with respect to certain items of property in which a third party has a definable interest and such interest has been specifically acknowledged in a Certificate of Insurance or a Memorandum of Insurance issued by Aon Reed Stenhouse Inc., in which case the Certificate holder shall be first loss payee;
- (b) on Business Interruption losses, if insured herein: to the Named Insured.

20. REINSTATEMENT

With the exception of loss caused by perils that are subject to annual aggregate limits, any loss hereunder shall not reduce the limits of this Policy.

21. RECOVERY AND SUBROGATION

The Insurer(s) shall be entitled at any time, either in their own names or in the name of the Insured, to take steps for the recovery of any part of the property lost or damaged or for securing reimbursement in respect of any loss or damage. The Insured shall give the Insurer(s) all information and assistance required in so doing and the Insurer(s) shall indemnify the Insured for any costs or expenses which the Insured may incur or be compelled to pay as a result of providing such information and assistance. Such indemnification is not subject to any deductible amount.

Upon the payment of any claim under this Policy the Insurer(s) shall be subrogated to all the rights and remedies of the Insured arising out of such claim against any person or corporation whatsoever; it is agreed that any release from liability entered into by the Insured prior to loss shall not affect the Insured's rights of recovery under this Policy.

Any recovery obtained by Insurer(s) through subrogation will be shared with the Insured in the ratio that the uninsured portion of the loss bears to the total amount of the loss.

At the Insured's option the Insurer(s) hereby waive their right of subrogation against:

- (a) any of the parties insured under this Policy;
- (b) any corporation whose capital stock at the time of the loss is controlled or at least thirty three percent (33%) owned by the Insured;
- (c) any corporation which is a parent, subsidiary or affiliate of the Insured;
- (d) any employee, director, officer or partner of any of the parties, corporations or firms described in subparagraphs (a), (b) and (c) of this clause.

However, the Insurer(s) shall retain their subrogated rights against architects and engineers (who are not employees of the Insured) for their liability in the event of loss caused by or resulting from any error in design or any other professional error or omission pertaining to the subject of this insurance.

22. TERMINATION

This Policy may be terminated:

- (a) by the first Named Insured shown in the Declarations at any time by mailing or delivering to the Insurer(s) written notice of termination. The Insurer(s) shall refund as soon as practicable any premium actually paid by the Insured that is excess over the short rate premium earned for the expired term, but in no event shall such short rate earned premium be deemed to be less than any minimum retained premium specified in this Policy.
- (b) by the Insurer(s) giving to the Insured sixty days' notice of termination (either by registered mail or personally delivered or served). If for non-payment of premium, this Policy can be terminated by the Insurer(s) giving to the Insured fifteen days' notice by registered mail or five days' written notice if personally delivered. If this contract is terminated by the Insurer(s):

- (i) the Insurer(s) will mail or deliver the Insurer'(s) notice to the first Named Insured's last mailing address known to the Insurer(s);
- (ii) the refund may be made by money, postal or express company money order or cheque payable at par;
- (iii) the refund shall accompany the notice of termination unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable;
- (iv) outside of Quebec, the number of days' notice, if given by registered letter, commences to run on the day following receipt at the post office to which it is addressed.

In this condition the expression "Premium Actually Paid" means premium actually paid by the first Named Insured to the Insurer(s) or Aon Reed Stenhouse Inc., but does not include any premium or part thereof paid to the Insurer(s) by Aon Reed Stenhouse Inc. unless actually paid to Aon Reed Stenhouse Inc. by the first Named Insured.

23. NOTICE

Any written notice to an Insurer(s) may be delivered at, or sent by registered mail to, its Head Office or, if applicable, its office in the province in which the Insured's operations are conducted. Notice to the Insured may be given by letter personally delivered to him or by registered mail addressed to him at the latest post office address notified to the Insurer(s). In this condition, the expression "registered" means registered in or outside Canada.

24. NOTICE TO INSURER(S)

It is agreed that any notice required to be given to the Insurer(s) may be given by the Insured to Aon Reed Stenhouse Inc.

25. OTHER INSURANCE

If at the time of loss, there is any other collectible insurance (other than excess insurance) written for the Named Insured which covers such loss, or which would have covered such loss but for the existence of this Policy the Insurer'(s) liability under this Policy shall be for the proportion of the loss that the insurance provided herein bears to the total collectible insurance.

26. BREACH OF CONDITIONS

Where a loss occurs and there has been a breach of policy condition(s) or warranty relative to a matter before the happening of the loss, which breach would otherwise disentitle the Insured to recover under this Policy, the breach shall not disentitle the Insured to recover:

- (a) unless the Insurer(s) establish that the loss was caused or contributed to by the breach of conditions or warranties; or
- (b) if the breach of conditions or warranties occurred in any portion of the premises over which the Insured had no control or knowledge or was caused by persons outside the Insured's control.

Notwithstanding anything contained elsewhere in this Policy, any act or breach of a condition of the Policy, whether by commission or omission, by one of the parties hereby insured shall not prevent recovery by any other party hereby insured who is innocent of such act or breach.

27. ENTRY, AUDIT, ABANDONMENT, INSPECTION

The Insurer(s) or their appointed representatives shall be permitted at all reasonable times during the term of this Policy, or within a year after expiration, to inspect the property covered hereunder and to examine the Insured's books, records, and such policies as relate to any property covered hereunder. This inspection shall not waive nor in any manner affect any of the terms or conditions of this Policy. The Insurer(s) are not entitled to the control or possession of the insured property, and without the consent of the Insurer(s) there can be no abandonment to them of the insured property.

The Insurer(s) shall also be permitted but not obliged to inspect, at all reasonable times, any "object" insured under this Policy. Neither the Insurer(s) right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such "object" is safe or healthful.

28. ARBITRATION

If the Insured and Insurer(s) shall fail to agree as to the amount of loss or damage, if the Insured shall elect they shall each nominate a competent, disinterested appraiser and the two so chosen shall first select a competent, disinterested umpire. The two appraisers together shall then estimate and appraise the loss, stating separately the sound values and damage and then, failing to agree, shall submit their differences to the umpire. The award in writing of any two shall determine the amount of the loss. The Insured and Insurer(s) shall equally share the additional costs incurred to appoint the appraisers and the umpire.

29. LANGUAGE OF THE POLICY

It is understood and agreed that the language of this Policy is the language of the Insurer(s).

30. ERRORS AND OMISSIONS

Any error and/or omission in the name of the Insured and/or the description, location or values reported or inadvertent deletion shall not void or impair the Insurance provided hereunder provided the Insured reports such error, omission or deletion to Aon Reed Stenhouse Inc. as soon as practicable after discovery.

Additional or return premium shall be calculated at an appropriate basis as required.

The limits of Insurance of this Policy shall not be increased as a result of this clause.

31. LIBERALIZATION CLAUSE

If the Insurer(s) or the Insurance Bureau of Canada introduces or has introduced any widening of coverage (for which, in the case of the Insurer(s), no additional premium is charged) this Policy shall cover accordingly.

32. SCOPE OF COVERAGE

This Policy shall not provide coverage more restrictive than that described in the Insurance Bureau of Canada's Commercial Building, Equipment, and Stock Named Perils form (IBC4036 or its substitute), a copy of which may be obtained from Aon Reed Stenhouse Inc. upon request. Nevertheless, the only deductible(s), which shall apply, are those stated in this Policy.

33. EFFECTIVE TIME

Where this Policy replaces any other insurance in whole or in part, the period of insurance under this Policy shall be deemed to start immediately after the effective time of the termination or expiry of such other insurance, provided this occurs on the same day of the same month and year, or when due solely to difference in time zones, the previous or subsequent day

34. TITLES OF PARAGRAPH

The several titles of the various paragraphs of this Policy (and of endorsements, if any, now or hereafter attached to this Policy) are inserted solely for convenience or reference and shall not be deemed in any way to limit the provisions to which they relate.

35. POLICY SECTIONS

Wherever the word "Policy" appears, it shall be read as "Section" if the context so indicates.

36. FIRES OR EXPLOSIONS—QUEBEC CIVIL CODE

Notwithstanding Article 2486 of the Civil Code of the Province of Quebec, the Insurer(s) is liable for fires or explosions directly caused by volcanic eruptions, earthquakes and other cataclysms.

37. CONFLICT IN CONDITIONS

If the conditions of this manuscript are in conflict with the conditions required by law to be contained in this Policy, (that is, "Statutory Conditions", "Conditions of The Policy – Quebec" and "Variations In Conditions – Quebec"), the terms most favorable to the Insured will prevail.

38. SUSPENSION

Upon the discovery of an "object" in or exposed to a dangerous condition, any representative of the Insurer(s) may immediately suspend insurance with respect to an "accident" to said "object" by written notice mailed or delivered to the Insured at the address of the Insured, or at the location of the "object". Insurance so suspended may be reinstated by the Insurer(s), by written notice given to the Insured as indicated above. The Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.

39. PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify forthwith the Insurer(s) of any interruption to, or flaw or defect, coming to the knowledge of an officer of the Insured or to the individual responsible for insurance at 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 forthwith the Insurer(s) of the cancellation, non-renewal or suspension 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.

40. CURRENCY CLAUSE

For the purpose of property valuation, deductible, premium and limit considerations, this policy shall be held to apply and respond in Canadian currency.

41 ACTION

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

42. Trade and Economic Sanctions Limitation

Notwithstanding any other terms under this agreement, no insurer shall be deemed to provide coverage or will make any payments or provide any service or benefit to any insured or other party to the extent that such cover, payment, service, benefit and/or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

Statutory Conditions, General Conditions and Other Conditions

Please refer to the Statutory Conditions, General Conditions and Other Conditions applicable to your Province(s)/Territory(ies).

1. Statutory Conditions

Page 1 - All Provinces/Territories except:

a. Alberta, British Columbia and Quebec.

b. Conditions 5. (Termination) and 15. (Notice) do not apply to Ontario, please see Other Conditions for the Termination and Notice conditions that apply in Ontario.

c. Condition 14. (Action) does not apply to Manitoba, please see Other Conditions for the Action condition that applies in Manitoba.

Page 4 – Alberta.

Page 7 - British Columbia.

2. General Conditions

Page 11 – Quebec .

3. Other Conditions

Page 16.

Statutory Conditions

(For all provinces except Alberta, British Columbia and Quebec, except that paragraph 14 does not apply to Saskatchewan).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

Where a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate a circumstance which 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 is stated in the contract.

3. Change of Interest

The Insurer shall be 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

A change material to the risk and within the control and knowledge of the Insured shall void the contract as the part affected by it, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured shall, within 15 days of the receipt of the notice pay to the Insurer an additional premium; and in default of the payment the contract shall no longer be in force and the Insurer shall return the unearned portion of the premium paid.

5. Termination

(1) This contract may be terminated.

(a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail or five days written notice of termination personally delivered;

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

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

(a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportional premium for the expired time, but, in no event shall the proportional premium for the expired time be considered to be less than any minimum retained premium specified; and

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

(3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as 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 considered to be less than a minimum retained premium specified.

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

(5) The 15 days mentioned in clause (1) (a) of this condition start 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 a loss of or damage to the insured property, the Insured shall, where the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,

(a) forthwith 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 destroyed and 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 where 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 a wilful 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 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 property insured was at the time of loss:

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

(d) where required, and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.

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

7. Fraud

A fraud or a wilfully false statement in a statutory declaration in relation to the above particulars, shall vitiate the claim of the person making the declaration.

8. Who May Give Notice and Proof

Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or where the Insured refuses to do so, by a person to whom a part of the insurance money is payable.

9. Salvage

(1) The Insured, in the event of any loss or damage to the property insured under the contract, shall take all reasonable steps to prevent further damage to the property so damaged and to prevent damage to other property insured under the contract including, where necessary, its removal to prevent damage or further damage to the property.

(2) The Insurer shall contribute proportionally towards reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (1) of this condition according to the respective interest of the parties.

10. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer shall not be entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

11. Appraisal

In the event of a disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act*, or the *Insurance Contracts Act* in the case of Newfoundland and Labrador, before there can be a 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 an appraisal is made in writing and until after proof of loss has been delivered.

12. When Loss Payable

The loss shall be payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

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

(2) In that event the Insurer shall start to repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall after that time proceed with all due diligence to the completion of the property

14. Action

Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within 1 year next after the loss or damage occurs.

15. Notice

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

Statutory Conditions

(applicable in the province of Alberta). Subject to certain exceptions set out in the Insurance Act and regulations thereunder, the Statutory Conditions are deemed to be part of every contract of insurance in force in the province of Alberta. (**Statutory Conditions** 1 and 6 to 13 apply only to contracts that include insurance against loss or damage to property).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

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

2. Property of Others

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

3. Change of Interest

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

4. Material Change in Risk

(1) The insured must promptly give notice in writing to the insurer or its agent of a change that is

- (a) material to the risk, and
- (b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

(a) terminate the contract in accordance with Statutory Condition 5, or

(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2)(a) applies in respect of the unearned portion of the premium.

5. Termination of Insurance

(1) The contract may be terminated

(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or

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

(2) If the contract is terminated by the insurer,

(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

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

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

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

6. Requirements After Loss

(1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

- (a) immediately give notice in writing to the insurer,
- (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration
 - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

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

8. Who May Give Notice and Proof

Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made

(a) by the agent of the insured if

(i) the insured is absent or unable to give the notice or make the proof, and

(ii) the absence or inability is satisfactorily accounted for,
or

(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

9. Salvage

(1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, Control, Abandonment

After loss or damage to insured property, the insurer has

(a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and

(b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but

(i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and

(ii) without the insurer's consent, there can be no abandonment to it of the insured property.

11. In Case of Disagreement

(1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act* whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

(2) There is no right to a dispute resolution process under this condition until

(a) a specific demand is made for it in writing, and

(b) the proof of loss has been delivered to the insurer.

12. When Loss Payable

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

13. Repair or Replacement

(1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

(1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

15. Action

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

Statutory Conditions

(applicable in the province of British Columbia). Subject to certain exceptions set out in the Insurance Act and regulations thereunder, the Statutory Conditions are deemed to be part of every contract of insurance in force in the province of British Columbia. (**Statutory Conditions** 1 and 6 to 13 apply only to contracts that include insurance against loss or damage to property).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

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

2. Property of others

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

3. Change of interest

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

4. Material change in risk

(1) The insured must promptly give notice in writing to the insurer or its agent of a change that is

- (a) material to the risk, and

- (b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

- (a) terminate the contract in accordance with Statutory Condition 5, or

(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

5. Termination of insurance

(1) The contract may be terminated

(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or

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

(2) If the contract is terminated by the insurer,

(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

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

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

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

6. Requirements after loss

(1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

(a) immediately give notice in writing to the insurer,

(b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,

(i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,

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

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

(iv) stating the amount of other insurances and the names of other insurers,

(v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,

(vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and

(vii) stating the place where the insured property was at the time of loss,

(c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and

(d) if required by the insurer and if practicable,

(i) produce books of account and inventory lists,

(ii) furnish invoices and other vouchers verified by statutory declaration, and

(iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

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

8. Who may give notice and proof

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

(a) by the agent of the insured, if

(i) the insured is absent or unable to give the notice or make the proof,

(ii) the absence or inability is satisfactorily accounted for, or

(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

9. Salvage

(1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, control, abandonment

After loss or damage to insured property, the insurer has

(a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and

(b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but

(i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and

(ii) without the insurer's consent, there can be no abandonment to it of the insured property.

11. In case of disagreement

(1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

(2) There is no right to a dispute resolution process under this condition until

(a) a specific demand is made for it in writing, and

(b) the proof of loss has been delivered to the insurer.

12. When loss payable

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

13. Repair or replacement

(1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

(1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

15. Action

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

General Conditions

(This Policy is subject to the Civil Code of Quebec)

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

These General Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these General Conditions, the conditions more favourable to the insured will prevail.

For all coverages except where inapplicable.

1. Statements**1.1 Representation of risk (Article 2408)**

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.
The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.
On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

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

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. General Provisions

2.1 Insurable interest (Articles 2481 and 2484) ***(Applicable to property insurance only)***

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract.
The insurance of a property in which the Insured has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

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

3. Losses

3.1 Notice of loss (Article 2470)

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

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

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

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

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

3.3 False representation (Article 2472)

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault. Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police ***(Applicable to property insurance only)***

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495) ***(Applicable to property insurance only)***

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

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

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

3.7 Admission of liability and cooperation

The Insured shall cooperate with the Insurer in the processing of all claims.
(The following two paragraphs are applicable to liability insurance only: Article 2504)
No transaction made without the consent of the Insurer may be set up against him.

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

3.8 Right of action (Article 2502)
(Applicable to property insurance only)

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

4. Compensation and Settlement

4.1 Basis of settlement (Articles 2490, 2491, 2493)
(Applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

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

4.2 Pair and set *(Applicable to property insurance only)*

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

4.3 Parts *(Applicable to property insurance only)*

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

4.4 Replacement (Article 2494)
(Applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer re-serves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others
(Applicable to property insurance only)

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

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

4.8 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. Other Insurance

5.1 Property insurance (Article 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

– Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

– Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. Cancellation (Articles 2477 and 2479)

This policy may be cancelled at any time:

(a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.

(b) By the Insurer giving written notice to each of the Named Insureds. Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

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

In this Condition, the words “premium actually paid” mean the premium actually paid by the Insured to the Insurer or its representative, but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

7. Notice

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

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

Other Conditions

The Conditions shown below are deemed to be part of every contract of insurance in force in the province of Ontario:

Termination

(1) This contract may be terminated,

(a) by the insurer giving to the insured fifteen days’ notice of termination by registered mail or five days’ written notice of termination personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent;

(b) by the insured at any time on request;

(2) Where this contract is terminated by the insurer,

(a) the insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and

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

(3) Where this contract is terminated by the insured, the insurer shall refund as soon as 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 days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Notice

(1) Written notice may be given to the insurer in the following ways:

(a) It may be personally delivered at the chief agency or head office of the insurer in the Province.

(b) It may be sent by registered mail to the chief agency or head office of the insurer in the Province.

(2) It may be delivered by electronic means.

(2) Written notice may be given to the insured named in the contract in the following ways:

(a) It may be personally delivered.

(b) It may be delivered by prepaid courier to the latest address of the insured on the records of the insurer if there is a record by the person who has delivered it that the notice has been sent.

(c) It may be sent by registered mail to the latest address of the insured on the records of the insurer.

(d) It may be delivered by electronic means, if the insured consents to delivery by electronic means.

(3) In this condition, the expression "registered" means registered in or outside Canada.

The Condition shown below is deemed to be part of every contract of insurance in force in the province of Manitoba:

Action

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

Throughout this Form the words “you” and “your” and “insured” refer to the Named Insured shown in the Policy Declarations. The words “we”, “us” and “our” refer to the insurers providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Item 12 – Definitions.

INSTALLATION FLOATER FORM

This form is subject to the Standard Conditions, Statutory Conditions, General Conditions, Conditions and Definitions applicable to the Property & Business Interruption Form to which this document is attached.

INDEMNITY AGREEMENT

In the event that any of the insured property is lost or damaged during the Policy Period by an insured peril, we will indemnify you against direct physical loss of or damage to such insured property subject to the terms and conditions of this form.

INSURED PROPERTY

This Policy provides coverage for the following property at a “Project Site”:

Supplies, machinery, equipment and materials all to enter into and form part of your installation, construction, erection, renovation, repair, or rigging project, including expendable materials and supplies not otherwise excluded, necessary to complete the project belonging to you or to someone else if you are legally liable for such property anywhere in Canada and the continental U.S., unless the property is excluded or subject to limitations.

Coverage is extended while such property is at the “Project Site”:

- (a) awaiting installation; or
- (b) being installed.

Coverage on all property ceases:

- (a) when your interest in insured property ceases;

30 days after completion of your installation project;

when the construction activity has ceased for more than 30 consecutive days; or

when coverage provided by this Form expires;

whichever occurs first.

LIMIT OF LIABILITY

We will not be liable for more than \$50,000. in any one “Occurrence”.

DEDUCTIBLE

We are liable for the amount by which the loss or damage caused by an insured peril exceeds \$2,500, or any other amount of the deductible shown in the Policy Declarations in any one "Occurrence."

INSURED PERILS

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

EXCLUSIONS

Excluded Property

This form does not insure loss of or damage to:

property at locations which to your knowledge are vacant, unoccupied or shut down for more than 30 consecutive days;

electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply when the proximate cause of the loss or damage is a peril not otherwise excluded in this form, nor does this exclusion apply to loss or damage caused by any ensuing fire or explosion

money and securities, evidences of debt or title;

"Automobiles", watercraft, amphibious or air cushioned vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property;

property illegally acquired, kept, stored or transported; property subject to forfeiture, seized or confiscated for breach of any law or by order of any public authority;

property:

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;

insured under a Marine Policy; or

aboard or being transported by any aircraft;

"Data";

plans, blueprints, designs, specifications or any similar property;

"Contractor's Equipment" and tools including spare parts and accessories whether owned, loaned or hired or leased or any other property not a part of or destined to become

a part of any installation project. However, we will not apply this exclusion to tools and equipment expended in and forming part of the completed installation project;

Excluded Perils

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

Unless a limit of Insurance is shown in the Declarations, this form does not insure against loss or damage caused directly or indirectly in whole or in part by "Earth Movement". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, riot, vandalism, malicious acts, smoke, leakage from "Fire Protective Equipment", theft or attempted theft, provided such perils are not otherwise excluded in this form. This exclusion does not apply to property in transit;

Unless a limit of Insurance is shown in the Declarations, this form does not insure against loss or damage caused directly or indirectly in whole or in part by "Flood", including "Surface Water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, riot, vandalism, malicious acts, smoke, leakage from "Fire Protective Equipment", theft or attempted theft, provided such perils are not otherwise excluded in this form. This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;

by centrifugal force, mechanical or electrical breakdown or derangement. This exclusion does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form.

by loss, damage or expense caused by or resulting from explosion, rupture or bursting of steam boilers, steam pipes, steam turbines or steam engines;

(ii) by dampness or dryness of atmosphere;

by changes in or extremes of temperature or heating; or

by frost or freezing;

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

fire, lightning, explosion, impact by aircraft, spacecraft, or land vehicle, riot, strike, vandalism, malicious acts;

rupture of pipes or breakage of apparatus;

theft or attempted theft;

an accident to a transporting conveyance;

provided such perils are not otherwise excluded in this form;

by gnawing, nesting or infestation, or discharge or release of waste products or secretions, by animals, including but not limited to, insects, birds, or rodents. If the gnawing, nesting or infestation, or discharge or release of waste products or secretions results in an insured peril, we will cover the resultant loss or damage;

by delay, loss of market, or loss of use or occupancy;

by a "Data Problem".

This exclusion does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "Fire Protective Equipment";

(iii) any dishonest or criminal act committed by you or your agent, acting alone or in collusion with others;

theft or attempted theft committed by any employee of yours, acting alone or in collusion with others;

any dishonest or criminal act committed by anyone, except as stated in (k) (ii), when you or your agent knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.

This exclusion 1.1(a)(iii) does not apply to the proportion of ownership of the lost or damaged property of:

your spouse, if you are a sole proprietor;

your partner(s), if your business is a partnership;

who did not know and could not ought to have known of the dishonest or criminal act.

This exclusion 0 does not apply to physical damage caused directly by your employee which results from a peril not otherwise excluded in this form.

This exclusion 0 does not apply if, upon becoming aware of the dishonest or criminal act, you or your agent immediately notifies the police and us.

OTHER EXCLUDED LOSSES

This form does not insure:

(iv) wear and tear;

rust or corrosion;

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

Exclusion 0 does not apply to marring or etching resulting from accidental exposure to acid or other caustic substance.

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

the cost of making good:

faulty or improper material;

faulty or improper workmanship;

faulty or improper design.

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

mysterious disappearance, or shortage of insured property disclosed on taking inventory;

penalties or liquidated damages for non-completion of or delay in completion of contract or non-compliance with contract conditions;

against any loss cost or expense, proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;

loss or damage under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an insured under this extension.

ADDITIONAL EXCLUSIONS

(a) Cyber Loss Exclusion

(i) Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

a) Cyber Loss, unless subject to the provisions of paragraph 2;

- b) loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

- (ii) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- (iii) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- (iv) In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- (v) This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- (vi) Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- (vii) Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

(viii) Cyber Incident means:

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

(ix) Computer System means:

- a) any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

- (x) Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

- (xi) Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

(b) Communicable Disease Exclusion

- (i) Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- (ii) As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - b) the method of transportation, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

- c) the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

EXTENSIONS

The Extensions either modify or are in addition to coverage granted under this form subject to the following conditions:

specified limits of liability apply as an additional amount of insurance, except with respect to the following extensions:

Debris Removal

if a loss covered under an Extension also involves a loss under any Part, its Extensions or an endorsement, then, unless specified in the Extension, the maximum limit of insurance will not exceed the highest applicable limit under any one Part, Extension or endorsement;

if a specified Extension is indicated as not covered on the Policy Declarations, there is no amount recoverable;

if the limit of an Extension applies to the Policy Period, and the Policy Period is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the preceding period for the purposes of determining limits;

are subject to the exclusions, provisions, and conditions of this Part unless otherwise stated.

Property in Transit

We agree to extend insurance provided by this form to pay for direct physical loss of or damage to insured property, caused by an insured peril, in due course of transit anywhere in Canada or the continental United States to the "Project Site".

The most that we will pay under this Extension is \$50,000

Storage Locations

We agree to extend insurance provided by this form to pay for direct physical loss of or damage to insured property, caused by an insured peril, while located temporarily on premises owned, leased or rented to you for not more than 30 consecutive days awaiting installation in the project anywhere in Canada.

The most that we will pay under this Extension is \$50,000.

Difference in Deductible

We agree to extend insurance provided by this form to pay your share of a deductible charged against you, for which you are contractually liable under any other Installation or Builders Risk form (or other similar form of property insurance) if coverage is provided under this form. The deductible applicable to this form will apply to this Extension.

The most we will pay under this Extension is \$10,000 dollars, unless otherwise indicated on the Policy Declarations.

Testing

We will not apply **Sections 6.1. Excluded Property (b)** or **6.2 Excluded Perils (c)** during start-up or electrical, mechanical, hydraulic, hydrostatic, or pneumatic testing of building systems, however this Extension of Coverage does not apply to continued operation longer than 5 days of any building system.

This Extension of Coverage does not apply to temporary construction elevators or hoists or “hot testing”.

Debris Removal

We agree to extend insurance provided by this form to indemnify you for expenses incurred in the removal from the “Project Site” or from within 300 meters of the “Project Site” of debris of the insured property occasioned by direct physical loss of or damage to such property, for which loss or damage insurance is afforded under this form.

If insurance is provided by this form by Sections 0. Extensions (a) Property in Transit and 0. Extensions (b) Storage Locations in respect of the insured property while in transit or at any storage location, other than the “Project Site”, the Debris Removal coverage provided by this extension will also apply to the removal of debris from within 300 meters of the site of any accident which occurs while the insured property is in transit, or from within 300 meters of a temporary storage location.

This extension does not apply to costs or expenses:

to “Clean Up” “Pollutants” from land or water; or

for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”.

The most that we will pay under this Extension is \$50,000.

Pollutant Cleanup and Removal

We agree to extend the insurance provided by this form to include the reasonable and necessary additional expense you incur to contain, remove, treat, detoxify, stabilize, neutralize or remediate “Pollutants” from land or water at your “Project Site”, if the spill, leakage, discharge, dispersal, seepage, migration, release or escape of the “Pollutants”:

is directly the result of direct physical loss of or damage to insured property caused by a peril insured against under this form;

that commenced during the Policy Period; and

reported to us within 365 days of the commencement of the spill, leakage, discharge, dispersal, seepage, migration, release or escape of the "Pollutants".

This Extension does not apply to any cost or expense to test, monitor or assess the existence, concentration or effects of "Pollutants". But we will pay for testing which is performed in the course of extracting the "Pollutants" from the land or water.

The most that we will pay under this Extension in any one Policy Period is \$10,000 dollars.

BASIS OF SETTLEMENT

Subject to the Limit of Liability for this form, the basis of adjustment of any loss will be as follows:

On property you own: "Actual Cash Value" with proper deduction for depreciation, however caused and in no event to exceed the net cost of "Replacement";

On property for which you are liable: The amount for which the insured is liable plus the additional cost, if any, expended thereon by you for labour and materials up to the time of loss.

PREMIUM ADJUSTMENT

The premium shown for Installation Floater coverage is Flat rated and non-adjustable..

DEFINITIONS

Wherever used in this form:

"Actual Cash Value" means the cost of replacing lost or damaged property with similar property of like kind, capacity, size, qualify and function less any depreciation, however caused. In determining depreciation, we will consider:

the condition immediately before the loss or damage;

the resale value immediately before the loss or damage;

the normal life expectancy; and

obsolescence.

“Automobile” means any vehicle licensed for use on public roads.

“Building(s)” means any building(s) including:

- fixed structure(s) pertaining to the building(s) and located on the “Project Site”;
- additions and extensions communicating and in contact with the building(s);
- permanent fittings and fixtures attached to and forming part of the building(s);
- materials, and supplies on the “Project Site” for maintenance of, and normal repairs and minor alterations to the building(s) or for building services;
- growing plants, trees, shrubs or flowers inside the building(s) used for decorative purposes when the Insured is the owner of the building(s).

“Clean up” means the removal, containment, treatment, decontamination detoxification, stabilization, neutralization or remediation of “Pollutants,” including testing which is integral to the aforementioned processes.

“Contractors Equipment” means machinery and equipment of every kind and description including but not limited to mobile or licensed equipment, trailers, semi-trailers, tools (including employee’s tools), portable buildings and their contents, either owned by the Insured or rented, leased, or borrowed by the Insured. “Contractors Equipment” shall also include spare parts and accessories, including fuel, oil, grease and similar maintenance supplies usual to the operations of the Insured.

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

“Data Problem” means:

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

“Earth Movement” means any earth movement including any one or more of earthquake, landslide, mine subsidence, earth sinking, rising, shifting, tsunami, volcanic eruption, explosion, effusion and sinkhole collapse.

“Fire Protective Equipment” includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- any watermains or appurtenances located outside of the “Project Site” and forming a part of the public water distribution system; or

any pond or reservoir in which the water is impounded by a dam.

“Flood” means a general and temporary condition of partial or complete inundation of normally dry land areas or structure(s) caused by any one or more of the following:

- (i) The unusual and rapid accumulation or runoff of surface waters, waves, tides, tidal waves, the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray from any of these, all whether driven by wind or not.
- (ii) Mudflow or mudslides caused by accumulation of water on or under the ground.

“Occurrence” means any one loss, disaster or casualty either in case of partial or total loss or salvage or other charges or expenses or all combined.

“Hot testing” means the start-up, commissioning, performance testing, operational testing, or other forms of testing of machinery and equipment. “Hot testing” does not include start-up and testing of building systems.

“Pollutants” means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

“Project Site” means any location, project, or work site where you are involved in an installation, construction, erection, renovation, repair, or rigging project.

“Replacement” includes repair, construction or reconstruction with new property of like kind and quality.

“Surface Water” means water or natural precipitation temporarily diffused over the surface of the ground.

PEAK SEASON ENDORSEMENT

This endorsement modifies the coverage provided under the Commercial Property policy

This insurance is extended as follows:

The amount of insurance shown in the Statement of Value with respect to “stock” shall be automatically increased by 25% to provide for seasonal variations. However, this increase shall not apply unless the amount of insurance shown in the Statement of Value for “stock” coverage is at least equal to or more of the Insured’s average monthly values for the twelve (12) months immediately preceding the latest effective date (inception date or renewal date), or in the event the Insured has been in business for less than twelve (12) months, such shorter period of time.

EXCEPT AS OTHERWISE PROVIDED BY THIS ENDORSEMENT ALL TERMS,
PROVISIONS AND CONDITIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT

DAMAGE TO BUILDING BY BURGLARY OR ROBBERY

1. Insuring Agreement

The Insurer will pay for damage caused to the “premises” by actual or attempted “burglary” or “robbery”, or by vandalism or malicious mischief committed on the same occasion if the Insured liable for damage to it.

2. Limit of Insurance

The most the Insurer will pay for any one “occurrence” is limited to the actual cost of repair to a maximum of \$10,000 per occurrence.

3. Exclusions

The Insurer will not pay for:

(a) loss or damage caused by fire, or loss occurring during a fire in the “premises”, show cases or show windows;

(b) damage to glass or damage to lettering, ornamentation, tape or foil on the glass or to burglary resistant glazing material;

(c) loss or damage caused by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military power or by any act or condition incident to any of the foregoing;

(d) loss or damage due to any nuclear incident as defined in any nuclear liability act, law or statute or any law amendatory thereof, nuclear explosion or contamination by radioactive material;

(e) loss or damage due to any fraudulent, dishonest or criminal act committed by the Insured, the Insured’s partners, or an officer, employee, director, trustee, or the Insured’s authorized representative, whether acting alone or in collusion with others. However, this exclusion does not apply to actual or attempted “burglary” by persons other than the Insured or a partner of the Insured.

**EXCEPT AS OTHERWISE PROVIDED BY THIS ENDORSEMENT ALL TERMS,
PROVISIONS AND CONDITIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT**

DECLARATION OF EMERGENCY ENDORSEMENT**EXTENSION OF TERMINATION OR EXPIRY DATE**

This Endorsement modifies the insurance provided by the Policy to which it is attached as follows:

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 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.

Except as otherwise provided by this endorsement all terms, provisions and conditions of the Policy shall have full force and effect.

INFLATION PROTECTION

- a. This condition applies only to II. 1. INSURED PROPERTY.
- b. The limits of insurance shown on the "Policy Declarations" are deemed to increase during the policy period by the proportion of current inflationary trends.
- c. If any of the limits of insurance shown on the "Policy Declarations" are changed at the request of the Insured during the policy period, the effective date of this condition will coincide with the effective date of such change.
- d. At the renewal date, the limits of insurance will be increased in accordance with the inflationary trend since the last policy period and the premium will be adjusted accordingly.

Except as otherwise provided by this endorsement all terms, provisions and conditions of the Policy shall have full force and effect.

CONDOMINIUM CORPORATION ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE COVERAGE PROVIDED UNDER THE
PROPERTY AND BUSINESS INTERRUPTION SECTION OF THIS POLICY.

It is hereby understood and agreed that the following amendments are made to Property Policy:

1. Clause 19. Loss Payable, of Standard Conditions is replaced as follows:

Loss, if any, shall be payable in accordance with the provisions of the provincial legislation under which the "Condominium Corporation" is constituted. If the legislation has no such provisions, loss, if any, shall be payable as stated in the Declaration Page applicable to this policy.

2. Clause 21. Recovery and Subrogation, of Standard Conditions is replaced as follows:

The Insurer(s) shall be entitled at any time, either in their own names or in the name of the Insured, to take steps for the recovery of any part of the property lost or damaged or for securing reimbursement in respect of any loss or damage. The Insured shall give the Insurer(s) all information and assistance required in so doing and the Insurer(s) shall indemnify the Insured for any costs or expenses which the Insured may incur or be compelled to pay as a result of providing such information and assistance. Such indemnification is not subject to any deductible amount.

Upon the payment of any claim under this Policy the Insurer(s) shall be subrogated to all the rights and remedies of the Insured arising out of such claim against any person or corporation whatsoever; it is agreed that any release from liability entered into by the Insured prior to loss shall not affect the Insured's rights of recovery under this Policy.

Any recovery obtained by Insurer(s) through subrogation will be shared with the Insured in the ratio that the uninsured portion of the loss bears to the total amount of the loss.

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:

- a) the "Condominium Corporation", its Directors, Property Managers, agents and employees; and
- b) the "unit" owners, including employees and, if residents of a "unit" owner's household, his or her spouse, the relatives of either and any other person under the age of 21 in the care of a "unit" owner or his or her spouse.
- c) Registered Mortgages (from time to time)

Independent contractors shall not be considered agents or employees of the "Condominium Corporation", its Directors, Property Managers, or of the "unit" owners.

3. Named Insured, under Section A is added to read:

Insured means the "Condominium Corporation" and the Registered Unit Owners, and all Registered Mortgagees, from time to time.

4. Notwithstanding any other provisions in this policy, any notice required to be given by the Insurers must be given to the "Condominium Corporation" at the address stated in the Policy Declarations. Notice given to the "Condominium Corporation" shall be deemed to be notice given to all owners

or occupants of the units. The Insurers shall not be obligated to give notice of cancellation or notice of any other nature to any Insured, Mortgagee or Loss Payee other than the "Condominium Corporation", the Insurance Trustee and the Mortgagee(s), if any, named in the Loss Payable Clause.

5. Within thirty (30) days of the appointment of an Insurance Trustee as provided for in the Declaration (made pursuant to the Condominium Act and amendment thereto) The "Condominium Corporation" shall give written notice thereof to the Insurers, stating the full name and postal address of the Insurance Trustee for the giving of notice as elsewhere provided in this policy.
6. Where, after a loss, a valid determination is made in accordance with provincial legislation not to repair or rebuild and any relevant statutory requirements in connection with such determination have been complied with, or where, by virtue of such legislation, the Court has made an order directing the application of insurance monies, the Insurer waives its option to repair and settlement of the loss shall be on a actual cash value basis.
7. THIS POLICY DOES NOT INSURE:
 - property belonging to the owners of individual "unit", nor
 - improvements and betterments to individual "unit" made or acquired by the owners of such "unit".
8. Without increasing the Limit(s) of Liability applicable to the Property and any Business Interruption Sections of this policy, this policy is extended to include the following:

Common Expenses

Subject to a limit of \$25,000. any one loss or occurrence, the Insurer(s) agree to indemnify the Insured for loss of such obligatory contribution toward common expense as may be assessed from time to time by the "Condominium Corporation" against all unit owners, provided that the Insurer(s) shall be liable under this extension for not more than that pro-rata share of such expense during the time the unit or units remain unoccupied or untenable following an occurrence.

Trustees Fees

Where, pursuant to the Declaration and The Insurance Trust Agreement, the Insurance Trustees shall be entitled to levy and shall levy a fee or fees against The "Condominium Corporation" or any of the unit owners, and such fee or fees shall arise pursuant to loss otherwise insured by this policy, the Insurers will indemnify the Insured for the amount of such fee or fees, subject to a limit of \$50,000. any one loss or occurrence under this section and provided the amount of the fee or fees levied does not exceed the lesser of 1.25% of the sum insured or 1.25% of the loss sustained and otherwise payable under this policy without regard to the benefit under this clause.

Unit Owners Property

Notwithstanding Paragraph 7., this policy is extended to cover for loss or damage by a peril not otherwise excluded to Unit Owners' property if the Insured accepts the property of unit owners for custody or safekeeping. The Insurer's liability under this Extension shall not exceed \$2,500 for the property of any one owner nor \$25,000 any one occurrence.

9. BREACH OF CONDITION - If the "Condominium Corporation" does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the "Condominium Corporation" proves that the non-compliance neither caused nor worsened the loss or damage.
Coverage will not be affected
- (a) if the "Condominium Corporation" fails to comply with a condition in part of the "premises" over which the "Condominium Corporation" has no control, or
(b) if the breach is committed by an owner of a "unit" or occupant without the knowledge or consent of "Condominium Corporation".
10. LOSS ADJUSTMENT - The "Condominium Corporation" has the exclusive right to adjust any loss with the Insurer, and the owner of a damaged "unit" is bound by such adjustment, provided, however that the said "Condominium Corporation", may in writing, authorize an owner to adjust any loss to the owner's "unit" with the Insurer.
11. TERMINATION - In those jurisdictions where the legislation under which the "Condominium Corporation" is constituted prescribes different policy termination conditions from those contained in the Policy Conditions or General Conditions of this policy, as the case may be, such prescribed conditions shall apply.
12. OTHER INSURANCE - If at the time of the loss there is other insurance in the name of the "Condominium Corporation" insuring the property described herein (whether collectible or not), the Insurer shall be liable for no greater proportion of any loss than the amount of insurance under this Form bears to the whole amount of insurance covering such property.
13. WAIVER OF INSURER'S OPTION TO REPAIR - Where, after a loss, a valid determination is made in accordance with provincial or territorial legislation not to repair or rebuild and any relevant statutory requirements in connection with such determination have been complied with, or where, by virtue of such legislation, the Court has made an order directing the application of insurance monies, the Insurer waives its option to repair and settlement of the loss shall be on an actual cash value basis.

The following is added to Clause 7. Definitions, of Section A:

Words used in this policy which are defined in the Act shall have the meanings set forth therein, unless the context otherwise requires.

"Act" means The Condominium Act and amendments thereto, of the province except in the Province of British Columbia where the word "act" refers to Strata Property Act and in the Province of Quebec where the word "act" refers to Chapter 76 of the Quebec civil code section VI 442M respecting ownership of immovable.

"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.

"Property" wherever used in this policy shall include the meaning ascribed to it by the Act.

"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.

The definition of "Premises" is replaced by the following:

"Premises" wherever used in the policy means the entire area within the boundaries of the property lines at the insured locations, including areas under adjoining sidewalks, driveways and establishments used in connection therewith, including rights-of-way and easements over adjoining property and other areas which the "Condominium Corporation" has a license for use and/or servicing.

Except as otherwise provided by this endorsement all terms, provisions and conditions of the Policy shall have full force and effect

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

CONDOMINIUM UNIT OWNERS ASSESSMENT

THIS ENDORSEMENT MODIFIES THE COVERAGE PROVIDED UNDER THE
PROPERTY AND BUSINESS INTERRUPTION SECTION OF THIS POLICY.

Subject to the terms and conditions of the Property Section of the policy, to which this endorsement is attached, the Insurer agrees to indemnify the Insured:

- (a) for loss or damage by an insured peril to "improvements or betterments" that become a permanent part of the "building" and which the Insured owns as a "condominium unit" owner, subject to the limit of insurance specified on the "declarations page".
- (b) for loss or damage by an insured peril to the Insured's "condominium unit" as specified on the "declarations page", but only to the extent that said "condominium unit" is not so insured by the "condominium corporation" or to the extent that building insurance purchased by the "condominium corporation" on behalf of its "unit" owners is not effective or is inadequate, subject to the limit of insurance specified on the "declarations page".
- (c) for payment of the Insured's share of Special Loss Assessments levied against the "unit" owners of the "condominium corporation" by the directors of said "condominium corporation" in accordance with the governing rules of the corporation, when such assessments are made necessary by direct loss or damage by an insured peril, to the condominium property collectively owned by the "unit" owners., subject to the limit of insurance specified on the supplementary "declarations page";

Limit of Insurance

The limit of the Insurer's liability shall be as follows:

- a) Betterments & Improvements – \$25,000
- b) Condominium Contingency Coverage - \$25,000
- c) Special Loss Assessments – \$25,000

This limit of insurance is the maximum limit of insurance applicable at any one "premises", regardless of the number of "units insured at this location.

Additional Definitions

"Condominium unit" means the condominium unit specified on the "declarations page" to which this supplemental coverage applies and includes garages and private approaches reserved for the Insured's private use.

"Condominium Corporation" means a corporation constituted under provincial legislation relating to condominiums and includes a strata corporation and a society as so constituted.

"Improvements and betterments" means building improvements, alterations and betterments made at the expense of the Insured, or by any previous owner of the "unit", to a building owned by the Insured as a "condominium unit" owner.

"Unit" means a unit as defined in provincial legislation relating to condominiums and includes a strata lot so defined.

Except as otherwise provided by this endorsement all terms, provisions and conditions of the Policy shall have full force and effect.

BOILER AND MACHINERY (ACCIDENT TO OBJECT) EXCLUSION ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE COVERAGE PROVIDED UNDER THE
PROPERTY AND BUSINESS INTERRUPTION SECTIONS OF THIS POLICY.

THE FOLLOWING CLAUSE ONLY APPLIES TO THE FOLLOWING LOCATIONS:

Boiler and Machinery (Accident to Object) is excluded and the definitions of “accident” and “object” in Clause 7 Definitions in Section A of this Policy are deleted from this Policy.

The following is added to Item 2. Property Excluded in Section B1 of this Policy:

- (o) (i) loss or damage to any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
- (ii) loss or damage to 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:
 - a) manually portable gas cylinders;
 - b) explosion of natural, coal or manufactured gas;
 - c) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere;
 - d) the pressurized fuel storage tanks of vehicles;
 - e) compressed-air receivers;
 - f) any pressure vessel in a dwelling comprising 6 units or less;
 - g) tanks having an internal diameter of 610 millimeters (24 inches) or less used for hot water heating and/or storage

The following is added to Item 4. Perils Excluded B in Section B1 of this policy:

- (r) in respect only to “building(s)”, loss or damage caused by explosion, 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 parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (iii) other vessels and apparatus and pipes connected therewith 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;
 - (iv) moving or rotating machinery or parts thereof;

(v) any vessels and apparatus and pipes connected therewith while undergoing pressure test, but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;

(vi) gas turbines;

however, this exclusion does not apply to:

- a) manually portable gas cylinders;
 - b) explosion of natural, coal or manufactured gas;
 - c) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere;
 - d) the pressurized fuel storage tanks of vehicles;
 - e) compressed-air receivers;
 - f) any pressure vessel in a dwelling comprising 6 units or less;
 - g) tanks having an internal diameter of 610 millimeters (24 inches) or less used for hot water heating and/or storage;
 - h) escape of water from any tank, apparatus or pipe.
- (q) centrifugal force, mechanical or electrical breakdown or derangement, but this exclusion shall not apply to resulting damage caused by a peril not otherwise excluded.

The second paragraph of Clause 27 Entry, Audit, Abandonment, Inspection and Clause 38 Suspension are deleted from the Standard Conditions of this Policy.

Extensions 6.A(i) and (j) Hazardous Substance and Ammonia Contamination are deleted from this policy.

This Boiler and Machinery Exclusion Endorsement is inapplicable to Extension 6.A(k) Contamination.

This Policy is subject to the following Loss Agreement:

LOSS AGREEMENT

In the event a recoverable loss exists, should a dispute arise between Property and Boiler/Machinery Insurers as to which Insurer is liable or as to the proportion of the loss to be paid by each Insurer, the Insurance Bureau of Canada "Agreement Respecting Disputed Losses Between Property Insurance and Boiler and Machinery Insurance Policies" shall, at the Insured's option, apply. The said agreement shall apply whether or not an Insurer is signatory thereto.

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

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

SECTION B2**BUSINESS INTERRUPTION****GROSS PROFITS****1. INSURING AGREEMENT**

If a part or all of any property insured under this Policy be lost, damaged or destroyed during the term of this Policy by a peril insured (in accordance with the conditions of the applicable Policy Section), the Insurer(s) shall indemnify the Named Insured for loss as provided herein.

2. MEASURE OF RECOVERY

This Policy is limited to loss of “gross profit” due to reduction in “turnover” and Increase in Cost of Working and the amount payable as indemnity hereunder 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 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 a peril insured against, but not exceeding the sum produced by applying the “rate of gross profit” to the amount of the reduction thereby avoided;

less any sum saved during the “indemnity period” in respect of such of the insured “standing charges” as may cease or be reduced as a consequence of the insured damage.

3. DEFINITIONS

In this Policy the words and terms noted below have the following meaning:

- (a) “Annual turnover” - The “turnover” during the twelve (12) months immediately before the date of the insured damage.
- (b) “Gross profit” - The sum produced by adding to the “net profit” the amount of the insured “standing charges”, or if there be no “net profit” the amount of the insured “standing charges” less the net trading loss.
- (c) “Indemnity period” - The period beginning with the occurrence of a peril insured against and ending not later than the number of months cited in the Declarations, during which the results of the business shall be affected as a consequence of the insured damage. This period shall not be limited by the expiry date of this Policy.
- (d) “Net profit” - The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Named Insured at the “premises” after due provision has been made for all Standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

- (a) "Ordinary payroll" - the entire payroll expense for all employees of the Named Insured, except officers, executives, departmental managers, employees under contract and other important employees whose services would not be dispensed with should the business be interrupted.
- (b) "Rate of gross profit" - The rate of "gross profit" earned on the "turnover" during the financial year immediately before the date of the insured damage.
- (c) "Standing charges" - All "standing charges" are insured unless otherwise specifically stated herein. The following in no event shall be deemed to be "standing charges":
 - (i) depreciation of stock;
 - (ii) bad debts;
 - (iii) "ordinary payroll" .
- (d) "Standard turnover" - The "turnover" during that period in the twelve (12) months immediately before the date of the insured damage which corresponds with the "indemnity period".
- (e) "Turnover" - The money paid or payable to the Named Insured for goods sold and delivered and for services rendered in course of the business.

Such adjustments shall be made to the "rate of gross profit", the "annual turnover" and the "standard turnover" 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 loss or which would have affected the business had the loss not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss would have been obtained during the relative period after the loss.

4. 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 Named Insured or by others on his behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the "turnover" during the "indemnity period".
- (b) The Insurer(s) shall not be liable for any 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) In the event of loss the Named 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 the business or to avoid or diminish the loss.
- (d) With respect to property of others, the Insured shall use his influence to induce others to make use of other machinery, equipment, supplies or locations available in order to resume operations.
- (e) Whenever this section of this Policy refers to interruption of business, it shall be construed to also include interruption of or delay in commencement of business or production.
- (f) In the event of damage to property under construction (including loss of building materials, supplies, machinery or equipment incidental to such construction or occupancy while on the Insured's "premises" or in transit thereto), the "indemnity period" shall read as follows:

“Indemnity period” - The period beginning on the date at which production or business operations would have commenced if the loss had not occurred and ending not later thereafter than the number of months cited in the Declarations, during which the results of the business shall be affected as a consequence of the insured damage. This period shall not be limited by the policy expiry date.

- (a) The “indemnity period” shall include any additional period of time required due to the enforcement of any by-law, regulation or law which regulates zoning or the demolition, repair or construction of damaged or undamaged property insured.
- (b) Coverage provided by this form does not apply to loss otherwise covered by this form resulting from loss of or damage to insured property that is subject to a basis of settlement of Market Value/Selling Price.

5. EXPENSES TO REDUCE LOSS

This Policy also covers such expenses as are necessarily incurred for the purpose of reducing loss under this section of this Policy but in no event shall the aggregate of such expenses exceed the amount by which the loss is thereby reduced.

6. INTERRUPTION BY CIVIL AUTHORITY

This Policy is extended to include the loss sustained by the Insured during the period of time, not exceeding four (4) weeks, while business is affected as a result of an order of civil authority, but only when such order is given as a direct result of direct physical loss or damage to property insured by a peril insured, or threat thereof.

7. CONTINGENT BUSINESS INTERRUPTION

This Policy is extended to include the loss sustained by the Insured because of loss or damage by a peril insured to:

(A) CONTRIBUTING PROPERTIES

Property not owned or operated by the Insured which supplies, contracts, or assists the business of the Insured in any way, and which would affect the business of the Insured if such property is destroyed or damaged;

(B) RECIPIENT PROPERTIES

Property not owned or operated by the Insured which would wholly or partially prevent the acceptance of goods produced or services provided by the Insured if such property is destroyed or damaged;

(C) INGRESS/EGRESS

Property of the type not excluded in this Policy, that impairs the ingress to or egress from “premises” insured by this Policy;

(D) SERVICE INTERRUPTION

Facilities or equipment furnishing heat, light, power, water gas or telecommunications services to the “premises” insured, when such damage or destruction is caused by the perils insured against. This extension of coverage applies only when the interruption of service described above, to the “premises” insured, is at least 48 consecutive hours.

There is no cover under this paragraph 7 for loss resulting from damage to or destruction of off-premises poles, towers or transmission or distribution lines.

1. ORDINARY PAYROLL EXPENSE (APPLICABLE AS CITED IN THE DECLARATIONS OF THIS POLICY)

The Insurer(s) shall be liable for the Insured's entire "ordinary payroll" for a period of time not in excess of the number of consecutive days as cited in the Declarations of this Policy immediately following the date of loss, which may continue during the interruption of business.

If the Insured reduces the daily losses covered under this clause, either by providing gainful employment for or paying less than the normal salary rate to all or part of the employees, then the number of consecutive days provided above may be extended, but in no case shall this provision increase the total liability of the Insurer(s) beyond the amount for which it would have been liable under this clause without this additional provision.

9. LIMIT OF INSURANCE

The most the insurer(s) will pay for loss or damage insured by any one or more of the coverages provided by this form in any one occurrence (all loss or damage attributable directly or indirectly to one cause or a series of similar or related causes) is the limit of insurance shown on the Declarations for Gross Profits.

Zurich Insurance Company Ltd Endorsement

Named Insured	Policy Number	Endorsement Effective Date	Endorsement Number
As per Policy Declarations	As per Policy Declarations	As per Policy Declarations	n/a

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is only applicable to the percentage share of Zurich Insurance Company Ltd, as set out in the schedule of Subscribing Companies limiting any liability to that proportion of the loss payable under this Policy. Without amending or changing in any way the quota share participation (with respect to both of coverage provided and percentage share of limits of insurance shown on the Declarations or elsewhere in this Policy) of the subscribing insurers, other than as stated hereinbelow, and solely with respect to the quota share participation of Zurich Insurance Company Ltd, the Policy is hereby amended to include the following:

1. OSFI Statement

In compliance with the *Insurance Companies Act* (Canada) and the requirements of the Office of the Superintendent of Financial Institutions, this endorsement is issued in the course of Zurich Insurance Company Ltd's insurance business in Canada.

2. Privacy Consent Notice

By submitting the requested information, which may include, but is not limited to, name, address, date of birth, driver's licence number, medical information, financial information, driving record, automobile insurance policy history, and automobile insurance claims history, you are providing consent to Zurich Insurance Company Ltd and its subsidiaries and affiliates located in your country of residency or abroad (collectively, "Zurich"), for the collection, storage, use, disclosure, and processing of your personal information as may be necessary for the purposes of securing and administering the requested insurance coverage(s), including but not limited to, risk evaluation, policy execution, premium setting, premium collection, claims adjusting, administration, investigation and settlement, fraud prevention, detection and suppression, or statistical evaluation. You are also providing consent to Zurich for the disclosure of your personal information to third parties, as required for and in relation to the above-stated purposes, including reinsurers, third party administrators, brokers, agents, claims adjusters, regulators or other governmental or public bodies, taxing authorities, industry associations, other insurers, and other third parties involved in providing insurance services ("Third Parties"). If your policy is being arranged by a broker or an agent, you authorize Zurich to collect, store, use, disclose, and process personal information received from such broker or agent in relation to the above-stated purposes. Additionally, by providing information about a third party, including but not limited to, a family member, director, officer, employee, or any party that has an interest in or derives a benefit from the policy, you hereby covenant and warrant that you have obtained the appropriate consent from such third party to disclose their personal information to Zurich and for Zurich to use and disclose such information for any of the above-stated purposes.

Zurich is committed to protecting the privacy and confidentiality of information provided. Your personal information may be processed by and is securely stored within the offices of Zurich and authorized Third Parties, both in domestic and foreign jurisdictions outside Canada and is subject to applicable laws.

Zurich may retain your personal information as needed for any of the above-stated purposes or as necessary to comply with Zurich's legal and regulatory obligations, resolve disputes, and enforce Zurich's agreements. You may request to review the personal information Zurich maintains about you and make corrections by writing to: Privacy Officer, Zurich Insurance Company Ltd (Canadian Branch), 100 King Street West, Suite 5500, P.O. Box 290, Toronto, ON M5X 1C9 or by emailing privacy.zurich.canada@zurich.com.

You may refuse to consent or withdraw your consent to the collection, storage, use, disclosure or processing of your personal information; however, your refusal to provide consent may result in Zurich being unable to offer and administer insurance coverage or prevent Zurich from being able to pay any claim benefits payable under your policy.

Please contact the Zurich Privacy Officer if you require further information regarding the collection, use, disclosure, processing and storage of your personal information or if you have any complaints via email at privacy.zurich.canada@zurich.com. You can also review our Privacy Policy at <https://www.zurichcanada.com/en-ca/about-zurich/privacy-statement>.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.



Equipment Breakdown Policy

The **Insurer** hereby agrees, in consideration of the payment to the **Insurer** by or on behalf of the Insured of the Premium specified, to insure against loss in the manner herein provided subject to the Coverages, Optional Coverages and Limits in the Policy Declarations.

Section A - Coverages

I. DIRECT DAMAGE

1. Insuring Agreement

In consideration of the Premium and subject to the Exclusions and Conditions herein, the **Insurer** agrees with the **Named Insured** respecting loss from an **Accident** to an **Object**, occurring during the Policy Period, at an Insured Location(s), as follows:

2. Basis of Insurance

2.1 Property Damage

To pay for loss to the property of the Insured and to the property of others in the care, custody or control of the Insured for which the Insured is legally liable, directly damaged by such **Accident** (or, if the **Insurer** so elects, to repair or replace such damaged property).

2.2 Property Valuation

The **Insurer** agrees that loss to property of the Insured shall mean the amount expended by the Insured to repair or replace such property, subject to the following provisions:

- (a) the **Insurer's** liability for any repair or replacement shall be limited to the lesser of the following:
 - (i) the cost at the time of the **Accident** to repair said property; or
 - (ii) the cost at the time of the **Accident** to replace said property with property of like kind, capacity, size and quality;
- (b) in the event that repair or replacement is by property of a better kind, capacity, size or quality, the liability of the **Insurer** shall not exceed the amount that would have been paid if repair or replacement had been made by property of like kind, capacity, size and quality;
- (c) the **Insurer** shall not be liable for the cost of repair or replacing any part or parts of an **Object** that is in excess of the cost of repairing or replacing the entire **Object**; and
- (d) if any damaged property is not repaired or replaced, the **Insurer's** liability as respects such property shall be limited to the **Actual Cash Value** of the damaged property.
- (e) the **Insurer's** liability as respects to any **Object** of 25 years or older shall be limited to the **Actual Cash Value** of the damaged property.

2.3 Environmental, Safety and Efficiency Improvements

If **Object** requires replacement due to an Accident the **Insurer** will pay the Insured the



Equipment Breakdown Policy

additional cost to replace with equipment the **Insurer** agrees is better for the environment, safer for people or more energy efficient than the equipment being replaced, subject to the following conditions:

- (a) the **Insurer** will not pay more than 125% of what the cost would have been to replace with like, kind and quality
- (b) the **Insurer** will not pay to increase the size or capacity of the equipment

2.4 Equipment Incompatibility

The cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between:

- (a) new equipment installed to replace damaged or destroyed equipment, and
- (b) undamaged existing equipment that no longer functions with the replaced equipment either at the same location and / or interdependent location; Provided that:
 - (i) damage or destruction was directly caused by a peril Insured against
 - (ii) the **Insurer(s)** shall be liable under this extension only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the destruction or damage
- (c) The **Insurer(s)** shall be liable for only the difference between
 - (i) The highest sales values of the undamaged existing equipment at the interdependent location; and
 - (ii) The installed cost of the technologically current equipment;
- (d) For the purposes of the deductible clause, the damage or destruction, and the necessity to replace incompatible equipment shall be regarded as one occurrence.

3. Conditions

Combined Limit Per Accident

The liability of the **Insurer** under this Coverage, on account of any one (1) **Accident** shall not exceed the amount specified as the Combined Limit Per Accident in the Declarations of this Policy. The term "one

(1)

Accident " shall be taken as including all resultant or concomitant **Accident(s)** whether to one (1)

Object

or to more than one (1) **Object** or to part of an **Object**. The inclusion herein of more than one (1) Insured shall not operate to increase the limits of the **Insurer's** liability.

3.1 Deductible Amount

If an amount is specified as a Deductible Amount:



Equipment Breakdown Policy

- (a) the **Insurer** will not pay for loss in any one occurrence until the amount of the adjusted loss exceeds the Deductible Amount and
- (b) in the event that more than one deductible applies in a single occurrence, the largest applicable deductible will be applied.

3.2 General

Except as provided, all the terms, conditions, provisions and definitions of the Policy and of any Schedule or Endorsement forming a part thereof, shall govern the insurance provided herein.

II. EXTRA EXPENSE

1. Insuring Agreement

In consideration of the Premium and subject to the Exclusions and Conditions herein, the **Insurer** hereby agrees with respect to the Insured Location(s), to pay the Insured the amount of **Extra Expense**, as defined, necessarily incurred by the Insured in order to continue as nearly as practicable the **Normal** operation of the Insured's business, provided such **Extra Expense** is incurred solely as the result of an **Accident**, to an **Object**; all subject to the amount of insurance specified in the Policy Declarations for any one (1) **Accident**.

The **Insurer** shall be liable for such **Extra Expense** commencing with the date of the **Accident** and not limited by the date of the expiration of this Policy, as shall be required with the exercise of due diligence and dispatch to restore the **Normal** operation of the Insured's business on the Premises.

If following an **Accident**, any lease, license or order is suspended, lapsed or cancelled, the **Insurer** shall not be liable for payment for any **Extra Expense** occurring after the time when the **Normal** operation of the Insured's business could have been resumed if said lease, license or order had not lapsed or had not been suspended or cancelled.

2. Exclusions

The **Insurer** shall not be liable for payment for any **Extra Expense**:

- (a) for any time during which Business would not or could not have been carried on if the **Accident** had not occurred; or
- (b) resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume the functions of the Insured Location.

With respect to loss under this Coverage, Policy Exclusions 1.3 (l), 1.3 (m) and 1.3 (n) are deleted in their entirety.

3. Conditions

3.1 Combined Limit Per Accident

The liability of the **Insurer** under this Coverage, on account of any one (1) **Accident** shall not exceed the amount specified as the Combined Limit Per Accident in the Declarations of this Policy. The term "one (1) **Accident**" shall be taken as including all resultant or concomitant **Accident(s)** whether to one (1) **Object** or to more than one (1) **Object** or to part of an **Object**. The inclusion herein of more than one Insured shall not operate to increase the limits of the



Equipment Breakdown Policy

Insurer's liability.

3.2 Waiting Period

If a number of hours is specified in the Policy Declarations, the **Insurer** shall not be liable for payment for **Extra Expense** during any period prior to the expiration of the stated number of hours after the Commencement of Liability as provided in Section E Policy Conditions, Paragraph 17.

3.3 Deductible Amount

If an amount is specified in this Policy, such an amount shall be deducted from the total amount of any loss and expense for which the **Insurer** is liable under this Coverage for any one (1) **Accident**, and no liability shall exist for such amount deducted.

3.4 General

Except as provided, all the terms, conditions, provisions and definitions of the Policy and of any Schedule or Endorsement forming a part thereof, shall govern the insurance provided herein.

4. Definitions

4.1 Extra Expense

The term **Extra Expense** wherever used shall mean the additional cost to conduct the Insured's business during the period of restoration over and above the cost that normally would have been incurred to conduct the business during the same period had no **Accident** occurred; such additional cost to include the expense of obtaining and using other property or facilities of other concerns or other necessary emergency expenses. In no event, however, shall the **Insurer** be liable under this Coverage for loss of income, nor for **Extra Expense** in excess of that necessary to continue as nearly as practicable the **Normal** conduct of the Insured's business, nor for the cost of repairing or replacing any property that has been damaged or destroyed by an **Accident**, except such cost incurred for the purpose of reducing the total amount of **Extra Expense**.

However, the **Insurer's** liability for such cost shall not exceed the amount by which the total **Extra Expense** otherwise payable is reduced. Any salvage value of substitute or temporary equipment or property remaining after the resumption of **Normal** operations shall be taken into consideration in the adjustment of any loss hereunder.

4.2 Normal

The word **Normal** wherever used shall mean the condition that would have existed had no **Accident** occurred.

III. CONSEQUENTIAL DAMAGE

1. Insuring Agreement

In consideration of the Premium and subject to the Exclusions and Conditions herein, the **Insurer** hereby agrees:



Equipment Breakdown Policy

- (a) to pay the Insured the amount of loss to the Specified Property of the Insured as stated on the Policy Declarations;
- (b) to pay the amount of loss to the Specified Property of others in the care, custody or control of the Insured for which the Insured is legally liable; and
- (c) to pay that amount of expense which is reasonably incurred by the Insured or the **Insurer** to reduce or avert such loss, but only to the extent that the total amount, that otherwise would have been paid under any other part of this Agreement, is thereby reduced.

provided such loss is due to spoilage resulting solely from an **Accident**, to an **Object**. The preceding is all subject to the Combined Limit Per Accident specified in the Policy Declarations. In no event shall any payment exceed the limit specified in the Policy Declarations for this coverage.

2. Exclusions

The **Insurer** shall not be liable for payment:

- (a) for any loss resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means to protect the Specified Property from damage, following an **Accident**; or
- (b) as respects the Specified Property of the Insured damaged or destroyed, for more than the **Actual Cash Value** thereof at the time of the **Accident**, with proper deductions for depreciation, however caused.

With respect to loss under this Coverage, Policy Exclusions 1.3 (l), 1.3 (m) and 1.3 (n) are deleted in their entirety.

3. Conditions

3.1 Combined Limit Per Accident

The liability of the **Insurer** under this Coverage, on account of any one (1) **Accident** shall not exceed the amount specified as the Combined Limit Per Accident in the Declarations of this Policy. The term "one (1) **Accident** " shall be taken as including all resultant or concomitant **Accident(s)** whether to one (1) **Object** or to more than one (1) **Object** or to part of an **Object**. The inclusion herein of more than one (1) Insured shall not operate to increase the limits of the **Insurer's** liability.

3.2 Deductible Amount

If an amount is specified in the Policy, such an amount shall be deducted from the total amount of any loss and expense for which the **Insurer** is liable for any one (1) **Accident**, and no liability shall exist for such amount deducted.

3.3 General

Except as provided, all the terms, conditions, provisions and definitions of the Policy and of any Schedule or Endorsement forming a part thereof, shall govern the insurance provided herein.



Equipment Breakdown Policy

IV. BUSINESS INTERRUPTION - GROSS EARNINGS

This Coverage is available only if an amount is identified on the Policy Declarations.

1. Insuring Agreement

In consideration of the Premium and subject to the Exclusions and Conditions herein, this Coverage covers against loss resulting only from the necessary interruption of business conducted by the Insured at the Insured Location(s) caused solely by an **Accident** which occurs while this Coverage is in effect, to an **Object**, subject to the Combined Limit Per Accident specified in the Policy Declarations for any one (1) **Accident**.

2. Basis of Insurance

The measure of recovery in the event of loss hereunder shall be:

- (a) the reduction in **Gross Earnings** directly resulting from such interruption of business, less
- (b) charges and expenses which do not necessarily continue during the interruption of business and the Insured's ordinary payroll expense, and
- (c) not exceeding such length of time as would be required with due diligence and dispatch to rebuild, repair or replace such property as has been destroyed or damaged by an **Accident**, beginning with the Commencement of Liability as provided in Section E Policy Conditions, Paragraph 17 or, the number of hours as specified in the Policy Declarations, and
- (d) not exceeding the Actual Loss Sustained by the Insured resulting from such interruption of business.

Due consideration shall be given to the continuation of normal charges and expenses, excluding ordinary payroll expense, to the extent necessary to resume operations of the Insured with the same quality of service which existed immediately preceding the occurrence of the **Accident**.

3. Exclusions

The **Insurer** shall not be liable for payment for any interruption of business:

- (a) for any time during which business would not or could not have been carried on if the **Accident** had not occurred;
- (b) resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume business;
- (c) resulting from any loss from damage to or destruction of **Finished Stock** nor for the time required to reproduce any **Finished Stock** which may be damaged or destroyed;
- (d) due to interference at the Insured Location(s) by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption or continuation of business;
- (e) due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
- (f) due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's earnings after the period following any loss during which indemnity is payable;



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or

(g) due to any other consequential or remote loss.

With respect to loss under this Coverage, Policy Exclusions 1.3 (l), 1.3 (m) and 1.3 (n) are deleted in their entirety.

4. Conditions

4.1 Combined Limit Per Accident

The liability of the **Insurer** under this Coverage, on account of any one (1) **Accident** shall not exceed the amount specified as the Combined Limit Per Accident in the Declarations of this Policy. The term "one (1) **Accident** " shall be taken as including all resultant or concomitant **Accident(s)** whether to one (1) **Object** or to more than one (1) **Object** or to part of an **Object**. The inclusion herein of more than one (1) Insured shall not operate to increase the limits of the **Insurer's** liability.

The liability of the **Insurer** shall not be limited by the expiration of the Policy.

Any payment for which the **Insurer** is liable under this Coverage shall be considered a loss under this Coverage.

4.2 Waiting Period

If a number of hours is specified in the Policy Declarations, but not otherwise, the **Insurer** shall not be liable for any loss and expense incurred during any period prior to the expiration of the stated number of hours after the Commencement of Liability as provided in Section E - Policy Conditions, Paragraph 17.

4.3 Deductible Amount

If an amount is specified in this Policy, such amount shall be deducted from the total amount of any loss and expense, for which the **Insurer** is liable under this Coverage for any one (1) **Accident**, and no liability shall exist for such amount deducted.

4.4 Adjustment of Premium

If, within twelve (12) months of each of the annual anniversary dates of this Coverage the Insured shall file with the **Insurer** a Report of Values showing, as respects the immediately previous annual period of this Coverage, that the amount obtained from the product of

- (a) the **Gross Earnings** earned during the Insured's financial year most nearly concurrent with such immediately previous annual period of this Coverage, as certified by the Insured's auditors, and
- (b) if the Coinsurance Percentage specified in the Policy Declarations, is less than the Combined Limit Per Accident specified in the Policy Declarations, then the **Insurer** will allow, in respect of the difference, a return premium to the Insured not exceeding 50% of the premium paid by the Insured under this Coverage for the immediately previous annual period.

In the event of loss originating during the term of this Coverage, the premium for the full term of the Policy on the full amount paid or payable for such loss shall be regarded as earned and no return premium shall be made in respect thereof.



Equipment Breakdown Policy

The **Insurer** reserves the right to inspect the Insured's books and records for verification of any statement filed for the purpose of adjusting the premium of this Coverage.

4.5 Coinsurance Clause

The **Insurer** shall not be liable under this Coverage for the payment of a greater proportion of the amount of loss resulting from any one (1) **Accident**, than the Combined Limit Per Accident specified in the Policy Declarations bears to the amount obtained by applying the Coinsurance Percentage specified in the Policy Declarations to the **Gross Earnings** that would have been earned had no **Accident** occurred, during the twelve (12) months immediately following the date of the **Accident**.

4.6 Expenses to Reduce Loss

This Coverage also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Coverage and such expenses in excess of **Normal**, as would necessarily be incurred in replacing any stock used by the Insured to reduce loss under this Coverage.

In no event shall the aggregate of such expenses exceed the amount by which the loss under this Coverage is thereby reduced. Such expenses shall not be subject to the application of the Coinsurance Clause.

4.7 General

Except as provided by this Coverage, all the terms, conditions, provisions and definitions of the Policy and of any Schedule or Endorsement forming a part thereof, shall govern the insurance provided by this Coverage.

5. Definitions

5.1 Gross Earnings

For the purpose of this insurance, **Gross Earnings** are defined as the sum of:

- (a) total net sales value of production;
- (b) total net sales of **Merchandise**; and
- (c) other earnings derived from operations of the business, less the cost of:
 - (d) **Raw Stock** from which such production is derived;
- (e) supplies consisting of materials consumed directly in the conversion of such **Raw Stock** into **Finished Stock** or in supplying the service(s) sold by the Insured, at the Insured Location(s) herein described;
- (f) **Merchandise** sold, including packaging materials therefore;
- (g) services purchased from outsiders (not employees of the Insured) for resale which do not continue under contract; and
- (h) the entire payroll for all employees of the Insured, except officers, executives, department managers, employees under contract and other important employees.



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No other costs shall be deducted in determining **Gross Earnings**.

In determining **Gross Earnings**, due consideration shall be given to the experience of the business before the **Accident** and the probable experience thereafter had no **Accident** occurred.

5.2 Raw Stock

means material in the state in which the Insured receives it for conversion by the Insured into finished stock.

5.3 Stock in Process

means **Raw Stock** which has undergone any aging, seasoning, mechanical or other process of manufacture at the Insured Location, but which has not become finished stock.

5.4 Finished Stock

means the stock manufactured by the Insured which, in the ordinary course of the Insured's business, is ready for packing, shipment or sale.

5.5 Merchandise

means the goods kept for sale by the Insured, which are not the product of manufacturing operations conducted by the Insured.

5.6 Normal

means the condition, which would have existed, had no **Accident** occurred.

V. BUSINESS INTERRUPTION - LOSS OF PROFITS - GROSS RENTALS

This Coverage is available only if an amount is identified on the Individual Certificate of Coverage.

1. Insuring Agreement

In consideration of the Premium and subject to the Exclusions and Conditions herein, the **Insurer** hereby agrees, with respect to the Business at the Insured Location(s), that if, during the period while this coverage is in effect, any **Object** for this coverage at the Insured Location(s) shall sustain an **Accident** and the Business carried on by the Insured at the Insured Location(s) be interrupted or interfered with solely as a result of such **Accident**, the **Insurer** will pay the Insured the amount of loss resulting from such interruption or interference in accordance with the provisions of this Coverage, provided that the liability of the **Insurer** under this Coverage shall in no case exceed the Combined Limit Per Accident specified in the Policy Declarations.

2. Basis of Insurance

2.1 Gross Rentals

The insurance under **Gross Rentals** is limited to loss of **Gross Rentals** and increase in Cost of Working. The amount payable as Indemnity there under shall be:

- (a) the loss of **Gross Rentals**: the amount by which the **Gross Rentals** during the **Indemnity Period** shall in consequence of the **Accident** fall short of the **Standard Gross Rentals**; or



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- (b) the increase in Cost of Working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **Gross Rentals** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Accident** but not exceeding the amount of the reduction in **Gross Rentals** thereby avoided;

less any sum saved during the **Indemnity Period** in respect of such charges of the Business payable out of **Gross Rentals** as may cease or be reduced in consequence of the **Accident**, provided that if the Combined Limit Per Accident is less than the **Annual Gross Rentals** the amount payable shall be proportionately reduced.

3. Exclusions

3.1 The **Insurer** shall not be liable for payment for any interruption or interference with Business:

- (a) for any time during which Business would not or could not have been carried on if the **Accident** had not occurred; or
- (b) resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume Business.

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

With respect to loss under this Coverage, Policy Exclusions 1.3 (l), 1.3 (m) and 1.3 (n) are deleted in their entirety.

4. Conditions

4.1 Combined Limit Per Accident

The liability of the **Insurer** under this Coverage, on account of any one (1) **Accident** shall not exceed the amount specified as the Combined Limit Per Accident in the Declarations of this Policy. The term "one (1) **Accident** " shall be taken as including all resultant or concomitant **Accident(s)** whether to one (1) **Object** or to more than one (1) **Object** or to part of an **Object**. The inclusion herein of more than one (1) Insured shall not operate to increase the limits of the **Insurer's** liability.

The liability of the **Insurer** shall not be limited by the expiration of the Policy.

Any payment for which the **Insurer** is liable under this Coverage shall be considered a loss under this Coverage.

4.2 Waiting Period

If a number of hours is specified in the Policy Declarations, but not otherwise stated, the **Insurer** shall not be liable for any loss and expense incurred during any period prior to the expiration of the stated number of hours after the Commencement of Liability as provided in Section E Policy Conditions, Paragraph 17.

4.3 Deductible Amount

If an amount is specified in this Policy, such amount shall be deducted from the total amount of any loss and expense for which the **Insurer** is liable under this Coverage for any one (1)



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Accident, and no liability shall exist for such amount deducted.

4.4 Adjustment of Premiums

If within twelve (12) months of each of the annual anniversary dates of this Coverage the Insured shall file with the **Insurer** a Report of Values showing, as respects the immediately previous annual period of this Coverage, that the **Gross Rentals** earned during the Insured's financial year most nearly concurrent with such immediately previous annual period of this Coverage, as certified by the Insured's auditors, or a multiple thereof to coincide with the **Indemnity Period** if this exceeds twelve (12) months, was less than the Combined Limit Per Accident on **Gross Rentals**, then the **Insurer** will allow, in respect of the difference, a return premium to the Insured not exceeding 50% of the premium paid by the Insured under this Coverage for the immediately previous annual period.

In the event of loss originating during the term of this Coverage, the premium for the full term of the Policy on the full amount paid or payable for such loss shall be regarded as earned and no return premium be made in respect thereof.

The **Insurer** reserves the right to inspect the Insured's books and records for verification of any statement filed for the purpose of adjusting the premium of this Coverage.

4.5 General

Except as provided by this Coverage, all the terms, conditions, provisions and definitions of the Policy and of any Schedule or Endorsement forming a part thereof, shall govern the insurance provided by this Coverage.

5. Definitions

5.1 Indemnity Period

means the period beginning with the occurrence of the **Accident** and ending no later than the number of months thereafter, as specified in the Policy Declarations, during which the results of the business shall be affected solely as a result of the **Accident**.

5.2 Gross Rentals

means the money paid or payable to the Insured by tenants in respect of Rental of the Premises.

5.3 Annual Gross Rentals

means the **Gross Rentals** during the twelve (12) months immediately before the date of the Accident.

5.4 Standard Gross Rentals

means the **Gross Rentals** during that period in the twelve (12) months immediately before the date of the **Accident**, which corresponds, with the **Indemnity Period**.

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 **Accident** or which would have affected the Business had the **Accident** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Accident** would have been obtained during immediately relative



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period after the **Accident**.

If, during the **Indemnity Period**, the Business shall be conducted elsewhere than at the Insured Location(s), the **Gross Rentals** derived from such other locations shall be brought into account in arriving at the **Gross Rentals** during the **Indemnity Period**.

VI. BUSINESS INTERRUPTION - LOSS OF PROFITS (TURNOVER)

This Coverage is available only if an amount is identified on the Individual Certificate of Coverage.

1. Insuring Agreement

In consideration of the Premium and subject to the Exclusions and Conditions herein, the **Insurer** hereby agrees, with respect to the Business at the Insured Location(s), that if, during the period while this coverage is in effect, should any **Object** that is at the Insured Location(s) sustain an **Accident**, and the Business carried on by the Insured at the Premises be interrupted or interfered with solely as a result of such **Accident**, the **Insurer** will pay the Insured the amount of loss resulting from such interruption or interference in accordance with the provisions of this Coverage.

In no case shall the liability of the **Insurer** under this Coverage exceed the Combined Limit Per Accident specified in the Policy Declarations.

2. Basis of Insurance

2.1 Gross Profit

The insurance under **Gross Profit** is limited to loss of **Gross Profit** due to reduction in **Turnover** and increase in Cost of Working. The amount payable as Indemnity thereunder shall be:

- (a) the 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 **Accident** fall short of the **Standard Turnover**; and
- (b) the increase in Cost of Working: the additional expenditure 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 **Accident** but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction thereby avoided; less any sum during the **Indemnity Period** in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the **Accident**, provided that if the sum Insured on **Gross Profit** be less than the sum produced by applying the **Rate of Gross Profit** to the **Annual Turnover** the amount payable shall be proportionately reduced.

In the event that the **Indemnity Period** exceeds twelve (12) months, the **Annual Turnover** referred to in this clause shall be proportionately increased by a multiple thereof to coincide with the **Indemnity Period**.

3. Exclusions

3.1 The **Insurer** shall not be liable for payment for any interruption or interference with Business:

- (a) for any time during which Business would not or could not have been carried on if the **Accident**



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had not occurred; or

(b) resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume Business.

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

With respect to loss under this Coverage, Policy Exclusions 1.3 (l), 1.3 (m) and 1.3 (n) are deleted in their entirety.

4. Conditions

4.1 Combined Limit Per Accident

The liability of the **Insurer** under this Coverage, on account of any one (1) **Accident** shall not exceed the amount specified as the Combined Limit Per Accident in the Declarations of this Policy. The term "one (1) **Accident** " shall be taken as including all resultant or concomitant **Accident(s)** whether to one (1) **Object** or to more than one (1) **Object** or to part of an **Object**. The inclusion herein of more than one (1) Insured shall not operate to increase the limits of the **Insurer's** liability.

The liability of the **Insurer** shall not be limited by the expiration of the Policy.

Any payment for which the **Insurer** is liable under this Coverage shall be considered a loss under this Coverage.

4.2 Waiting Period

If a number of hours is specified in the Policy Declarations, but not otherwise, the **Insurer** shall not be liable for any loss and expense incurred during any period prior to the expiration of the stated number of hours after the Commencement of Liability as provided in Section E - Policy Conditions, Paragraph 17.



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4.3 Deductible Amount

If an amount is specified in this Policy, such amount shall be deducted from the total amount of any loss and expense for which the **Insurer** is liable under this Coverage for any one (1) **Accident**, and no liability shall exist for such amount deducted.

4.4 Adjustment of Premiums

If within twelve (12) months of each of the annual anniversary dates of this Coverage the Insured shall file with the **Insurer** a Report of Values showing, as respects the immediately previous annual period of this Coverage, that the **Gross Profit** earned during the Insured's financial year most nearly concurrent with such immediately previous annual period of this Coverage, as certified by the Insured's Auditors, or a multiple thereof to coincide with the **Indemnity Period** if this exceeds twelve (12) months, was less than the Combined Limit Per Accident on **Gross Profit**, then the **Insurer** will allow, in respect of the difference, a return premium to the Insured not exceeding 50% of the premium paid by the Insured under this Coverage for the immediately previous annual period.

In the event of loss originating during the term of this Coverage, the premium for the full term of the Policy on the full amount paid or payable for such loss shall be regarded as earned and no return premium be made in respect thereof.

The **Insurer** reserves the right to inspect the Insured's books and records for verification of any statement filed for the purpose of adjusting the premium of this Coverage.

4.5 General

Except as provided by this Coverage, all the terms, conditions, provisions and definitions of the Policy and of any Schedule or Endorsement forming a part thereof, shall govern the insurance provided by this Coverage.

5. Definitions

5.1 Indemnity Period

means the period beginning with the occurrence of the **Accident** and ending no later than the number of months thereafter, as specified in the Policy Declarations, during which the results of the Business shall be affected solely as a result of the **Accident**.

5.2 Gross Profit

means the sum produced by adding to the **Net Profit** the amount of All Standing Charges, or if there be no **Net Profit** the amount of All Standing Charges less any net trading loss.

5.3 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 Insured Location after due provision has been made for all standing and other charges including depreciation but before deduction of any taxation chargeable on Profits. The following shall in no event be deemed Standing Charges:

- (a) depreciation of Stock;
- (b) bad debts;



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- (c) fines or damages for breach of contract;
- (d) wages and salaries, other than salaries to permanent staff, wages to foremen and important employees whose services would not be dispensed with should the Business be interrupted or interfered with solely as a result of an **Accident**; and
- (e) auditor s fees incurred in preparing any claim under this coverage, except as otherwise included in the Policy Declarations.

5.4 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.

If, during the **Indemnity Period**, the Business shall be conducted elsewhere than at the Insured Location(s) the **Gross Rentals** derived from such other locations shall be brought into account in arriving at the **Gross Rentals** during the **Indemnity Period**.

5.5 Rate of Gross Profit

means the amount earned on the **Turnover** during the financial year immediately before the date of the **Accident**.

5.6 Annual Turnover

means the **Turnover** during the twelve (12) months immediately before the date of the **Accident**.

5.7 Standard Turnover

means the **Turnover** during that period in the twelve (12) months immediately before the date of the **Accident** which corresponds with the **Indemnity Period**.

Adjustments shall be made to the above 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 **Accident** or which would have affected the Business had the **Accident** not occurred. The figures thus adjusted shall represent as nearly as may be practicable the results which but for the **Accident** would have been obtained during the relative period after the **Accident**.



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VII. Contingent Business Interruption

This Coverage is available only if an amount is identified on the Individual Certificate of Coverage.

The **Insurer** shall be liable for loss described in the above sections: IV, V, VI arising from an **Accident** to equipment not owned, operated or controlled by the Insured provided that:

- (a) the equipment is of a type described in the definition of Object, and
- (b) the equipment is located at the premises of:
 - (i) any direct Customer under contract with the Insured to accept the products produced by the Insured; or
 - (ii) any direct Supplier under contract with the Insured to deliver materials to the Insured.

The **limit of liability** of the **Insurer** for this contingent business interruption loss shall in no event exceed the amount specified in the Declarations for this Section, such amount included in and not in addition to the Policy limit.



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Section B - Policy Extensions of Coverage

1. Expediting Expense

The **Insurer** agrees to pay for the reasonable extra costs of expediting:

- (a) temporary repairs;
- (b) permanent repairs; or
- (c) permanent replacement.

In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per Accident under Coverage I Direct Damage.

2. Water Damage

The **Insurer's** liability for any loss, including salvage expense, on property damaged by water resulting from an **Accident** to:

- (a) any hot water heating piping; and
- (b) any refrigerating or air-conditioning pressure vessel and piping;

In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per **Accident** under Coverage I Direct Damage.

3. Ammonia Contamination

The **Insurer's** liability for loss, including salvage expense, with respect to physical damage by ammonia contacting or permeating property under refrigeration or in process requiring refrigeration, resulting from an **Accident** to any refrigerating pressure vessel and piping.

In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per **Accident** under Coverage I Direct Damage.

4. Hazardous Substances

It is agreed that if, as a result of an **Accident**, any Insured property is damaged, contaminated or polluted by a substance declared by any governmental agency to be hazardous to health or the environment, the **Insurer's** liability under Coverage I Direct Damage for additional expenses incurred for cleanup, repair or replacement, treatment, storage, or disposal of such damaged, contaminated or polluted property. This condition does not apply for loss or damage caused by Ammonia Contamination.

In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per **Accident** under Coverage I Direct Damage.

5. Professional Fees



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This Policy shall include the reasonable fees authorized by the **Insurer** payable to auditors, accountants, lawyers, architects, engineers or other such professionals, excepting the Insured's own employees and public adjusters, for producing and certifying particulars or details of the Insured's claim in order to establish the amount payable under this Policy. This insurance applies only to fees incurred in establishing the quantum of a loss, liability for which is otherwise accepted by the **Insurer**.

In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per **Accident** under Coverage I Direct Damage.

6. Errors and Omissions

In the event of an **Accident** at a location within Canada wherein the loss is not payable under this Policy solely due to any unintentional error and/or any omission by the Insured of any one combination of the following:

- (a) the failure to include a location owned or occupied by the Insured at the inception date of the Policy;
- (b) the description of a location;
- (c) property values reported; or
- (d) incorrect deletion of a location.

Such loss or damage shall be Insured by the Policy, but only to the extent that this Policy would have provided coverage had the error and/or omission not been made.

It is a condition of this coverage that any error and/or omission shall be reported and corrected, including an appropriate adjustment of premium.

It is furthermore understood and agreed that the provisions contained herein shall not operate to alter or extend the automatic coverage condition of the Policy in any way.

In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per Accident under Coverage I Direct Damage.

7. Automatic Coverage

With respect to any location hereafter acquired by the Insured, any **Object** in use or connected ready for use at the time said location is acquired shall be considered as added to this Policy at the time said location is acquired by the Insured, all subject to the following conditions:

- (a) Unless noted elsewhere on the certificate of issuance the Insured shall notify the Insurer in writing within three hundred sixty-five (365) days after the date said location is acquired;



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- (b) the Insured agrees to pay an additional premium for insurance in accordance with the Rules and Rates applicable to this Policy;
- (c) the **Insurer** shall not be liable under this coverage for any indirect loss resulting from an **Accident** to any **Object**, excepting that any form of Business Interruption Coverage already provided by this Policy shall be automatically extended to include such newly acquired location, subject to a maximum amount as specified in the Policy Declarations. In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per Accident stated under any applicable Business Interruption Coverage IV, V or VI; and
- (d) this Coverage shall apply only to any **Object** within Canada.

In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per **Accident** under Coverage I Direct Damage.

8. By-Laws

It is agreed that following an **Accident** to an **Object**, the **Insurer** shall be liable under the Coverage I Direct Damage of this Policy for the increased cost of repair or replacement of damaged and/or undamaged property of the Insured (including any necessary demolition and site clearing costs) occasioned by the enforcement of any law, bylaw or ordinance regulating or restricting repair, construction or installation.

The limit of the **Insurer's** liability for loss to the property of the Insured shall not exceed the cost at the time of the **Accident** to replace the said property with property of such kind, capacity, size and quality as will satisfy the minimum requirements prescribed by any law, bylaw or ordinance; provided that in the event the replacement is by property of a better kind or quality or of a larger capacity or size, the liability of the **Insurer** shall not exceed the amount that would be paid if replacement had been made by property as would satisfy such minimum requirements.

It is further agreed that:

- (a) the word "property" as used herein shall mean all property of the Insured;
- (b) the inclusion of Bylaws in this insurance does not affect the provisions of Exclusion 1.4 which remain in full force and effect; and
- (c) any prevention of business as Insured by this Policy under any Business Interruption Coverage form resulting from the enforcement of any law, bylaw or ordinance relating to an **Accident** shall be considered to have been caused solely by said **Accident**.

In no event shall the **Insurer's** liability for loss exceed the amount specified in the Policy Declarations, such amount is included in and not in addition to the Combined Limit Per **Accident** for the applicable Coverage.

9. Denial of Access by Civil Authority

Any Business Interruption and/or Extra Expense and / or Consequential Damage Coverage forming a part of the Policy is extended to cover loss of the kinds described in this Policy during the period of time, not exceeding the number of consecutive weeks as specified in the Policy Declarations, from the date when, as a direct result of an **Accident** to an **Object** either at an Insured Location(s) or at an adjacent location within five thousand (5,000) meters, where access to the Insured Location(s) described in any such Coverage is prohibited by order of civil authority.



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This coverage extension is subject to the terms, conditions and provisions of any Business Interruption and/or Extra Expense Coverage forming a part of this Policy, including any Deductible or Waiting Period provisions.

The provisions of the Hazardous Substances Coverage of the Policy shall not apply to this extension of Coverage.

10. Ingress/Egress

Any Business Interruption and/or Extra Expense Coverage forming a part of the Policy is extended to cover loss of the kinds described in this Policy, during the period of time, not exceeding the number of consecutive weeks as specified in the Policy Declarations, from the date when, as a direct result of an **Accident** to an **Object** either at an Insured Location(s) or at an adjacent location within five thousand (5,000) meters, where ingress to or egress from the Insured Location(s) described in any such Coverage is prohibited. This coverage extension does not apply if ingress to or egress from the Insured s location is prohibited by a civil authority.

This coverage extension is subject to the terms, conditions and provisions of any Business Interruption and/or Extra Expense Coverage forming a part of this Policy, including any Deductible or Waiting Period provisions.

The provisions of the Hazardous Substances Coverage of the Policy shall not apply to this extension of Coverage.

11. Data and Media

If as a result of an Accident or electronic circuitry impairment, electronic data or electronic media is lost or damaged the **Insurer** agrees to pay the:

- (a) cost of gathering or reproducing the electronic data or electronic media, and
- (b) Business Interruption / Extra Expense resulting from the loss or damage

The **Insurer** will not pay for electronic data or electronic media which is lost or damaged as a result of programming errors nor the cost of gathering or reproducing the data.

12. Heritage Clause

With respect to an **Accident** to an **Object** covered by this Policy, it is agreed that the **Insurer** shall be liable for the additional costs incurred if any, to repair, rebuild or replace the architectural features with building materials of the like, kind, capacity, size and quality. Including the costs of any skilled labour or authentic materials that are necessary to restore the features as nearly as possible to their original condition. It is agreed, however, that the **Insurer's** liability for any such costs shall in no event exceed the amount specified in the Declarations, such amount being part of and not in addition to the Combined Limit Per **Accident**.



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13. Green Standards

The **Insurer's** liability for repair or replacement shall be extended to include the necessary and incurred expenses to:

- (a) hire professionals accredited pursuant to **green standards** to participate in the repair or replacement of **property** of the Insured;
- (b) register and certify the repair or replacement of **property** of the Insured pursuant to **green standards**;
- (c) dispose of debris, certified pursuant to **green standards**, at recycling facilities, if such debris can be recycled; and
- (d) ventilate the repaired or replaced property in a manner consistent with **green standards**.

When direct physical damage is caused by or results from both:

- (a) an **Accident** to an **Object** Insured by this Policy, and
- (b) a loss excluded by this Policy

the valuation will not include the **green standards** costs attributable to the loss excluded by this Policy.

Instead the valuation will be based on that portion of such costs equal to the proportion that the covered direct physical damage bears to the total direct physical damage, not including **green standards** costs, unless the **green standards** apply solely to that portion of the damaged **property** which suffered the covered direct physical damage.

The **Insurer** shall be liable for payment under any Business Interruption or Extra Expense Coverage forming a part of this Policy for the:

- (a) Extra Expense necessarily incurred by the Insured during the period of restoration to purchase substitute power from a third party provided such Extra Expense is incurred solely as a result of an **Accident** to an **Object** forming part of the Insured's **alternative power generating equipment**; and
- (b) Interruption of business solely caused by or resulting from an **Accident** to an **Object** forming part of the Insured's **alternative power generating equipment** due to the loss of credits, reimbursements, rebates or other sums that the Insured receives from a third party that utilizes surplus power that the Insured generates from **alternative power generating equipment**.

This coverage applies until such **Object** is repaired or replaced and fully operational in accordance with the manufacturer's specifications. This coverage does not apply to any **Object** that supplies the Insured's **location** with utility services.

The **Insurer** shall be liable for payment under any Business Interruption or **extra expense** coverage forming a part of this Policy for the **extra expense** necessarily incurred by the Insured during the period of restoration to purchase substitute water from a third party provided such **extra expense** is incurred solely as a result of an **accident** to an **object** forming part of the Insured's **alternative water system**. This coverage applies until such **Object** is repaired or replaced and fully operational in accordance with the manufacturer's specifications.

This coverage does not apply to any **Object** that supplies the Insured's **location** with utility services.



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No coverage is provided for any increase in costs, loss or damage:

- (a) to clean up or remove Hazardous Substances
- (b) to clean up, remove, restore or replace property of the Insured because of the presence of fungus; or
- (c) attributable to any green standards which the Insured did not comply with before the loss, regardless of when such green standards become effective.

This coverage does not apply to Hazardous Substances or Fungus Clean Up or Removal coverages.

Alternative power generating equipment means equipment that has been certified pursuant to green **standards** which is used in:

- (a) Solar energy systems;
- (b) Wind energy systems;
- (c) Geothermal energy systems;
- (d) Low impact hydroelectric systems; or
- (e) Any other system that generates electricity from renewable resources.

Alternative water system means equipment situated above or below ground which is used to collect and circulate gray water, ground water, or rain water to the domestic, non-potable water supply of a building or to water treatment facilities or outside irrigation facilities at a **location** Insured under this Policy. **Alternative water system** does not include underground pipes or sprinkler heads intended solely for landscape irrigation.

Section C - Policy Exclusions

1. Exclusions

This Policy does not apply:

1.1 to loss from an **Accident** caused by or resulting from:

- (a) war, bombardment, invasion, insurrection, rebellion, revolution, terrorism, military or usurped power, enemy attack including any action or measure taken in resisting, combating, or delaying the enemy; and
- (b) operations of armed forces while engaged in hostilities, whether war be declared or not; the explosion of a concentration of munitions or explosives being manufactured, stored or transported.

1.2 to loss caused by or resulting from:

- (a) an **Accident** caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled; and
- (b) nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by an **Accident**;

nor shall the **Insurer** be liable for any loss covered in whole or in part by any contract of insurance, carried by the Insured, which also covers any hazard or peril of nuclear reaction or nuclear radiation.

1.3 to loss:

- (a) from fire concomitant with or following an **Accident** or from the use of water or other means to extinguish fire; however as respects any electrical machine or apparatus, the words outside the **Object** shall be included after the word fire;
- (b) from an **Accident** caused directly or indirectly by fire or from the use of water or other means to extinguish fire;
- (c) from a combustion explosion concomitant with or following an **Accident**;
- (d) from an **Accident** caused directly or indirectly by a combustion explosion;
- (e) from flood unless an **Accident** ensues and the **Insurer** shall then be liable only for loss from such ensuing **Accident**;
- (f) from an **Accident** caused directly by wind, including but not limited to cyclone, tornado, or hurricane;
- (g) from an **Accident** caused directly or indirectly by earth movement, including but not limited to earthquake, tidal wave, tsunami, landslide, mudflow, subsidence or volcanic eruption;

- (h) from an **Accident** caused directly or indirectly by lightning, hail, snow load or ice load, if coverage for that cause of loss is provided by any other Policy of insurance;
 - (i) from an **Accident** caused directly or indirectly by civil commotion, riot, vandalism, malicious mischief or sabotage, if coverage for that cause of loss is provided by any other Policy of insurance;
 - (j) from an **Accident** occurring to any **Object** prior to the time such **Object** has been completely installed, tested and contractually accepted by the Insured;
 - (k) from an **Accident** to an **Object** which contains or has contained a hazardous substance or to an **Object** while said **Object** is being worked upon if said **Accident** is a direct result of such work;
 - (l) from delay or interruption of business or manufacturing or process; unless an **Accident** ensues and the **Insurer** shall then be liable only for loss from such ensuing **Accident**
 - (m) from lack of power, light, heat, steam or refrigeration; unless an **Accident** ensues and the **Insurer** shall then be liable only for loss from such ensuing **Accident**; and
 - (n) from any other indirect result of an **Accident**.
- 1.4 to any increase in loss or additional expenses, whether direct or indirect, as a result of physical damage, contamination or pollution by a substance declared to be a contaminant, pollutant or hazardous substance by any government agency. As used, herein additional expenses shall mean expenses incurred beyond those for which the **Insurer** would have been liable had no contaminant, pollutant or hazardous substance been involved in the **Accident**.
- 1.5 to property damaged by water resulting from an **Accident** to any **Object**, provided coverage for that cause of loss is available by any other Policy of insurance.
- 1.6 to loss or damage caused directly or indirectly, in whole or in part:
- (a) by Terrorism or by any activity or decision of a governmental agency or other entity to prevent, respond to or terminate **Terrorism**. Such loss or damage is excluded regardless of any other cause, or event that contributes concurrently or in any sequence to the loss or damage; or
 - (b) under any business interruption coverage(s) where the loss or damage is caused in whole or in part by **Terrorism**. Business interruption coverages for this purpose shall include but not be limited to extra expense and consequential damage coverages.
- 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 person(s), 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.
- 1.7 to loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, unless an amount is specifically stated in the Declarations or from **electronic circuitry impairment**.
In the event of a stated amount, the **Insurer's** liability for loss shall not exceed the amount specified in the Declarations, and such amount is included in and not in addition to the

Combined Policy Limit.

1.8 This Policy does not apply to any loss or damage to electronic equipment, whether direct or indirect, provided coverage for that cause of loss is provided by any other Policy of insurance.

1.9 Notwithstanding any provision to the contrary within this policy or any endorsement attached thereto, this policy does not insure any loss, damage, claim, cost, expense, or other sum of any nature directly or indirectly based upon, arising out of, attributed to, caused by, or relating to:

- (a) any Communicable Disease (actual, threatened, perceived or suspected); or
- (b) any act, error, or omission in controlling, preventing, or suppressing, or failing to control, prevent, or suppress, or in any way relating to any actual, threatened, perceived or suspected outbreak of any Communicable Disease.

This exclusion applies regardless of any other cause or event contributing concurrently or in any other sequence with or to such loss, damage, claim, cost, expense, or other sum. Any actual, alleged, threatened, perceived, or suspected presence or existence of any **Communicable Disease** at, on, in, affecting, impacting, or impairing any property, or preventing any use of any property, shall not constitute loss or damage whether physical or otherwise, or loss of use to tangible or intangible property.

No coverage extension, additional coverage, global extension, overlapping exclusions, exception to any exclusion or other coverage grant shall afford any coverage that would otherwise be excluded through this exclusion.

1.10 Notwithstanding any provision to the contrary within this policy or any endorsement attached thereto, this Policy does not insure any loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- (a) Any unauthorized access to or unauthorized use of any computer system (including electronic data).
- (b) Malicious code, virus or other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
- (c) Denial of service attack which disrupts, prevents or restricts access to or use of any computer system or otherwise disrupts its normal functioning or operation.

Section D - Policy Special Provisions

1. Special Provisions

- 1.1 As respects any **Object**, the **Insurer** shall not be liable for loss from an **Accident** while said **Object** is undergoing a hydrostatic, pneumatic, gas pressure test, insulation breakdown test or is being dried out.
- 1.2 As respects any boiler or fired vessel, the **Insurer** shall not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such **Object**, or within the passages from the furnace to the atmosphere, whether or not such explosion is:
 - (a) contributed to or aggravated by an **Accident** to any part of said **Object** that contains a heat transfer medium or its vapours; or
 - (b) caused in whole or in part, directly or indirectly, by an **Accident** to any **Object**, or part thereof.
- 1.3 As respects any boiler of the chemical recovery type, the **Insurer** shall not be liable for loss from an explosion within the furnace of any such boiler or within the passages from the furnace to the atmosphere, whether or not such explosion is:
 - (a) contributed to or aggravated by an **Accident** to any part of said boiler that contains a heat transfer medium or its vapours; or
 - (b) caused in whole or in part, directly or indirectly, by an **Accident** to any **Object**, or part thereof.
- 1.4 As respects any **Object**, it is agreed that **Accident** shall not mean the failure, malfunction or inadequacy of the following to correctly read, recognize, interpret or process, any date, time, or combined date/time data as the true calendar date or time or any other data interpreted as date, time or date/time data nor any action undertaken by or for the Insured to determine, rectify or test for any potential or actual failure, malfunction or inadequacy:
 - (a) **Electronic Data** processing equipment, or other equipment, including microprocessors (computer chips), integrated circuits, or switches, whether embedded therein or not part of any computer system;
 - (b) computer program, operating system, network, software, media or data;
 - (c) memory storage system or device;
 - (d) real time clock or date calculator;
 - (e) other computerized or electronic equipment, components or devices, or any related system or process; or
 - (f) other products, services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed above.

Such failure, malfunction or inadequacy shall include any error in original or modified data entry or programming.

Action shall include, but not be limited to, advice, assessment, consultation, design, evaluation, inspection, installation, maintenance, remediation, repair, replacement or supervision.

It is agreed, however, that should an **Accident** to any **Object** ensue, the **Insurer** shall then be liable only for loss from such **Accident**.

1.5 The Policy is extended to cover the following **Object(s)**:

Any electronic equipment used for:

- (a) computing, data processing, duplicating, inventory control, monitoring, scanning or office services;
- (b) the generation, control, transmission, reception, recording, reproduction, playback or other use of audio, video or other communication signals, or for tracking communication satellites.
- (c) electronic circuitry impairment

Section E - Policy Conditions

1. Insured Location(s)

It is agreed that this Policy covers all locations owned by or leased or operated by the Insured within Canada as on file with the **Insurer**.

2. Language of the Policy

The parties have expressly agreed that this Policy and all related documents be drawn up in the English language.

Les parties aux présentes ont expressément exigé que la présente police d'assurance ainsi que tous les documents y afférent soient rédigés en langue anglaise.

3. Currency Clause

All limits of insurance, premiums, and other amounts expressed in this contract are in Canadian currency unless otherwise noted in the Policy Declarations or specific endorsement.

4. Blanket Mortgagees and Additional Interests

Additional Interests under this Policy, consisting of, but not limited to mortgagees, lenders, loss payees and additional Insureds, are covered in accordance with certificates of insurance issued to such interest and on file with the **Insurer**. Loss, if any, shall be payable to the **Named Insured** and such additional interest, as their interest may appear.

The **Insurer** reserves the right to cancel this Policy as provided in the Cancellation Condition of this Policy and in such case, the **Insurer** agrees to mail to said Additional Interest, at the address of the said Additional Interest, a copy of the written cancellation notice mailed or delivered to the Insured. Such cancellation, as respects the interest of the said Additional Interest, shall be effective at the time specified in said notice to the Insured, but in no event earlier than fifteen (15) days after the date of mailing of said copy of notice to said Additional Interest.

If the Insured cancels this Policy as provided in the Cancellation Condition of this Policy, the **Insurer** agrees to mail to said Additional Interest, at the address of said Additional Interest, details of such request for cancellation, but in no event shall cancellation, as respects the interest of said Additional Interest, become effective before the date requested by the Insured or fifteen (15) days after mailing of such details, whichever is later.

Notwithstanding anything to the contrary in the mortgage clause of any mortgagee, the **Insurer** reserves the right to suspend insurance (which shall include any insurance applying to the interest of the mortgagee) on any **Object** in accordance with the suspension condition of the Policy.

5. Subrogation

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

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

6. Waiver of Subrogation

Any release from liability entered into by the Insured, prior to loss shall not affect the right of the Insured to recover nor shall the **Insurer(s)** have any right of subrogation against;

- (a) any of the parties Insured hereby;
- (b) any corporation whose capital stock at the time of the loss is owned or controlled by any of the parties Insured;
- (c) any corporation which is a parent of or any corporation or firm which is a subsidiary of or which is controlled by an affiliate with any one or more of the Insured hereby;
- (d) any employee, director, officer or partners of any of the parties. Corporations or firms described in subparagraphs a), b) and c) of this clause; and
- (e) at the option of the Insured Landlords and/or tenants.

7. Additional Objects

An additional premium shall be charged for additional **Objects** acquired after the effective date of this Policy, such additional premium to be computed pro rata from the time said additional **Objects** are connected ready for use.

8. Changes

By accepting this Policy, the Insured agrees that this Policy embodies all agreements existing between the Insured and the **Insurer** relating to this insurance. Notice or knowledge possessed by any other person shall not effect a waiver or a change in any part of this Policy or estop the **Insurer** from asserting any rights under this Policy; nor shall the terms and conditions of this Policy be waived or changed, except by Endorsement issued to form a part of this Policy. The additional or return premium for any such Endorsement shall be computed in accordance with the Rules and Rates applicable to this Policy.

9. Cancellation

This Policy may be cancelled by the Insured by conveying to the **Insurer** written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the **Insurer** by mailing to the Insured by registered mail at the Address of the Insured, as specified in the Policy Declarations, or for Quebec, at the last known address of the Insured, written notice stating when not less than ninety (90) days thereafter such cancellation shall be effective with the exception of fifteen (15) days for non-payment of premium. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice either by the Insured or by the **Insurer** shall be equivalent to mailing. If the Insured or **Insurer** cancels, the return premium shall be the pro-rata unearned premium. Premium adjustment may be made at the time cancellation is effected or as soon as practicable after cancellation becomes effective.

10. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon; if, however, the Insured shall die or be adjudged bankrupt or insolvent during the Policy Period, this Policy, unless cancelled, shall, if written notice be given to the **Insurer** within sixty (60) days after the date of such death or adjudication, cover the Insured's legal representative as the Insured.

11. Inspection

The **Insurer** shall be permitted but not obligated to inspect, at all reasonable times, any **Object** forming a part of this Policy. Neither the **Insurer's** right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **Named Insured** or others, to determine or warrant that such **Object** is safe or healthful.

12. Suspension

Upon the discovery of a dangerous condition with respect to any **Object**, any representative of the **Insurer** may immediately suspend the insurance with respect to said **Object** by written notice mailed or delivered to the Insured at the address of the Insured, as specified in the Declarations, or at the Location of the **Object**.

Insurance so suspended may be reinstated by the **Insurer** but only by an endorsement issued to form a part of this Policy.

The Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata, for the remaining term from the time of suspension.

13. Notice of Accident and Adjustment

When an **Accident** occurs, notice shall be given by or on behalf of the Insured to the **Insurer** or any of its authorized representatives as soon as possible. The Insured shall also give like notice of any claim (s) made on account of such **Accident**.

The **Insurer** shall have reasonable time and opportunity to examine the property and the premises of the Insured before repairs are undertaken or physical evidence of the **Accident** is removed, except for protection. Proof of loss shall be made by the Insured in such form as the **Insurer** may require.

The Insured shall render every assistance in facilitating the investigation and adjustment of any claim, submitting to examination and interview by any representative of the **Insurer**. The Insured shall not voluntarily incur any expense, other than at the Insured's own cost, except as otherwise expressly permitted in this Policy.

14. Reduction of Payment

As soon as possible after an **Accident**, the Insured shall continue or resume business, in whole or in part.

The Insured will make up lost business within a reasonable period of time (not to be limited to the period during which the business is interrupted) through the use of every available means, including surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock, which may be owned or controlled by the Insured or obtainable by the Insured from other sources and through working extra time or overtime at the Insured Location(s) or at such other Locations acquired for the purpose of making up lost business.

In making up lost business the Insured will do so to the extent that the amount for which the **Insurer** would otherwise be liable under this Coverage is reduced.

The **Insurer** may take such means as will in the opinion of the **Insurer** reduce or avert prevention of Business at the Insured Location(s) or supply the functions not in some other way.

15. Selling Price

Loss, if any, on finished goods or products manufactured by the Insured, shall be the regular cash selling price at the time of the loss of such goods or products at the Location where the loss occurs, less all discounts and charges to which these goods or products would have been subject had no loss occurred.

16. Brands and Labels

If the **Insurer** exercises its option to take all or any part of the stock involved in any loss Insured by this Policy, the Insured shall have the right to remove from the stock any trademarks, guarantees, names or other evidence of their interest. Where the removal of such marks is impossible or impractical, the stock may be stamped salvage and/or transferred to bulk containers at the cost of the Insured.

17. Commencement of Liability

The **Insurer's** liability under any Business Interruption Coverage shall commence at

(a) the time of the **Accident**; or

(b) twenty-four (24) hours prior to the **Insurer** receiving any such notice, whichever is later.

If the Standard or Daylight Time in effect at the address to which a notice is sent is different from that in effect at the **Location** where the **Accident** occurred, the time of receipt of such notice, for the determination of the beginning of the Commencement of Liability shall be considered on the basis of the time in effect where the **Accident** occurred.

18. Action against Insurer

No action shall lie against the **Insurer** unless, as conditions precedent thereto:

- (a) the Insured has fully complied with all the terms and conditions of this Policy; and
- (b) any action is commenced within fourteen (14) months from the date of the **Accident** or within the minimum prescribed by law.

19. IBC Disputed Loss Agreement

In the event a recoverable loss exists, and if a dispute arises between Property and Boiler and Machinery **Insurers** as to which **Insurer** is liable or as to the proportion of loss to be paid by each **Insurer**, the IBC Agreement "respecting disputed losses between property insurance boiler and machinery insurance policies" shall apply with respect to those participating **Insurers** signatory to the Agreement.

20. Other Insurance

Any payment for which the **Insurer** is liable shall be considered a loss. Any loss, to which both this insurance and other insurance carried by the Insured apply, shall be a joint loss. The **Insurer** shall be liable under this Policy only for that proportion of the joint loss that would have been payable under this Policy had no other insurance existed bears to the combined total of the said amount and the amount which would have been payable under all other insurance.

21. Sanctions

The **Insurer** shall not be deemed to provide cover and shall not be liable to pay any claim or loss or provide any benefit hereunder, to the extent that the provision of such cover, payment of such claim or loss or provision of such benefit would conflict with or expose the **Insurer** to any sanction, prohibition, restriction or penalty under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, United Kingdom or United States of America.

22. Applicable Law and Jurisdiction

Unless an applicable statute of a Canadian province or territory requires otherwise, all matters arising hereunder including questions related to the validity, interpretation, performance, and enforcement of this Policy, shall be determined in accordance with the law of the Province of Ontario, notwithstanding Ontario's conflict of laws rules. In no event shall the law of any other jurisdiction outside of Canada apply.

All disputes arising hereunder, including questions related to the validity, interpretation, performance, and enforcement of this Policy, shall be submitted to the jurisdiction of the courts of the Province of Ontario.

Section F - Policy Definitions

1. Accident

shall mean a sudden and accidental breakdown of an **Object**, or a part thereof, which is accompanied, at the time of the incident, by physical damage to the **Object**, that necessitates repair or replacement of the **Object** or part thereof; but **Accident** shall not mean:

- (a) depletion, deterioration, corrosion, or erosion of material;
- (b) wear and tear;
- (c) the cracking of any part of any gas turbine exposed to the products of combustion;
- (d) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (e) the breakdown of any structure or foundation supporting the **Object** or any part thereof;
- (f) the functioning of any safety device or protective device; or
- (g) the sudden and accidental explosion of gas or unconsumed fuel within the furnace of any **Object** or within the gas passages there from to the atmosphere.

2. Object

shall mean any equipment or apparatus described below, while located at an Insured Location, including:

- (a) any boiler, any fired or unfired vessel, and any refrigerating or air conditioning pressure vessel, all normally subject to vacuum or internal pressure other than static pressure of contents, any condensate return tank, or any piping and its accessory equipment; and
- (b) any mechanical machine, electrical machine, or electrical apparatus, including fibre-optic cabling and apparatus, used for the generation, transmission or utilization of mechanical or electrical power; and
- (c) any electronic equipment used for:
 - (i) the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
 - (ii) computing, data processing, duplicating, inventory control, monitoring, or scanning or office services;
 - (iii) the starting, stopping, controlling or monitoring of one or more Insured **Objects**

but **Object** shall not include:

- (a) any boiler setting, any refractory material, any insulating material or any part of a boiler or fired pressure vessel which does not contain a heat transfer medium or its vapours;
- (b) any hose, any sewer piping, or any piping forming a part of a sprinkler system;
- (c) any water piping other than;

- (i) feed water piping between any boiler and its feed pumps or injectors;
- (ii) boiler condensate return piping; or
- (iii) water piping forming a part of a refrigerating, air conditioning or hot water heating system;
- (d) any well casing, penstock, draft tube, structure, or foundation other than a bedplate of a machine;
- (e) any vehicle, mobile or portable equipment, track locomotive, power shovel, excavator, trailing cable or drag line, but not excluding any electrical equipment mounted on or forming a part of any such machine or apparatus;
- (f) any felt, wire, screen, die, extrusion plate, swing hammer, chain, belt, grinding disc or cutting blade, clutch plate, brake pad, or any part or tool subject to frequent, periodic replacement;
- (g) the following:
 - (i) any elevator, escalator, conveyor, crane or hoist;
 - (ii) any oven, stove, furnace or kiln, or any associated refractory or insulating material;

However, with respect to those items specified in (g) the following are included: any pump, compressor, fan, blower, engine or turbine, or any electrical equipment and any separate enclosed gear set connected to such apparatus by a coupling, clutch, belt or chain;
- (h) any anode, x-ray or video amplifier tube;
- (i) any computer or other data processing equipment used principally for accounting or payroll services; and
- (j) any electronic equipment used for research, diagnostic, treatment, experimental, or other medical or scientific purposes.

As with regards to Service Interruption, the Definition of **Object** shall include any **Object** as defined within this Policy which is owned by a Public Utility or other supplier of service and used to supply under contract or lease, electric power, water, telephone services, refrigeration, gas, air or steam directly to the premises of the Insured and located within five thousand (5,000) meters of an Insured Location.

The **Object(s)** described above are included only for identification purposes with respect to Business Interruption and Consequential Damage Coverage. Indemnity under the Direct Damage coverage of this Policy for items included in this extension shall be limited to \$1.00.

This extension shall not include any loss resulting directly or indirectly from an **Accident** to an **Object**, should coverage for Service Interruption be provided by any other Policy of insurance.

3. Actual Cash Value

means the cost of replacing the damaged property with property of similar kind, capacity, size and quality less reasonable depreciation.

4. Communicable Disease

means any illness, sickness, disease, infection, condition, or disorder caused, in whole or in part, by any direct or indirect contact with or exposure to any virus, parasite, or bacteria or any disease-causing agent of any nature regardless of the method of transmission, contact or exposure.

5. Computer Virus

means a set of corrupting, harmful or otherwise unauthorized instructions or code, including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **Computer Virus** includes, but is not limited to, types known as Trojan Horses , Worms and Time or Logic Bombs .

6. Electronic Data

means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of such equipment.

7. Electronic Media

means material on which electronic data is recorded, such as magnetic tapes, hard disks including compact discs and / or digital video disks.

8. Dependent Provider Network

means any connected system of computing hardware, software, firmware and associated electronic components that is under the ownership, operation or control of, or leased by, a third party who is under contract by you to host your website, applications or infrastructure services or to provide data backup or data storage services.

9. Electronic Circuitry

means microelectronic components including, but not limited to, circuit boards, integrated circuits, computer chips and disk drives.

10. Electronic Circuitry Disturbance

means a fortuitous event involving **Electronic Circuitry** within an **Object** that causes the **Object** to suddenly lose its ability to function. This definition is subject to conditions specified in (i), (ii), (iii), and (iv), below.

- (a) The reasonable and appropriate remedy to restore such **Object's** ability to function is the replacement of one or more **Electronic Circuitry** components of the **Object**.
- (b) The **Object** must be owned or leased by you, or operated under your control
- (c) None of the following is **Electronic Circuitry Disturbance**

- (i) Any condition that can be reasonably remedied by:
 - 1) Rebooting, reloading or updating software or firmware; or
 - 2) Providing necessary power or supply
- (ii) Any condition cause by or related to:
 - 1) Incompatibility of the Object with any software or equipment installed, introduced or networked within the prior 30 days; or
 - 2) Insufficient size, capability or capacity of the Object
- (iii) Exposure to adverse environmental conditions in and of itself, including, but not limited to change in temperature or humidity.
- (iv) Loss of warranty

11. Production Machine

means any complete **Production Machine** or apparatus which processes, forms, cuts, shapes, grinds, or conveys raw materials, materials in process, waste materials or finished product, and any equipment forming a part of the driving or controlling mechanism for such **Production Machine** or apparatus.

12. Equipment Incompatibility

the means that under Section A – Coverages I – Direct Damage coverage is provided by the **Insurer** for purchasing and installing of technologically current equipment which is necessitated by incompatibility between:

- (a) New equipment installed to replace damaged or destroyed equipment; and
 - (b) Undamaged existing equipment that no longer functions with the replaced equipment either at the same location and/or interdependent location;
- Provided that:
- (i) Damage or destruction was directly caused by a peril Insured against;
 - (ii) The **Insurer(s)** shall be liable under this extension only for the amount sufficient to enable the **Insured** to resume operations in substantially the same manner as before the destruction or damage;
 - (iii) The **Insurers** shall be liable for only the difference between:
 - 1) The highest sales values of the undamaged existing equipment at the interdependent location; and
 - 2) The installed cost of the technologically current equipment;
 - (iv) For the purposes of the Deductible Amount, the damage or destruction, and the necessity to replace incompatible equipment shall be regarded as one occurrence.

13. Fungus

means any form or type of mould, yeast, mushroom, bacterium or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, mushroom or mildew, whether or not allergenic, pathogenic or toxigenic.

14. Green Standards

means:

- (a) the LEED® Green Building Rating System™ of the Canada Green Building Council;
- (b) requirements of the Green Globes® Assessment and Rating of the Green Building Initiative;
- (c) Energy Star® qualified requirements; or
- (d) other site development, water savings, energy efficiency, materials selection and other environmental quality
- (e) standards for the design and construction of property.

15. Combined Limit of liability

means the maximum amount payable for loss from any **Accident** to an **Object**.

16. Location

means the premises owned, leased or occupied by the Insured provided that the **location** is specifically set out, before the Accident, in the Declarations, Schedule of Locations Insured or in any Endorsement attached to the Policy.

17. Loss

means the reasonable and necessary amount actually expended by the Insured to repair or replace damaged **property** payable as set out in this Policy.

18. Property

means all property owned by the Insured and property of others in the care, custody or control of the Insured, for which the Insured is legally liable.

19. Vacant

means a location which is vacant, unoccupied or shut down for more than thirty (30) consecutive days.

20. Portable Objects

means under the definition of **Object** under this Policy is extended to include any boiler, pressure vessel, mechanical or electrical apparatus mounted on mobile equipment.

With respect to the above, the **Insurer** shall not be liable under this Policy for loss caused by or resulting from collision and upset or while any mobile equipment is in transit.

21. Unnamed Locations

means the **Insurer** shall be liable from an **Accident** to an **Object** at **Locations** owned by, leased by or occupied by the Insured but not specified in the locations reported.

IN WITNESS WHEREOF the Company has caused this Policy and the Declarations to be signed by the Chief Agent for Canada.

XL SPECIALTY INSURANCE COMPANY



James Lee
Chief Agent for Canada

**AMENDATORY ENDORSEMENT – FOR CONTRACTS OF INSURANCE MADE OR DEEMED TO BE
MADE IN ALBERTA, MANITOBA, AND SASKATCHEWAN**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IF THERE IS ANY CONFLICT BETWEEN THE POLICY, OTHER ENDORSEMENTS TO THE POLICY AND THIS ENDORSEMENT, THE TERMS PROVIDING THE BROADEST COVERAGE INSURABLE UNDER APPLICABLE LAW SHALL PREVAIL.

It is hereby understood and agreed that this policy is amended by adding the following provisions:

1. Limitation of Actions: Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act.
2. This policy is hereby amended by the addition of the following:

STATUTORY CONDITIONS:

Misrepresentation

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

Property of others

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

Change of interest

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

Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
 - (2) If an insurer or its agent is not promptly notified of a change under subparagraph³ (1) of this condition, the contract is void as to the part affected by the change.
 - (3) If an insurer or its agent is notified of a change under subparagraph³ (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph³ (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination of insurance¹

5. (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph³ (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements after loss

6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - i. giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 - ii. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - iii. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the insured,
 - iv. stating the amount of other insurances and the names of other insurers,
 - v. stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - vi. stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - vii. stating the place where the insured property was at the time of loss,
 - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and

if required by the insurer and if practicable,

- i. produce books of account and inventory lists,
- ii. furnish invoices and other vouchers verified by statutory declaration, and

- iii. furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph³ (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

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

Who may give notice and proof

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

Salvage

- 9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph³ (1) of this condition.

Entry, control, abandonment

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

In case of disagreement

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

When loss payable

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

Repair or replacement²

13. Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

If the insurer gives notice under subparagraph³ (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

Notice

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

NOTHING HEREIN SHALL VARY, ALTER OR EXTEND ANY PROVISION OR CONDITION OF THE POLICY OTHER THAN AS ABOVE STATED.

¹ In Manitoba "Termination of insurance" will read "Termination of contract"

² In Manitoba "Repair or replacement" will read "Replacement"

³ In Saskatchewan references to "subparagraph" will read as "subsection" or "clause"

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

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

SECTION I – COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. INSURING AGREEMENT

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

- (i) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (ii) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or medical expenses under Coverage C.

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

- (b) This insurance applies to "bodily injury" and "property damage" only if:
 - (i) the "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (ii) the "bodily injury" or "property damage" occurs during the policy period; and
 - (iii) prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then

any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- (c) "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- (d) "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1 of Section II – Who Is an Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (i) reports all or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (ii) receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
 - (iii) becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- (e) "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. EXCLUSIONS

This insurance does not apply to:

A. EXPECTED OR INTENDED INJURY OR DAMAGE

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property nor to any insured who neither sanctioned nor was a party to the causing of the "bodily injury" or "property damage".

B. CONTRACTUAL LIABILITY

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

- (a) assumed in a contract or agreement that is an "insured contract"; or
- (b) that the Insured would have in the absence of the contract or agreement.

C. WORKERS' COMPENSATION AND SIMILAR LAWS

Any obligation of the Insured under a workers compensation, disability benefits or unemployment compensation law or any similar law, except that this exclusion shall not apply to claims arising out of the legal liability imposed upon the Insured at common law, or as extended by statute, for injuries to employees of the Insured, nor shall this exclusion apply to claims arising out of any liability assumed by the Insured under contract.

D. EMPLOYERS' LIABILITY

"Bodily injury" to:

- (a) An "employee" of the insured resident in the United States of America arising out of and in the course of:
 - (i) Employment by the insured; or
 - (ii) Performing duties related to the conduct of the insured's business.

This exclusion applies:

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

This exclusion does not apply to:

- (i) Liability assumed by the insured under an "insured contract"; or
- (ii) a claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or required to be made by you under the provisions

of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

- (b) "Bodily injury to an "employee" of the insured while employed in violation of the law with your actual knowledge or the actual knowledge of any of your "executive officers".

E. AIRCRAFT OR WATERCRAFT

- (i) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of any aircraft, air cushion vehicle or watercraft; or
- (ii) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading or unloading."

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft.

This exclusion does not apply to:

- (i) a watercraft while ashore on premises you own or rent;
- (ii) a watercraft that is:
 - a) less than 10 meters long; and
 - b) not being used to carry persons or property for a charge.
- (iii) "bodily injury" to an "employee" of the insured arising out of and in the course of employment by the insured or performing duties related to the conduct of the insured's business, if the "bodily injury" results from an "occurrence" involving watercraft.

F. AUTOMOBILE

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, use or entrustment to others by or on behalf of the insured of any "automobile". Use includes operation. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury" or "property damage".

This exclusion also applies to:

- (a) any motorized snow vehicle or its trailers falling within the definition of "automobile"; and
- (b) any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity whether or not it is required by law to be insured under a contract evidenced by a motor vehicle liability policy.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, use or entrustment to others of any "automobile".

This exclusion does not apply to:

- (a) "bodily injury" to a Canadian resident "employee" of the insured arising out of and in the course of employment by the insured or performing duties related to the conduct of the insured's business;
- (b) "bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" owned by the Insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured; and
- (c) the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment, but this exception does not apply when such equipment is used for the purpose of "loading or unloading" except where such coverage is specifically regulated by any provincial or territorial insurance act.

G. DAMAGE TO PROPERTY

"Property damage" to:

- (a) property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property;
- (b) premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (c) property loaned to you;
- (d) personal property in your care, custody or control;
- (e) that particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (f) that particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (b) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (c), (d), (e) and (f) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (f) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

H. DAMAGE TO YOUR PRODUCT

"Property damage" to "your product" arising out of it or any part of it.

I. DAMAGE TO YOUR WORK

"Property damage" to that particular part of "your work" out of which any "property damage" arises and included in the "products-completed operations hazard".

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

J. DAMAGE TO IMPAIRED PROPERTY OR PROPERTY NOT PHYSICALLY INJURED

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

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

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

K. RECALL OF PRODUCTS, WORK OR IMPAIRED PROPERTY

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

- (a) "your product";
- (b) "your work"; or
- (c) "impaired property"

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

L. ELECTRONIC DATA

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

M. PERSONAL AND ADVERTISING INJURY

"Bodily injury" arising out of "personal and advertising injury"

N. PROFESSIONAL SERVICES

"Bodily injury" (other than for incidental medical malpractice injury"), or "property damage" due to an error, omission, malpractice or mistake committed by you or on your behalf in rendering or failing to render "professional services" for others.

O. ASBESTOS

See Common Exclusions.

P. FUNGI OR SPORES

See Common Exclusions.

Q. NUCLEAR

See Common Exclusions.

R. POLLUTION

See Common Exclusions.

S. TERRORISM

See Common Exclusions.

T. WAR RISKS

See Common Exclusions.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. INSURING AGREEMENT

- (a) We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "action" that may result. But:
 - (i) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
 - (ii) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or medical expenses under Coverage C.

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

- (b) This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. EXCLUSIONS

This insurance does not apply to:

- (a) Knowing Violation of Rights of Another
"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury"
- (b) Material Published With Knowledge of Falsity
"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.
- (c) Material Published Prior To Policy Period
"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- (d) Criminal Acts
"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.
- (e) Contractual Liability

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

(f) Breach of Contract

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

(g) Quality or Performance of Goods – Failure to Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

(h) Wrong Description of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

(i) Infringement of Copyright, Patent, Trademark or Trade Secret

"Personal and advertising injury" arising out of the infringement of registered trade mark, service mark, or trade name by use thereof as the registered trade mark, service mark, or trade name of goods or services sold, offered for sale or advertised, but this shall not relate to tales or slogans.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

(j) Insureds in Media and Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

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

However, this exclusion does not apply to Paragraphs 22. (a), (b). and (c). of "personal and advertising injury" under the Definitions section.

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

(k) Electronic Chatrooms or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

(l) Unauthorized Use of Another's Name or Product

"Personal and advertising injury" arising out of a known and intended unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

- (m) Asbestos
See Common Exclusions.
- (n) Fungi or Spores
See Common Exclusions.
- (o) Nuclear
See Common Exclusions.
- (p) Pollution
See Common Exclusions.
- (q) Terrorism
See Common Exclusions.
- (r) War Risks
See Common Exclusions.

COVERAGE C. MEDICAL PAYMENTS

1. INSURING AGREEMENT

- (a) We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (i) on premises you own or rent;
 - (ii) on ways next to premises you own or rent; or
 - (iii) because of your operations;provided that:
 - (i) the accident takes place in the "coverage territory" and during the policy period;
 - (ii) the expenses are incurred and reported to us within one year of the date of the accident; and
 - (iii) the injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- (b) We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III – Limits of Insurance. We will pay reasonable expenses for:
 - (i) First aid administered at the time of an accident;

- (ii) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (iii) Necessary ambulance, hospital, professional nursing and funeral services.

2. EXCLUSIONS

We will not pay expenses for "bodily injury":

- (a) Any Insured
To any insured, except "volunteer workers".
- (b) Hired Person
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- (c) Injury on Normally Occupied Premises
To a person injured on that part of premises you own or rent that the person normally occupies.
- (d) Workers' Compensation and Similar Laws
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- (e) Products-Completed Operations Hazard
Included within the "products-completed operations hazard".
- (f) Coverage A Exclusions
Excluded under Coverage A.

COVERAGE D. TENANTS' LEGAL LIABILITY

1. INSURING AGREEMENT

- (a) We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others rented to you or occupied by you. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:
 - (i) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
 - (ii) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage D.

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

- (b) This insurance applies to "property damage" only if:
 - (i) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (ii) The "property damage" occurs during the policy period; and
 - (iii) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (c) "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
- (d) "Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (i) Reports all, or any part, of the "property damage" to us or any other insurer;
 - (ii) Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
 - (iii) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

2. EXCLUSIONS

This insurance does not apply to:

- (a) Expected or Intended Damage
"Property damage" expected or intended from the standpoint of the insured.
- (b) Contractual Liability
"Property damage" for which the insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the insured would have in the absence of the contract or agreement.
- (c) Asbestos

See Common Exclusions.

- (d) Fungi or Spores – see Common Exclusions

See Common Exclusions.

- (e) Nuclear– see Common Exclusions

See Common Exclusions.

- (f) Pollution – see Common Exclusions

See Common Exclusions.

- (g) Terrorism – see Common Exclusions

See Common Exclusions.

- (h) War Risks – see Common Exclusions

See Common Exclusions.

COMMON EXCLUSIONS – COVERAGES A, B, C AND D

This insurance does not apply to:

1. ASBESTOS

"Bodily injury", "property damage", or "personal and advertising injury" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or any materials containing asbestos in whatever form or quantity.

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

2. FUNGI OR SPORES

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

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

- (c) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (a) or (b) above.

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

This exclusion shall not apply to "bodily injury" or "property damage" which results directly from a "products-completed operations hazard" not otherwise excluded by this Policy;

The most we will pay under this exception for all "bodily injury" and "property damage" in any policy period is \$250,000.

The Limit of Insurance provided by this exception shall be included in and is not in addition to any other Limits of Insurance provided for "bodily injury" or "property damage" under this Policy.

3. NUCLEAR ENERGY LIABILITY

- (a) Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- (b) "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- (c) "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
 - (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";
 - (iii) the possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

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

4. POLLUTION

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (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 that is not an "automobile" or its parts, if such fuels, lubricants or other operating fluids escape from a mobile equipment part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- 2. Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Section 2. does not apply to liability for "compensatory damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

5. TERRORISM

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

6. WAR RISKS

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an insured we defend:
 - (a) All expenses we incur;
 - (b) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
 - (c) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to \$250 a day because of time off from work;

- (d) All costs assessed or awarded against the insured in the "action";
- (e) Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", we will defend that indemnitee if all of the following conditions are met:
 - (a) The "action" against the indemnitee seeks "compensatory damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - (b) This insurance applies to such liability assumed by the insured;
 - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - (d) The allegations in the "action" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "action" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - (f) The indemnitee:
 - (i) Agrees in writing to:
 - a) Cooperate with us in the investigation, settlement or defense of the "action";
 - b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
 - c) Notify any other insurer whose coverage is available to the indemnitee; and
 - d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (ii) Provides us with written authorization to:
 - a) Obtain records and other information related to the "action"; and
 - b) Conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

- (a) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (f). above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - (a) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - (b) A partnership, limited liability partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - (c) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - (d) An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your shareholders are also insureds, but only with respect to their liability as shareholders.
 - (e) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - (a) Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (i) "Bodily injury" or "personal and advertising injury":
 - a) To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
 - c) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraphs 1(a) or (b) above;
 - d) Arising out of his or her providing or failing to provide professional health care services; or

- e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
 - (ii) "Property damage" to property:
 - a) Owned, occupied or used by;
 - b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).
 - (b) Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager;
 - (c) Any person or organization having proper temporary custody of your property if you die, but only:
 - (i) With respect to liability arising out of the maintenance or use of that property; and
 - (ii) Until your legal representative has been appointed.
 - (d) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Policy;
 - (e) Co-owners, joint ventures or partners, in their capacity as such, having a non-operating interest with you in operations insured hereunder, however this insurance does not apply to participants, other than you, of any partnership or joint venture agreement unless liability is assumed by you under any contract or agreement, or unless named as such on this Policy;
 - (f) Each person, firm, corporation or government body for whom you have contracted to provide insurance is an insured but only with respect to liability arising out of operations performed by you or on your behalf, and only to the extent required by such contract.
3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- (a) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - (b) Coverages A and D do not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - (c) Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - (a) Insureds;
 - (b) Claims made or "actions" brought; or
 - (c) Persons or organizations making claims or bringing "actions".
2. The General Aggregate Limit, if shown on the Declaration Page, is the most we will pay for the sum of:
 - (a) "Compensatory damages" under Coverage A, except "compensatory damages" because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (b) "Compensatory damages" under Coverage B; and
 - (c) Medical expenses under Coverage C.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - (a) "Compensatory damages" under Coverage A; and
 - (b) Medical expenses under Coverage Cbecause of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained by any one person or organization.
6. The Tenants' Legal Liability Limit is the most we will pay under Coverage D for "compensatory damages" because of "property damage" to any one premises.
7. Subject to 4. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

8. DEDUCTIBLE

1. Our obligation under Bodily Injury Liability, Property Damage Liability and Tenants' Legal Liability to pay "compensatory damages" on your behalf applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Declarations as applicable to such coverages, and the limits of

insurance applicable to each "occurrence" for Bodily Injury Liability and Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible. The Products - Completed Operations Aggregate Limit and the General Aggregate Limit (if shown on the Declaration Page) for such coverages shall not be reduced by the application of such deductible amount.

2. The deductible amounts stated in the Declarations apply as follows:

(a) Per Claim Basis – if the deductible is on a per claim basis, the deductible amount applies:

(i) Under Coverage A:

a) Bodily Injury Liability or Property Damage Liability respectively:

(A) To all "compensatory damages" because of "bodily injury" sustained by one person; or

(B) To all "compensatory damages" because of "property damage" sustained by one person or organization, as the result of any one "occurrence".

b) Bodily Injury Liability and Property Damage Liability combined, to all "compensatory damages" because of "bodily injury" and "property damage" sustained by one person or organization as the result of any one "occurrence".

(ii) Under Coverage D. Tenants' Legal Liability, to all "compensatory damages" because of "property damage" sustained by one person or organization as the result of any one "occurrence".

(b) Per Occurrence Basis – if the deductible is on a per occurrence basis, the deductible amount applies:

(i) Under Coverage A:

a) Bodily Injury Liability or Property Damage Liability respectively:

(A) To all "compensatory damages" because of "bodily injury" as the result of any one "occurrence"; or

(B) To all "compensatory damages" because of "property damage" as the result of any one "occurrence";

regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".

b) Bodily Injury Liability and Property Damage Liability combined, to all "compensatory damages" because of "bodily injury" and "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".

(ii) Under Coverage D. Tenants' Legal Liability, to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".

3. The terms of this insurance, including those with respect to:

a) our right and duty to defend any "action" seeking those "compensatory damages"; and

b) your duties in the event of an "occurrence", claim or "action"

apply irrespective of the application of the deductible amount.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. BANKRUPTCY

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Policy.

2. CANADIAN CURRENCY CLAUSE

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

3. CHANGES

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

4. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR ACTION

1. You must see to it that we or Aon Reed Stenhouse Inc. are notified, as soon as practicable after notice has been received by your insurance department or insurance administrator at your address stated in the Declarations, of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (a) How, when and where the "occurrence" or offense took place;
 - (b) The names and addresses of any injured persons and witnesses; and
 - (c) The nature and location of any injury or damage arising out of the "occurrence" or offense.
2. If a claim is made or "action" is brought against any insured, you must:
 - (a) Immediately record the specifics of the claim or "action" and the date received; and
 - (b) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "action" as soon as practicable.
3. You and any other involved insured must:
 - (a) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - (b) Authorize us to obtain records and other information;
 - (c) Cooperate with us in the investigation or settlement of the claim or defense against the "action"; and
 - (d) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this Policy at any time during the policy period and up to two years afterward.

6. INSPECTIONS AND SURVEYS

1. We have the right to:
 - (a) Make inspections and surveys at any time;
 - (b) Give you reports on the conditions we find; and
 - (c) Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - (a) Are safe or healthful; or
 - (b) Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. LEGAL ACTION AGAINST US

No person or organization has a right under this Policy:

- (a) To join us as a party or otherwise bring us into an "action" asking for "compensatory damages" from an insured; or
- (b) To sue us on this Policy unless all of its terms have been fully complied with.

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

8. OTHER INSURANCE

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A, B or D of this Policy, our obligations are limited as follows:

- (a) Primary Insurance

This insurance is primary except when (b) below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in (c) below.

(b) Excess Insurance

This insurance is excess over:

- (i) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - a) That is Property Insurance which also includes but is not limited to Builder's Risk, Installation Floater or similar coverage for "your work" or for premises of others rented to you or occupied by you;
 - b) If the loss arises out of the maintenance or use of watercraft to the extent not subject to Exclusion E of Section I – Coverage A – Bodily Injury and Property Damage Liability.
- (ii) Any other primary insurance available to you covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A, B or D to defend the insured against any "action" if any other insurer has a duty to defend the insured against that "action". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (i) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (ii) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Policy.

(c) Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

9. PREMIUM ADJUSTMENT

- (a) We will compute all premiums for this Policy in accordance with our rules and rates.
- (b) The Advance Liability Premium shown in the Declarations is a deposit premium only. At the end of each policy period we will compute the earned premium for that period. If such earned premium is

greater than the liability premium initially charged, the first Named Insured shall pay the excess to us. If, however, the earned premium is less than the liability premium initially charged, we will return the excess to the first Named Insured subject to the retention of the minimum liability premium shown in the Declarations.

- (c) The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

10. PREMIUMS

The first Named Insured shown in the Declarations:

- (a) Is responsible for the payment of all premiums; and
- (b) Will be the payee for any return premiums we pay.

11. REPRESENTATIONS OR FRAUD

By accepting this Policy, you agree:

- (a) The statements in the Declarations are accurate and complete;
- (b) Those statements are based upon representations you made to us;
- (c) We have issued this Policy in reliance upon your representations; and
- (d) This Policy is void in any case of fraud by you as it relates to this Policy or any claim under this Policy.

12. SEPARATION OF INSURED, CROSS LIABILITY

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- (a) As if each Named Insured were the only Named Insured; and
- (b) Separately to each insured against whom claim is made or "action" is brought.

Any breach of a condition of this Policy by any insured shall not affect the protection given by this Policy to any other insured.

13. TERMINATION

- (a) The first Named Insured shown in the Declarations may terminate this Policy by mailing or delivering to us advance written notice of termination.
- (b) Subject to paragraph (c) below, we may terminate this Policy by giving to the first Named Insured
 - (i) 5 days written notice of termination personally delivered or 15 days notice of termination by registered mail, if termination is for non-payment of premium, or
 - (ii) 60 days notice of termination by registered mail if termination is for any other reason.

Registered mail termination takes effect 15 or 60 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination.

- (c) To the extent that the Civil Code of the Province of Quebec is applicable to this Policy General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. Accordingly, we may terminate this Policy by giving to the first Named Insured
 - (i) 15 days notice of termination by registered mail if termination is for non-payment of premium; or
 - (ii) 60 days notice of termination by registered mail if termination is for any other reason.

Registered mail termination takes effect 15 or 60 days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.

- (d) The policy period will end on the date termination takes effect.
- (e) If this Policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

14. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "action" or transfer those rights to us and help us enforce them.

15. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

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

16. CONFLICT IN CONDITIONS

If the conditions of this manuscript are in conflict with the conditions required by law to be contained in this Policy, (that is, "Statutory Conditions", "Conditions of The Policy – Quebec" and "Variations In Conditions – Quebec"), the terms most favorable to the Insured will prevail.

SECTION V – DEFINITIONS

1. "Action" means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - (a) An arbitration proceeding in which such "compensatory damages" are claimed and to which the insured must submit or does submit with our consent; or
 - (b) Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the insured submits with our consent.
2. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - (a) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - (b) Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
3. "Automobile" means a land motor vehicle, trailer or semi trailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
4. "Bodily injury" means bodily injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death resulting from bodily injury, sickness or disease.
5. "Compensatory damages" means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
6. "Coverage territory" means:
 - (a) Canada and the United States of America (including its territories and possessions);
 - (b) International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - (c) All other parts of the world if the injury or damage arises out of:
 - (i) Goods or products made or sold by you in the territory described in a. above;
 - (ii) The activities of an insured person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (iii) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in (a) above.

If a claim is made or an "action" is brought elsewhere than within the territory described in (a) above, we will have the right but not the duty to investigate and settle such claim and defend such "action". With respect to any claim or "action" which we elect not to investigate, settle or defend you will, under the our supervision, make or cause to be made such investigation and defense as are necessary and subject to prior authorization by us, will effect to the extent possible such settlement or settlements as deemed prudent. We will reimburse you for the reasonable costs of such investigation, settlement or defense up to the sublimit as shown on the Declaration Page.

7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker" and a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
11. "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
12. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
13. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - (a) It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - (b) You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - (a) The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - (b) Your fulfilling the terms of the contract or agreement.
14. "Incidental medical malpractice injury" means "bodily injury" arising out of the rendering of or failure to render, during the policy period, the following services:
 - (a) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - (b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;by any insured or any indemnitee causing the "incidental medical malpractice injury" who is not engaged in the business or occupation of providing any of the services described in (a) and (b) above.

15. "Insured contract" means:

- (a) a lease of premises;
- (b) a sidetrack agreement;
- (c) an easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- (d) any other easement agreement;
- (e) an indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
- (f) an elevator maintenance agreement; or
- (g) that part of any other contract or agreement pertaining to the Named Insured's business (including an indemnification of a municipality in connection with work performed for a municipality) under which the Named Insured assumes the tort liability of another to pay compensatory damages because of "bodily injury", "property damage" or "personal and advertising injury" to a third party or organization, if the contract or agreement is made prior to such "bodily injury", "property damage" or "personal and advertising injury". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

- (i) that indemnifies an architect, engineer or surveyor for "bodily injury" or "property damage" arising out of:
 - a) preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - b) giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- (ii) under which the Insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the Insured's rendering or failing to render professional services, including those listed in (i) above and supervisory, inspection or engineering services.

16. "Leased worker" means a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

17. "Loading or unloading" means the handling of property:

- (a) After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";
- (b) While it is in or on an aircraft, watercraft or "automobile";
- (c) While it is being removed from an aircraft, watercraft or "automobile" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".

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

19. "Nuclear facility" means:

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

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

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

21. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- (a) False arrest, detention or imprisonment;
- (b) Malicious prosecution;
- (c) Discrimination (unless prohibited by law);
- (d) Humiliation;
- (e) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- (f) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- (g) Oral or written publication, in any manner, of material that violates a person's right of privacy;
- (h) The use of another's advertising idea in your "advertisement"; or

- (i) Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 22. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 23. "Products-completed operations hazard":
 - (a) Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (i) Products that are still in your physical possession; or
 - (ii) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - a) When all of the work called for in your contract has been completed;
 - b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site;
 - c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 - Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - (b) Does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.
- 24. "Professional Services" shall include but not be limited to:
 - (a) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection there with, however the furnishing of food or beverages as the sole function of the Insured is not "professional services";
 - (b) Any professional service or treatment conducive to health;
 - (c) Professional services of a pharmacist;
 - (d) The furnishing or dispensing of drugs or medial dental or surgical supplies or appliances;
 - (e) The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
 - (f) Any cosmetic body piercing tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
 - (g) Engineering, design, architectural, draftsperson or surveying services including:
 - the preparation, approval, or failure to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
 - (h) Supervisory, inspection, architectural, design or engineering activities;

- (i) Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's travel agent's, financial institution's or consultant's professional advice or activities;
- (j) Any computer programming or re-programming, consulting, advisory or related services;
- (k) Claim investigation, adjustment, appraisal or audit services.

25. "Property damage" means:

- (a) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- (b) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

- 26. "Radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
- 27. "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- 28. "Temporary worker" means a person who is retained by you under a contract of service to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 29. "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- 30. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 31. "Your product":
 - (a) Means:
 - (i) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a) You;
 - b) Others trading under your name; or
 - c) A person or organization whose business or assets you have acquired; and
 - (ii) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- (b) Includes
 - (i) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (ii) The providing of or failure to provide warnings or instructions.
- (c) Does not include vending machines or other property rented to or located for the use of others but not sold.

32. "Your work":

- (a) Means:
 - (i) Work or operations performed by you or on your behalf; and
 - (ii) Materials, parts or equipment furnished in connection with such work or operations.
- (b) Includes
 - (i) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
 - (ii) The providing of or failure to provide warnings or instructions.

Statutory Conditions, General Conditions and Other Conditions

Please refer to the Statutory Conditions, General Conditions and Other Conditions applicable to your Province(s)/Territory(ies).

1. Statutory Conditions

Page 1 - All Provinces/Territories except:

- a. Alberta, British Columbia and Quebec.
- b. Conditions 5. (Termination) and 15. (Notice) do not apply to Ontario, please see Other Conditions for the Termination and Notice conditions that apply in Ontario.
- c. Condition 14. (Action) does not apply to Manitoba, please see Other Conditions for the Action condition that applies in Manitoba.

Page 4 – Alberta.

Page 7 - British Columbia.

2. General Conditions

Page 11 – Quebec .

3. Other Conditions

Page 16.

Statutory Conditions

(For all provinces except Alberta, British Columbia and Quebec, except that paragraph 14 does not apply to Saskatchewan).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

Where a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate a circumstance which 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 is stated in the contract.

3. Change of Interest

The Insurer shall be 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

A change material to the risk and within the control and knowledge of the Insured shall void the contract as the part affected by it, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured shall, within 15 days of the receipt of the notice pay to the Insurer an additional premium; and in default of the payment the contract shall no longer be in force and the Insurer shall return the unearned portion of the premium paid.

5. Termination

(1) This contract may be terminated.

(a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail or five days written notice of termination personally delivered;

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

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

(a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportional premium for the expired time, but, in no event shall the proportional premium for the expired time be considered to be less than any minimum retained premium specified; and

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

(3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as 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 considered to be less than a minimum retained premium specified.

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

(5) The 15 days mentioned in clause (1) (a) of this condition start 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 a loss of or damage to the insured property, the Insured shall, where the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,

(a) forthwith 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 destroyed and 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 where 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 a wilful 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 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 property insured was at the time of loss:

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

(d) where required, and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.

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

7. Fraud

A fraud or a wilfully false statement in a statutory declaration in relation to the above particulars, shall vitiate the claim of the person making the declaration.

8. Who May Give Notice and Proof

Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or where the Insured refuses to do so, by a person to whom a part of the insurance money is payable.

9. Salvage

(1) The Insured, in the event of any loss or damage to the property insured under the contract, shall take all reasonable steps to prevent further damage to the property so damaged and to prevent damage to other property insured under the contract including, where necessary, its removal to prevent damage or further damage to the property.

(2) The Insurer shall contribute proportionally towards reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (1) of this condition according to the respective interest of the parties.

10. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer shall not be entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

11. Appraisal

In the event of a disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act*, or the *Insurance Contracts Act* in the case of Newfoundland and Labrador, before there can be a 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 an appraisal is made in writing and until after proof of loss has been delivered.

12. When Loss Payable

The loss shall be payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

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

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

14. Action

Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within 1 year next after the loss or damage occurs.

15. Notice

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

Statutory Conditions

(applicable in the province of Alberta). Subject to certain exceptions set out in the Insurance Act and regulations thereunder, the Statutory Conditions are deemed to be part of every contract of insurance in force in the province of Alberta. (**Statutory Conditions** 1 and 6 to 13 apply only to contracts that include insurance against loss or damage to property).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made

known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property of Others

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

3. Change of Interest

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

4. Material Change in Risk

(1) The insured must promptly give notice in writing to the insurer or its agent of a change that is

(a) material to the risk, and

(b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

(a) terminate the contract in accordance with Statutory Condition 5, or

(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2)(a) applies in respect of the unearned portion of the premium.

5. Termination of Insurance

(1) The contract may be terminated

(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or

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

(2) If the contract is terminated by the insurer,

(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

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

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

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

6. Requirements After Loss

(1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

(a) immediately give notice in writing to the insurer,

(b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration

(i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,

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

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

(iv) stating the amount of other insurances and the names of other insurers,

(v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,

(vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and

(vii) stating the place where the insured property was at the time of loss,

(c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and

(d) if required by the insurer and if practicable,

(i) produce books of account and inventory lists,

(ii) furnish invoices and other vouchers verified by statutory declaration, and

(iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

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

8. Who May Give Notice and Proof

Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made

(a) by the agent of the insured if

(i) the insured is absent or unable to give the notice or make the proof, and

(ii) the absence or inability is satisfactorily accounted for,

or

(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

9. Salvage

(1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, Control, Abandonment

After loss or damage to insured property, the insurer has

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

11. In Case of Disagreement

(1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act* whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

(2) There is no right to a dispute resolution process under this condition until

- (a) a specific demand is made for it in writing, and
- (b) the proof of loss has been delivered to the insurer.

12. When Loss Payable

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

13. Repair or Replacement

(1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

(1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

15. Action

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

Statutory Conditions

(applicable in the province of British Columbia). Subject to certain exceptions set out in the Insurance Act and regulations thereunder, the Statutory Conditions are deemed to be part of every contract of insurance in force in the province of British Columbia. (**Statutory Conditions 1 and 6 to 13** apply only to contracts that include insurance against loss or damage to property).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

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

2. Property of others

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

(b) the interest of the insured in that property is stated in the contract.

3. Change of interest

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

4. Material change in risk

(1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
(a) material to the risk, and

(b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

(a) terminate the contract in accordance with Statutory Condition 5, or

(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

5. Termination of insurance

(1) The contract may be terminated

(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or

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

(2) If the contract is terminated by the insurer,

(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

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

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

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

6. Requirements after loss

(1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

(a) immediately give notice in writing to the insurer,

(b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,

(i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,

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

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

(iv) stating the amount of other insurances and the names of other insurers,

(v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,

(vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and

(vii) stating the place where the insured property was at the time of loss,

(c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and

(d) if required by the insurer and if practicable,

(i) produce books of account and inventory lists,

(ii) furnish invoices and other vouchers verified by statutory declaration, and

(iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

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

8. Who may give notice and proof

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

(a) by the agent of the insured, if

(i) the insured is absent or unable to give the notice or make the proof,

(ii) the absence or inability is satisfactorily accounted for, or

(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

9. Salvage

(1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, control, abandonment

After loss or damage to insured property, the insurer has

(a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and

(b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but

(i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and

(ii) without the insurer's consent, there can be no abandonment to it of the insured property.

11. In case of disagreement

(1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

(2) There is no right to a dispute resolution process under this condition until

(a) a specific demand is made for it in writing, and

(b) the proof of loss has been delivered to the insurer.

12. When loss payable

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

13. Repair or replacement

(1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

(1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

15. Action

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

General Conditions

(This Policy is subject to the Civil Code of Quebec)

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

These General Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these General Conditions, the conditions more favourable to the insured will prevail.

For all coverages except where inapplicable.

1. Statements

1.1 Representation of risk (Article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

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

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

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

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

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. General Provisions

2.1 Insurable interest (Articles 2481 and 2484) ***(Applicable to property insurance only)***

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

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

3. Losses

3.1 Notice of loss (Article 2470)

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

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

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

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

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

3.3 False representation (Article 2472)

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police

(Applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(Applicable to property insurance only)

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

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

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

3.7 Admission of liability and cooperation

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

(The following two paragraphs are applicable to liability insurance only: Article 2504)

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

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

3.8 Right of action (Article 2502)

(Applicable to property insurance only)

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

4. Compensation and Settlement

4.1 Basis of settlement (Articles 2490, 2491, 2493)

(Applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

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

4.2 Pair and set (Applicable to property insurance only)

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

4.3 Parts (Applicable to property insurance only)

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

4.4 Replacement (Article 2494)

(Applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer re-serves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others ***(Applicable to property insurance only)***

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

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

4.8 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. Other Insurance

5.1 Property insurance (Article 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

– Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

– Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. Cancellation (Articles 2477 and 2479)

This policy may be cancelled at any time:

(a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.

(b) By the Insurer giving written notice to each of the Named Insureds. Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

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

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

7. Notice

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.
It is incumbent upon the sender to prove that such notice was received.

Other Conditions

The Conditions shown below are deemed to be part of every contract of insurance in force in the province of Ontario:

Termination

(1) This contract may be terminated,

(a) by the insurer giving to the insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent;

(b) by the insured at any time on request;

(2) Where this contract is terminated by the insurer,

(a) the insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and

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

(3) Where this contract is terminated by the insured, the insurer shall refund as soon as 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 days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Notice

(1) Written notice may be given to the insurer in the following ways:

(a) It may be personally delivered at the chief agency or head office of the insurer in the Province.

(b) It may be sent by registered mail to the chief agency or head office of the insurer in the Province.

(2) It may be delivered by electronic means.

(2) Written notice may be given to the insured named in the contract in the following ways:

(a) It may be personally delivered.

(b) It may be delivered by prepaid courier to the latest address of the insured on the records of the insurer if there is a record by the person who has delivered it that the notice has been sent.

(c) It may be sent by registered mail to the latest address of the insured on the records of the insurer.

(d) It may be delivered by electronic means, if the insured consents to delivery by electronic means.

(3) In this condition, the expression “registered” means registered in or outside Canada.

The Condition shown below is deemed to be part of every contract of insurance in force in the province of Manitoba:

Action

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

EMPLOYEE BENEFITS LIABILITY ENDORSEMENT

THIS ENDORSEMENT MODIFIES COVERAGES PROVIDED UNDER THIS
COMMERCIAL GENERAL LIABILITY POLICY.

NOTE: the coverage provided by this endorsement applies on a claims-made and reported basis. Coverage is triggered when a "claim" as defined in this endorsement is made against an insured and reported to us in accordance with Paragraph 4 (2.) of Section IV – Commercial General Liability Conditions.

(I) The following is added to Section I – Coverages:

Coverage – Employee Benefits Liability

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "action" that may result. But:

- (1)** The amount we will pay for "compensatory damages" is limited as described in the Declarations; and
- (2)** Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b.** This insurance applies to "compensatory damages" only if:

- (1)** The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2)** The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Declarations nor after the end of the policy period; and

- (3) A "claim" for "compensatory damages", because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph (VI) of this endorsement.
- c. A "claim" seeking "compensatory damages" will be deemed to have been made at the earlier of the following times:
- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph 1.a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for "compensatory damages" made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including "compensatory damages" claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal or Malicious Act

"Compensatory damages" arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, or Personal and Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure to Perform a Contract

"Compensatory damages" arising out of failure of performance of contract by any insurer.

d. Insufficiency of Funds

"Compensatory damages" arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy of Performance of Investment/Advice Given With Respect to Participation

Any "claim" based upon:

- (1)** Failure of any investment to perform;
- (2)** Errors in providing information on past performance of investment vehicles; or
- (3)** Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation and Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, disability, employment or unemployment compensation law or any similar law.

g. ERISA

"Compensatory damages" for which any insured is liable because of liability imposed on a fiduciary by the United States Employee Retirement Income Security Act of 1974, as amended, or by any similar federal, provincial, territorial, state, or local law.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines or Penalties

Taxes, fines or penalties, including but not limited to those imposed under the Canadian federal *Income Tax Act*, the United States Internal Revenue Code, or any similar provincial, territorial, state, or local law.

j. Employment-Related Practices

"Compensatory damages" arising out of wrongful termination of employment, discrimination, or other employment-related practices.

(II) For the purposes of the coverage provided by this endorsement:

1. All references to **Supplementary Payments – Coverages A, B and D** are replaced by **Supplementary Payments – Coverages A, B, D and Employee Benefits Liability**.
2. Paragraphs **1.b.** and **2.** of the **Supplementary Payments – Coverages A, B, D and Employee Benefits Liability** provision do not apply.

(III) For the purposes of the coverage provided by this endorsement, Paragraphs **2.** and **3.** of **Section II – Who is an Insured** are deleted and replaced by the following:

2. Each of the following is also an insured:
 - a. Each of your "employees" who is or was authorized to administer your "employee benefit program";
 - b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed; and
 - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

(IV) For the purposes of the coverage provided by this endorsement, **Section III – Limits of Insurance** is replaced by the following:

1. Limits of Insurance

- a. The Employee Benefits Liability Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- (1) Insureds;
 - (2) "Claims" made or "actions" brought;
 - (3) Persons or organizations making "claims" or bringing "actions";
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your "employee benefit program".
- b.** The Employee Benefits Liability Aggregate Limit of Insurance shown in the Declarations is the most we will pay for all "compensatory damages" because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c.** Subject to the Employee Benefits Liability Aggregate Limit of Insurance under Paragraph **b.** above, the Employee Benefits Each Employee Limit of Insurance shown in the Declarations is the most we will pay for all "compensatory damages" sustained by any one "employee", including "compensatory damages" sustained by such "employee's" dependents and beneficiaries, as a result of an act, error or omission; or a series of related acts, errors or omissions, negligently committed in the "administration" of your "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, 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.

2. Deductible

- a.** Our obligation to pay "compensatory damages" on behalf of the insured applies only to the amount of "compensatory damages" in excess of the deductible amount stated in the Declarations as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b.** The deductible amount stated in the Declarations applies to all "compensatory damages" sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c.** The terms of this insurance, including those with respect to:

- (1) Our right and duty to defend any "actions" seeking those "compensatory damages"; and
- (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim";

apply irrespective of the application of the deductible amount.

- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "action" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

(V) For the purposes of the coverage provided by this endorsement, Paragraphs **4.** and **8.** of **Section IV – Commercial General Liability Conditions** are deleted and replaced by the following:

4. Duties in the Event of an Act, Error or Omission, or "Claim" or "Action"

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer "compensatory damages" as a result of the act, error or omission.

- b. If a "claim" is made or "action" is brought against any insured, you must:

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

You must see to it that we receive written notice of the "claim" or "action" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "action";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "action"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

8. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Declarations of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance.

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

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Employee Benefits Liability Limits of Insurance shown in the Declarations.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance of all insurers.

(VI) For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

EXTENDED REPORTING PERIOD

- 1.** You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a.** This endorsement is canceled or not renewed; or
 - b.** We renew or replace this endorsement with insurance that:
 - (1)** Has a Retroactive Date later than the date shown in the Declarations of this endorsement; or
 - (2)** Does not apply to an act, error or omission on a claims-made basis.
- 2.** The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations. Once in effect, the Extended Reporting Period may not be canceled.
- 3.** An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a.** The "employee benefit programs" insured;
- b.** Previous types and amounts of insurance;
- c.** Limits of insurance available under this endorsement for future payment of "compensatory damages"; and
- d.** Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Declarations under the Employee Benefits Liability Limits of Insurance.

Paragraph (IV) 1.b. of this endorsement will be amended accordingly. The Employee Benefits Each Employee Limit shown in the Declarations will then continue to apply as set forth in Paragraph (IV) 1.c.

(VII) For the purposes of the coverage provided by this endorsement, the following definitions are added to **Section V - Definitions**:

"Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

"Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.

"Claim" means any demand, or "action", made by an "employee" or an "employee's" dependents and beneficiaries, for "compensatory damages" as the result of an act, error or omission.

"Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
- e. Any other similar benefits designated in the Declarations or added thereto by endorsement.

(VIII) For the purposes of the coverage provided by this endorsement, the "Action" and "Employee" definitions under **Section V -- Definitions** are deleted and replaced by the following:

"Action" means a civil proceeding in which "compensatory damages" because of an act, error or omission to which this insurance applies are alleged. "Action" includes:

- a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the insured submits with our consent.

"Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

SPF NO. 6
NON-OWNED AUTOMOBILE POLICY

THIRD PARTY LIABILITY

Subject to the limit of insurance stated in the Declarations as applicable to Non-Owned Automobile Liability such limit shall apply (exclusive of interest and costs) for loss or damage resulting from bodily injury to or death of one or more persons and for loss or damage to property, regardless of the number of claims arising from any one accident.

INSURING AGREEMENT

Now, therefore, in consideration of the payment of the premium specified 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 Named Insured if the Named Insured is an individual; or

(b) For any liability imposed upon any person insured by this Policy:

(1) By any workers' compensation law; or

(2) By any law for bodily injury to or the death of the "Insured" or any partner, officer or employee of the "Insured" while engaged in the business of the Insured; or

(c) For 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 above, 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”.

Not applicable in the Province of Ontario

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 judgment upon that part of the judgment which is within the limits of the Insurer’s liability; and

(4) In case the injury be to a person, reimburse any person insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and

(5) To be liable to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, but not more than the limit applicable to non-owned automobile as shown in the Declarations; and

(6) Not set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the Province or Territory of Canada 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 Insurer 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 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

"Hired automobiles" - as used in this Policy means automobiles hired, leased, or borrowed from others with or without drivers, used under the control of the Insured in the business and for incidental personal use of the Insured, 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

"Automobiles operated under contract" - as used in this Policy means automobiles operated in the business of the "Insured" 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.

STATUTORY CONDITIONS

The Statutory Conditions of the Non-Owned Automobile Policy as set out in the Insurance Act of the Province in which this Policy is issued shall be deemed to form part of this Policy except the Cancellation Condition of this Policy shall apply in place of the termination condition therein.

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

SEF NO. 94
LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT

(FOR ATTACHMENT ONLY TO A NON-OWNED AUTOMOBILE LIABILITY INSURANCE POLICY SPF NO.6)

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 and control of "hired automobiles" (as defined in such Non-owned Automobile Liability Insurance endorsement) and resulting from loss or damage thereto, caused solely by All Perils.

DEDUCTIBLE CLAUSE

Each "occurrence" causing loss or damage covered under this endorsement except loss or damage caused by fire or lightning or theft of the entire automobile covered by this endorsement shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the deductible stated in the "Declarations".

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 limit of liability, including the deductible provision, if any, under this Insuring Agreement.

EXCLUSIONS

The Insurer shall not be liable,

- (1) For loss or damage to any automobile while personally driven by the Named Insured if the Named Insured is an individual; or
- (2) For loss or damage
 - (a) to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; 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 below and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached.

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.

LIMIT

All Perils \$100,000 (exclusive of interests and costs) any one accident

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

S.E.F. NO. 96
CONTRACTUAL LIABILITY ENDORSEMENT

This endorsement attaches to the S.P.F. No. 6 – Non-owned Automobile Policy

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:

All written contracts including any other written agreement assuming the liability of others except:

1. any contract or agreement assuming the legal liability of the automobile owner or lessee;
2. any contract or agreement wherein the Insured has assumed liability for the sole negligence of the indemnitee;
3. the leasing of an automobile(s) for a period in excess of thirty (30) days.

This endorsement is attached to and forms part of this policy and shall be effective from the local time and effective date of the policy or renewal thereof, or if added to the policy during the policy period, from the local time and effective date of the endorsement specifying the addition of this coverage.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SEF NO. 99 EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

(FOR ATTACHMENT ONLY TO A NON-OWNED AUTOMOBILE POLICY SPF NO. 6)

In consideration of the premium for which this Policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of General Provisions and Definitions of Supplementary Non-owned Automobile Liability Insurance Endorsement (SPF No. 6) to which this endorsement is attached is hereby amended to read as follows:

“Hired automobiles” - as used in this Policy means (a) automobiles hired, leased or borrowed from others with drivers or (b) hired, leased or borrowed by the Insured from others without driver for periods not exceeding thirty (30) days, used under the control of the Insured in the business and for incidental personal use of the Insured 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, provisions and conditions of the Policy shall have full force and effect.



LINX UNDERWRITING SOLUTIONS INC.
COMMERCIAL GENERAL LIABILITY POLICY

O.E.F. 98B – REDUCTION OF COVERAGE FOR LESSEES OR DRIVERS OF LEASED VEHICLES ENDORSEMENT

Attached to and forming part of the Standard Non-Owned Automobile Policy S.P.F. No 6

1. Purpose of this endorsement:

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

2. How the policy coverage is changed:

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

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

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

FUNGI AND FUNGAL DERIVATIVES EXCLUSION ENDORSEMENT

Attached to and forming part of the Commercial General Liability Policy.

This endorsement modifies coverages provided under
this Commercial General Liability Policy.

1. This insurance shall not apply to:
 - (a) "Bodily Injury", "Property Damage", "Personal and Advertising 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 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; or
 - (c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above. This exclusion applies regardless of 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.

This exclusion shall not apply to "Bodily Injury" or "Property Damage" which results directly from the Named Insured's Work or from a "Products-Completed Operations Hazard" not otherwise excluded by this Policy.

The most we will pay under this exception for all "Bodily Injury" and "Property Damage" in any Policy Period is \$250,000.

The Limit of Insurance provided by this exception shall be included in and is not in addition to any other Limits of Insurance provided for "Bodily Injury" or "Property Damage" under the Liability section of this Policy.

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

VOLUNTARY COMPENSATION ENDORSEMENT

THIS ENDORSEMENT MODIFIES COVERAGES PROVIDED UNDER THIS COMMERCIAL GENERAL LIABILITY POLICY.

1. INSURING AGREEMENTS

(a) The Insurer offers to pay the benefits described in Schedule of Benefits to the Named Insured's "covered employee" if that "covered employee" sustains "bodily injury" to which this insurance applies. The Insurer will make this offer to pay even though the Named Insured is legally liable for the "bodily injury". If the "covered employee" rejects these benefits or brings an "action" against the "Insured", the Insurer may withdraw the offer. A "covered employee" who accepts these benefits must sign a release giving up any right to bring an "action" against the Named Insured.

(b) This insurance applies to "bodily injury" only if:

(i) the "bodily injury" is caused by an accident that takes place while the "covered employee" is performing duties for the Named Insured in the "coverage territory";

(ii) the "bodily injury" occurs during the policy period;

(iii) the injured "covered employee" submits to physical examination, at the Insurer's expense, by physicians of the Insurer's choice as often as the Insurer reasonably requires; and

(iv) the injured "covered employee" authorizes the insurer to obtain medical and other records, provided that in the event of death, the Insurer can require an autopsy before we make payment.

2. EXCLUSIONS

This insurance does not apply to:

(a) any obligation of the "Insured" under a workers compensation or occupational disease law, or any similar law.

(b) "bodily injury" intentionally caused or aggravated by the Named Insured.

(c) "bodily injury" involving any hernia injury.

(d) "bodily injury" due to war, invasion, act of foreign enemy, hostilities, (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

3. SCHEDULE OF BENEFITS

(a) Loss of Life

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

- (i) to dependents of the said "covered employee" who were wholly dependent upon him, an amount equal to one hundred (100) times the weekly indemnity in addition to the benefits provided under item 3.(b) Temporary Total Disability up to the date of death;
- (ii) the actual funeral expenses not exceeding, however, the sum of One Thousand Dollars (\$1,000).

(b) Temporary Total Disability

If such "bodily injury" shall within fourteen (14) days from the date of the accident totally and continuously disable the "covered employee" and prevent him from performing any and every duty pertaining to any occupation or employment, the Insurer will pay "weekly indemnity" for the period of such disability, or for twenty-six (26) weeks whichever is the lesser period.

Provided, however, that if the period of such disability is less than six (6) weeks, no benefits under this item shall be payable for the first seven (7) days of such disability.

(c) Permanent Total Disability

If within twenty-six (26) weeks from the date of the accident and as a direct result of such "bodily injury" the "covered employee" shall be deemed permanently and totally disabled, by medical evidence satisfactory to the Insurer, the Insurer will pay, in addition to the benefits provided under item 3.(b) Temporary Total Disability, "weekly indemnity" for a further period of one hundred (100) weeks.

(d) Dismemberment Benefits

If such "bodily injury" shall within twenty-six (26) weeks from the date of the accident result in any one or more of the incapacities listed hereinafter in the Schedule of Incapacities the Insurer will pay weekly indemnity for the number of weeks shown opposite the incapacity in the said Schedule in addition to the benefits payable under

item 3.(b) Temporary Total Disability, but in no event shall it be payable in addition to the benefits provided by item 3.(a) Loss of Life and item 3.(c) Permanent Total Disability.

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

(e) Medical, Surgical, Hospital, Etc. Expenses

If such “bodily injury” shall necessitate medical or surgical treatment or confinement to hospital, the Insurer will pay in addition to all other benefits provided by this coverage:

(i) the cost of the necessary medical, surgical, pharmaceutical and hospital services (excluding all services available under any Hospital Insurance Act) in accordance with the scale of charges provided under any Workers’ Compensation Act in which the accident occurred not to exceed in all, in any event, the sum of Five Hundred Dollars (\$500) during a period not exceeding twenty-six (26) weeks from the date of the accident; and

(ii) the cost of supplying or the reasonable renewing of prosthetic or orthopedic appliances as may be necessary for a period not exceeding fifty-two (52) weeks from the date of the accident, up to a maximum of Five Thousand Dollars (\$5,000).

4. SPECIAL CONDITION

The Insurer shall have the right to examine the person of the injured “covered employee” when and as often as may be required while the claim is pending and also, in the case of death of the injured “covered employee”, to make autopsy, subject to any law of the Province with respect to autopsies.

5. DEFINITIONS

In this endorsement the words and terms noted below have the following meaning:

(a) “Insured” - includes the Named Insured in the “Declarations” and also any partner, executive officer, director or stockholder of the “Insured” while acting within the scope of his duties as such.

(b) “Declarations” - means the Declaration page(s) applicable to this form.

(c) “Weekly indemnity” - means two thirds (2/3) of the “covered employee’s” weekly wage subject to a maximum of \$140 per week, at the date of the accident, but not exceeding in any event the Limit of Insurance for “bodily injury” stated in the “Declarations”.

(d) “Coverage territory” - means Canada.

(e) “Covered employee” - means the employee of the Insured who:

(i) is not eligible for mandatory coverage under a federal, provincial or territorial workers compensation law; and

(ii) cannot elect to come under a federal, provincial or territorial workers’ compensation law.



SCHEDULE OF INCAPACITIES

Loss or Total Irrecoverable Loss of Use of:

DIVISION A	No. of Weeks
1. Arm	
(a) At or above elbow.....	100
(b) Below elbow	80
2. Hand at wrist	80
3. *(a) Thumb	
(i) at or above the second phalangeal joint	25
(ii) below the second phalangeal joint, involving a portion of the second phalange	18
* (b) Index Finger	
(i) at or above the second phalangeal joint	25
(ii) at or above the third phalangeal joint	18

(iii) below the third phalangeal joint, involving a portion of the third phalange	12
*(c) Any other Finger	
(i) at or above the second phalangeal joint	15
(ii) at or above the third phalangeal joint	8
(iii) below the third phalangeal joint, involving a portion of the third phalange	5

Note: for a combination of two or more of the incapacities marked with a “*” the total amount payable under this division shall not exceed eighty (80) times the “weekly indemnity”.

DIVISION B

1. Leg	
(a) At or above knee.....	100
(b) Below knee.....	75
2. Foot or ankle	75
3. *(a) Great toe	
(i) at or above the second phalangeal joint	15
(ii) below the second phalangeal joint, involving a portion of the second phalange.....	8
*(b) Any other Toe	
(i) at or above the second phalangeal joint	10
(ii) at or above the third phalangeal joint	5
(iii) below the third phalangeal joint, involving a portion of the third phalange	3

Note: for a combination of two or more of the incapacities marked with a “*” the total amount payable under this division shall not exceed thirty-five (35) times the “weekly indemnity”.

DIVISION C



LINX UNDERWRITING SOLUTIONS INC.
COMMERCIAL GENERAL LIABILITY POLICY

1. (a) One eye	50
(b) Both eyes.....	100

DIVISION D

1. (a) Hearing of one ear	25
(b) Hearing of both ears	100

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

FIRE FIGHTING EXPENSES ENDORSEMENT

THIS ENDORSEMENT MODIFIES COVERAGES PROVIDED UNDER THIS COMMERCIAL GENERAL LIABILITY POLICY.

The Insurer agrees to pay those expenses incurred for the controlling or suppression of forest fires, such expenses having been incurred by others and for which the Insured shall become legally obligated to pay under the provisions of any applicable law, ordinance or regulation.

It is further agreed that, notwithstanding anything contained in this Policy to the contrary, the coverage provided by this Policy does not apply to:

1. Expenses incurred by or on behalf of an Insured for the use of their own employees, machinery or other property, in controlling or suppressing fires.
2. The cost of controlling and extinguishing fires if it is found there has been any contravention by the Insured of the terms and conditions as set out in any relative Provincial Forest Fire Act in respect of the lighting, controlling or extinguishing of fires.

The total limit of the Insurer's liability for the expenses of controlling or suppressing fires as a result of any one fire, or series of fires resulting from one cause, shall be as cited in the Declarations as applicable to Fire Fighting Expenses.

The Insurer's liability for the expenses of controlling or suppressing fires shall apply only to amounts in excess of the amount of the deductible as cited in the Declarations, which amount shall be paid by the Insured.

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

DIFFERENCE IN CONDITIONS / DIFFERENCE IN DEDUCTIBLE / EXCESS LIMITS AMENDMENT

This endorsement modifies the coverage provided under the
Commercial General Liability policy

This insurance is amended as follows:

Where a “wrap-up liability” form or a “project specific liability” form exists, the Commercial General Liability Form shall apply for:

- (a) Coverage deficiencies between the “wrap-up liability” or “project specific liability” forms and this Commercial General Liability Form, subject to the conditions of this form.
- (b) Excess limits over the limits of insurance provided by the “wrap-up liability” or “project specific liability” forms, subject to Coverage A Each Occurrence Limit shown on the Declaration document and conditions of this form.

Where a “wrap-up liability” or “project specific liability” forms exist, we will reimburse the difference in deductible between such forms and this Commercial General Liability Form’s Coverage A deductible, up to a maximum of \$25,000 reimbursement. The reimbursement will be made after settlement of a claim or suit paid by such “wrap-up liability” or “project specific liability” insurers and as a result of your legal liability because of “bodily injury” or “property damage” arising from “your product” or “your work” on the project.

No other obligation or liability to pay sums or perform acts or services is covered.

Upon termination of the “products-completed operations hazard” coverage on a “wrap-up liability” form or a “project specific liability” form, the “products-completed operations hazard” coverage shall continue for that project on this Commercial General Liability Form, subject to the terms of this insurance.

Additional Definitions

Wherever used in this Amendment (including endorsements or other forms attached to and forming part hereof):

“Wrap-up liability” form means a liability insurance policy issued on a single project or a number of projects where you are named or unnamed under that policy.

“Project specific liability” form means a liability insurance policy issued on a single project, where you are named under that policy.

EXCEPT AS OTHERWISE PROVIDED IN THIS ENDORSEMENT, ALL TERMS, PROVISIONS AND CONDITIONS OF THE
COMMERCIAL GENERAL LIABILITY FORM SHALL HAVE FULL FORCE AND EFFECT.

ABUSE OR MOLESTATION EXCLUSION

THIS ENDORSEMENT MODIFIES COVERAGES PROVIDED UNDER THIS
COMMERCIAL GENERAL LIABILITY POLICY.

The following exclusion is added to paragraph 2. Exclusions of Section I – Coverages, Coverage A. Bodily Injury and Property Damage Liability, and paragraph 2. Exclusions of Section I – Coverages, Coverage B. Personal and Advertising Injury Liability:

This insurance does not apply to:

Abuse or Molestation

“Bodily injury”, “property damage” or “personal and advertising injury” arising directly or indirectly out of:

- (1) The actual, threatened or alleged abuse or molestation by anyone of any person in the care, custody or control of any insured, including the transmission of disease arising out of any act of abuse or molestation; or
- (2) The negligent:
 - (a) Employment;
 - (b) Investigation;
 - (c) Supervision;
 - (d) Reporting to the proper authorities, or failure to so report; or
 - (e) Retention;

of any person for whom any insured is or ever was legally responsible for their conduct, arising out of any actual, threatened or alleged abuse or molestation by anyone of any person.

*Except as otherwise provided by this endorsement all terms, provisions and conditions
of the Policy shall have full force and effect*

Exclusion – Employee Retirement Income Security Act (ERISA)

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the Commercial General Liability policy.

The following exclusion is added to paragraph **2. Exclusions** of **Section I – Coverages, Coverage A Bodily Injury and Property Damage Liability**, and paragraph **2. Exclusions** of **Section I – Coverages, Coverage B Personal and Advertising Injury Liability**:

This insurance does not apply to:

Employee Retirement Income Security Act (ERISA)

This insurance does not apply to injury or “compensatory damages” alleged or sought in a claim or “action” that is based on, arises out of, or in any manner relates to the United States Employee Retirement Income Security Act of 1974 (ERISA), or any amendments thereto, or any similar United States state or local government law that is not preempted by ERISA.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Exclusion – Access to or Disclosure of Confidential or Personal Information and Data-Related Liability – Limited Bodily Injury Exception Not Included

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the Commercial General Liability policy.

- A. Exclusion 2.I. Electronic Data** under **Section I – Coverages, Coverage A Bodily Injury and Property Damage Liability** is deleted and replaced by the following:

2. Exclusions

This insurance does not apply to:

I. Access To Or Disclosure Of Confidential Or Personal Information And Data-Related Liability

“compensatory damages” arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate “electronic data”.

This exclusion applies even if “compensatory damages” are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

- B. The following is added to Paragraph 2. Exclusions of Section I – Coverages, Coverage B Personal and Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Access To Or Disclosure Of Confidential Or Personal Information And Data-Related Liability

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if "compensatory damages" are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Trade and Economic Sanctions Limitation

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the policy it forms part of.

Notwithstanding any other terms under this agreement, no insurer shall be deemed to provide coverage or will make any payments or provide any service or benefit to any insured or other party to the extent that such cover, payment, service, benefit and/or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Exclusion – Lead

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the Commercial General Liability policy.

The following exclusion is added to paragraph **2. Exclusions** of **Section I – Coverages, Coverage A. Bodily Injury and Property Damage Liability**, and paragraph **2. Exclusions** of **Section I – Coverages, Coverage B. Personal and Advertising Injury Liability**:

This insurance does not apply to:

Lead

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of or caused by the actual or alleged:

- (a)** exposure to or existence of lead, paint containing lead, or any other material or substance containing lead; or
- (b)** manufacture, distribution, sale, resale, re-branding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead,

whether or not the lead is or was at any time airborne as a particle contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever;

(2) Any legal obligation of any insured for indemnification or contribution due to compensatory damages arising out of "bodily injury", "property damage" or "personal and advertising injury" caused by lead, paint containing lead, or any other substance or material containing lead;

(3) Any loss, cost, expense or compensatory damages, whether direct or consequential, arising out of any:

- (a)** request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat, or neutralize lead, paint containing lead, or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or
- (b)** claim or "action" relating to testing for, monitoring, cleaning up, removing, abating, containing, treating, or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Exclusion – Violation of Legislative Acts, Guidelines, Directives and Other Laws

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the Commercial General Liability Policy.

The following exclusions are added to paragraph 2. Exclusions of Section I – Coverages, Coverage A. Bodily Injury and Property Damage Liability, and paragraph 2. Exclusions of Section I – Coverages, Coverage B. Personal and Advertising Injury Liability:

This insurance does not apply to:

a. Violation of Anti-Spam Legislation

"Bodily injury", "property damage" or "personal injury and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) Canada's federal anti-spam legislative Act:

An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act; and including,

all the rules and regulations promulgated under it, any amendment of or addition to it and any aspects of other federal, provincial, territorial or municipal act, law or statute it amends;

(2) The United States CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any other federal, provincial, state, territorial or municipal anti-spam act, law or statute.

b. Violation of other Governmental Legislation, Guidelines, Directives and other Laws

"Bodily injury", "property damage" or "personal injury and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Canadian Radio-Television and Telecommunications Commission (CRTC) guidelines;

(2) The Canadian Marketing Association's do-not-call list;

- (3) The United States *Telephone Consumer Protection Act (TCPA)*, including any amendment of or addition to such law;
- (4) The United States *Fair Credit Reporting Act (FCRA)* and any amendment or addition to such law including the *Fair and Accurate Credit Transactions Act (FACTA)*;
- (5) The European Union Directive on Privacy and Electronic Communications, including any amendment of or addition to such directive; or
- (6) Any other act, law, statute, ordinance, rule or regulation, or any other legal liability, at common law or otherwise, that addresses, relates to, prohibits or limits the accessing, collection, recording, printing, dissemination, disposal, use of, sending, transmitting, communicating or distribution of material or information.

Notwithstanding the above, if the following endorsement is attached to this Policy:

Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability – With Limited Bodily Injury Exception (3272),

for any discrepancy between this exclusion and the exception to the exclusion stated in paragraph A. of the aforementioned endorsement (3272), the exception to the exclusion in the endorsement (3272) shall take precedent over the terms of this exclusion.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect

Exclusion – Silica or Silica Mixed Dust

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the Commercial General Liability policy.

The following exclusion is added to paragraph **2. Exclusions** of **Section I – Coverages, Coverage A. Bodily Injury and Property Damage Liability**, and paragraph **2. Exclusions** of **Section I – Coverages, Coverage B. Personal and Advertising Injury Liability**:

This insurance does not apply to:

Silica or Silica Mixed Dust

- (1)** "Bodily injury", "property damage" or "personal and advertising injury" caused directly or indirectly, in whole or in part, by the actual, alleged or threatened inhalation, ingestion, absorption, exposure to, existence of or presence of "silica"; or
- (2)** Loss, costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any manner responding to or assessing the effects of "silica" by any insured or by any other person or entity.

For the purpose of this endorsement, the following definition is added to **Section V - Definitions**:

"Silica" means:

- a.** Any form of crystalline or non-crystalline (amorphous) silica, silica particles, silica compounds, silica dust or silica mixed or combined with dust or other particles; or
- b.** Synthetic silica, including precipitated silica, silica gel, pyrogenic or fumed silica or silica-flour.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Infectious Agent or Communicable Disease Exclusion

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the Commercial General Liability policy.

A. The following exclusion is added to **Section I – Common Exclusions – Coverages A, B, C and D:**

This insurance does not apply to:

Infectious Agent or Communicable Disease

- a.** "Bodily injury", "property damage", or "personal and advertising injury" directly or indirectly arising out of or relating in any way to any actual, alleged, potential for, or threat of (whether actual or perceived) "communicable disease".

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

Without limiting the foregoing, this exclusion also applies even if the claims against any insured allege negligence or other wrongdoing in:

- (1)** Supervising, investigating, hiring, employing, training, or monitoring of others who may be infected with or spread "communicable disease";
- (2)** Testing property or persons for the presence of "communicable disease";
- (3)** Failure to prevent or abate **(a)** the presence of or **(b)** exposure to "communicable disease";
- (4)** Failure or inability to provide a safe work environment, including but not limited to the failure to provide, evaluate, obtain, maintain, or require the use of personal protective equipment;
- (5)** Failure to warn of or disclose the presence of, exposure to, diagnosis of, or spread or transmission of "communicable disease"; or
- (6)** Failure to report or publish the presence of, exposure to, diagnosis of, or spread or transmission of "communicable disease".

This Exclusion **a.** does not apply to any "bodily injury" caused by:

(a) Any "fungi" or "bacteria" that are, are on, or are contained in an edible good or edible product intended for human or animal consumption;

(b) Any "food contamination"; or

(c) Any "Good Samaritan Acts" rendered or performed by an insured.

Subparagraph **(a)** of this exception does not apply to diseases contracted by contact with "fungi" or "bacteria" in water, water vapor or water droplets, including but not limited to Legionnaire's Disease.

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

(1) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "communicable disease"; or

(2) Claim or "action" for costs or "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "communicable disease".

Such loss, cost, or expense is excluded regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, cost, or expense.

c. Any loss, cost, or expense caused directly or indirectly by any activity or decision of:

(1) A government;

(2) A government agency, authority, department, or other body created or controlled by a government;

(3) A public health agency or authority; or

(4) Any other entity, whether public or private;

to prevent, respond to, avoid, or minimize the effects of or terminate "communicable disease" including, without limiting the foregoing, quarantine or isolation of, or prevention of access to, persons or property.

B. Wherever used in this endorsement:

1. "Communicable disease" means any illness, syndrome, disease, physical distress, or injury caused by, arising out of, aggravated by, contributed to, or in any manner relating to any "infectious agent" and includes any "infectious agent" which may cause, contribute to, or aggravate illness, syndrome, disease, physical distress, or injury.

2. "Food contamination" means an outbreak of food poisoning or food-related illness of one or more persons arising out of:
 - a. Tainted food you distributed or purchased;
 - b. Food which has been improperly processed, stored, handled, or prepared in the course of your business operations; or
 - c. Food which has been contaminated by virus or "bacteria" transmitted through one or more of your "employees".
 3. "Good Samaritan Act" means any assistance of a medical nature rendered or performed in an emergency situation for which no remuneration is requested or received provided that the injured party would have suffered additional injury or death had such assistance not been rendered or performed.
 4. "Infectious agent" includes, but is not limited to, any pathogen, virus, "bacteria", protein, parasite, or any other biological or non-biological agent or organism or any combination or variation of the foregoing, whether living or not.
- C. This exclusion applies to all coverage grants, including any extensions of coverage.
- D. For greater certainty, this exclusion (and any other exclusion in or endorsed on this policy) does not create a presumption that loss or damage would have been covered but for the existence of the exclusion. Further, the terms of this exclusion and the applicability or the inapplicability of this exclusion do not serve to create coverage for any loss or damage that would otherwise not be covered under this policy.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Exclusion – Per- and Polyfluoroalkyl Substances (PFAS)

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the Commercial General Liability policy.

- A. The following exclusion is added to paragraph 2. **Exclusions** of **Section I – Coverages, Coverage A. Bodily Injury and Property Damage Liability**, and paragraph 2. **Exclusions** of **Section I – Coverages, Coverage B. Personal and Advertising Injury Liability**:

This insurance does not apply to:

PFAS

- (1) “Bodily injury”, “property damage” or “personal and advertising injury” arising out of or which would not have occurred in whole or in part, but for the actual, alleged, or threatened:

(a) manufacture, distribution, sale, resale, re-branding, installation, repair, removal, encapsulation, abatement, replacement, or handling of “PFAS” or any other material or substance containing “PFAS”; or

(b) discharge, dispersal, release, leakage, leaching, friability, flaking, escape, or presence of “PFAS”; or

(c) ingestion of, inhalation of, contact with, exposure to, existence of, or presence of “PFAS”

regardless of whether any other cause, event, material, or product contributed concurrently or in any sequence to the injury or damage.

- (2) Any sums that any “insured” or other entity must pay, repay or reimburse because of any:

(a) Request, demand, order, statutory or regulatory requirement, direction, or determination that any insured or others test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control, or take any other action regarding “PFAS”; or

(b) Claim or “action” for damages arising out of or relating in any way to any request, demand, order, statutory or regulatory requirement, direction, or determination that any “insured” or others test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control, or take any other action regarding “PFAS”; or

- (3) Any other loss, cost or expense arising out of or related in any way to “PFAS”.

- B. The Section entitled **DEFINITIONS** is amended to add the following:

“PFAS” means Per- and Polyfluoroalkyl Substances (PFAS), including but not limited to:

- a. any perfluoroalkyl and polyfluoroalkyl substances, including but not limited to perfluoroalkyl acids, perfluoroalkane sulfonamides, perfluoroalkyl ether carboxylic acids, fluorotelomer substances and perfluoroalkane sulfonamido substances; or
- b. any fluorinated polymers, including but not limited to fluoropolymers, perfluoropolyethers and side-chain-fluorinated polymers;

including associated homologues, isomers, salts, esters, alcohols, acids, precursor chemicals and derivatives, and related degradation or by-products of any such constituent.

In the event that this endorsement conflicts with any terms, conditions, provisions, or exclusions in this policy, this endorsement shall supersede and control the application of this insurance. All other terms, conditions, provisions and exclusions of this policy remain the same.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Zurich Insurance Company Ltd Endorsement

Named Insured	Policy Number	Endorsement Effective Date	Endorsement Number
As per Policy Declarations	As per Policy Declarations	As per Policy Declarations	n/a

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is only applicable to the percentage share of Zurich Insurance Company Ltd, as set out in the schedule of Subscribing Companies limiting any liability to that proportion of the loss payable under this Policy. Without amending or changing in any way the quota share participation (with respect to both of coverage provided and percentage share of limits of insurance shown on the Declarations or elsewhere in this Policy) of the subscribing insurers, other than as stated hereinbelow, and solely with respect to the quota share participation of Zurich Insurance Company Ltd, the Policy is hereby amended to include the following:

1. OSFI Statement

In compliance with the *Insurance Companies Act* (Canada) and the requirements of the Office of the Superintendent of Financial Institutions, this endorsement is issued in the course of Zurich Insurance Company Ltd's insurance business in Canada.

2. Privacy Consent Notice

By submitting the requested information, which may include, but is not limited to, name, address, date of birth, driver's licence number, medical information, financial information, driving record, automobile insurance policy history, and automobile insurance claims history, you are providing consent to Zurich Insurance Company Ltd and its subsidiaries and affiliates located in your country of residency or abroad (collectively, "Zurich"), for the collection, storage, use, disclosure, and processing of your personal information as may be necessary for the purposes of securing and administering the requested insurance coverage(s), including but not limited to, risk evaluation, policy execution, premium setting, premium collection, claims adjusting, administration, investigation and settlement, fraud prevention, detection and suppression, or statistical evaluation. You are also providing consent to Zurich for the disclosure of your personal information to third parties, as required for and in relation to the above-stated purposes, including reinsurers, third party administrators, brokers, agents, claims adjusters, regulators or other governmental or public bodies, taxing authorities, industry associations, other insurers, and other third parties involved in providing insurance services ("Third Parties"). If your policy is being arranged by a broker or an agent, you authorize Zurich to collect, store, use, disclose, and process personal information received from such broker or agent in relation to the above-stated purposes. Additionally, by providing information about a third party, including but not limited to, a family member, director, officer, employee, or any party that has an interest in or derives a benefit from the policy, you hereby covenant and warrant that you have obtained the appropriate consent from such third party to disclose their personal information to Zurich and for Zurich to use and disclose such information for any of the above-stated purposes.

Zurich is committed to protecting the privacy and confidentiality of information provided. Your personal information may be processed by and is securely stored within the offices of Zurich and authorized Third Parties, both in domestic and foreign jurisdictions outside Canada and is subject to applicable laws.

Zurich may retain your personal information as needed for any of the above-stated purposes or as necessary to comply with Zurich's legal and regulatory obligations, resolve disputes, and enforce Zurich's agreements. You may request to review the personal information Zurich maintains about you and make corrections by writing to: Privacy Officer, Zurich Insurance Company Ltd (Canadian Branch), 100 King Street West, Suite 5500, P.O. Box 290, Toronto, ON M5X 1C9 or by emailing privacy.zurich.canada@zurich.com.

You may refuse to consent or withdraw your consent to the collection, storage, use, disclosure or processing of your personal information; however, your refusal to provide consent may result in Zurich being unable to offer and administer insurance coverage or prevent Zurich from being able to pay any claim benefits payable under your policy.

Please contact the Zurich Privacy Officer if you require further information regarding the collection, use, disclosure, processing and storage of your personal information or if you have any complaints via email at privacy.zurich.canada@zurich.com. You can also review our Privacy Policy at <https://www.zurichcanada.com/en-ca/about-zurich/privacy-statement>.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

**COMPREHENSIVE DISHONESTY, DISAPPEARANCE &
DESTRUCTION POLICY**

Read this entire Form carefully to determine rights, duties and what is and is not covered.

In this Form, the words *you* and *your* refer to the Named Insured(s) shown in the Declarations. The words *we*, *us* and *our* refer to the Company(ies) providing insurance.

Various words and phrases that appear in quotation marks have special meaning, as detailed in Section V (Definitions).

I. Insuring Agreement

In consideration of the payment of the premium, and subject to the terms and conditions of this Policy we agree with you as follows:

A. Coverage

We will pay for loss or damage as described in Section II (Crime Covers), unless excluded elsewhere in this Form and must take place in the "coverage territory".

B. Policy Period

We will pay for loss or damage occurring during the policy period as set out in the Declarations, subject to the provisions of Insuring Agreement E (Limit of Insurance and Prior Insurance) and Special Conditions 6 (Loss Under Prior Bond or Policy).

C. Deductible

Each claim for loss or damage arising out of a single "occurrence" under this Form shall be adjusted separately. We will be liable for the amount by which such loss or damage exceeds the amount of any deductible specified in the Declarations. In the event that a loss occurs involving coverage under more than one (1) section of this Form, we will apply only the largest deductible.

D. Limit of Insurance and Settlement Options

In no event shall we be liable as respects "securities" for more than the "actual cash value" thereof at the close of business on the business day next preceding the day on which the loss was discovered nor, as respects "other property", for more than the "actual cash value" thereof at the time of loss; provided however, the "actual cash value" of such "other property" held by you 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 you when making the advance or loan, nor, in the absence of such records, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

We may pay for the loss in "money" or we may repair or replace the property, and may settle any claim with you or the owner of the property.

We will only pay for the blank value of any manuscripts, records or accounts.

Payment of loss under Crime Cover C. (Employee Dishonesty) or Crime Cover D. (Forgery or Alteration) shall not reduce our liability for other losses under the applicable Crime Cover whenever sustained. Our total liability (a) under Crime Cover C. (Employee Dishonesty), as to each "employee" (b) under Crime Cover D. (Forgery or Alteration) for all loss by forgery or alteration committed by any person or in which

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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 Declarations or any Endorsement amendatory thereto. Our liability for loss sustained by any or all of the Insureds shall not exceed the amount for which we would be liable had all such loss been sustained by any one of the Insureds.

Except under Crime Cover C. (Employee Dishonesty) and Crime Cover D. (Forgery or Alteration), the applicable Limit of Insurance stated in the Declarations is the total Limit of Insurance 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 or dishonest 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 Insurance as specified in the Declarations shall not be cumulative from year to year or policy period to policy period.

E. Limit of Insurance and Prior Insurance

If a loss under Crime Covers C. (Employee Dishonesty) and D. (Forgery or Alteration) is caused by a person (whether or not such person is an "employee"), and occurs partly during the period of this policy and partly during the period of one or more other policies (terminated or allowed to expire) issued by us to you or the person who previously owned your business, and for which the discovery period has not expired at the time such loss is discovered, our total liability under this policy and such other policies shall not exceed the greater of the amount covered under the applicable Crime Cover of this Form or the amount available to you under such other policies.

II. Crime Covers

Our liability for payment under the following Crime Covers shall be limited to the Limit of Insurance shown in the Declarations as being applicable to that particular Crime Cover. We will pay no more than the applicable Limit of Insurance for any one (1) "occurrence".

A. Computer Fraud

We will pay for loss due to computer fraud. For the purposes of this Form, computer fraud means the loss of "money", or "securities" caused by the fraudulent input, transfer, modification or erasure of electronic "data" on the basis of unauthorized electronic instructions, through use of a computer, whether located on the "premises", the "banking premises" or another location.

For the purposes of this Crime Cover only, the following provisions will apply:

1. Computer fraud shall not be considered "data problem".
2. The "coverage territory" is extended to anywhere in the world for loss due to computer fraud.

B. Claim Preparation Costs

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We will pay for the reasonable and necessary claim preparation costs of external auditors, accountants and investigators retained by you to quantify the extent of any loss claimed herein and subject to obtaining our permission to incur these costs in advance of any such retainer.

We will not pay for your services or the services of your employees, legal counsel, "public adjusters" or claims consultants.

C. Employee Dishonesty

We will pay for loss of "money", "securities" and "other property" that you own resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee", whether acting alone or in collusion with others.

This coverage shall be subject to the following provisions:

1. We will not pay for loss, where the proof of the loss or the amount of the loss depends entirely on an inventory computation or a profit and loss computation.
2. Coverage will be deemed cancelled for any "employee"
 - a. In all provinces and territories other than Quebec, immediately upon your (or any of your partners or officers not in collusion with such "employee") having discovered any "fraudulent or dishonest act" committed by such "employee."
 - b. in the Province of Quebec, termination takes effect not less than fifteen (15) days following receipt of the notice at the last known address of the first Named Insured. Delivery of such written notice by us shall be equivalent to mailing.
3. If any insurance covering Employee Dishonesty previously carried by you has ever been cancelled by such previous insurer with regard to a particular "employee", we will not pay under this Form on account of such "employee" unless we agree to do so in writing prior to the inception of this Policy.

Coverage under this Crime Cover is extended to include direct loss caused by an "employee" while temporarily outside the "coverage territory" for a period not exceeding ninety (90) days.

D. Forgery or Alteration

We will pay you, or any bank included in your proof of loss in which you carry an account, as their respective interests may appear, for loss through forgery or alteration of any cheque, draft, promissory note, bill of exchange or similar written promise or order to pay or transfer a specific amount of "money" or "securities", made by or drawn by you or your authorized agent, or purporting to have been so made or drawn, including the following:

1. Any cheque or draft in your name, payable to and endorsed in the name of a fictitious payee.
2. Any cheque or draft procured directly from you or your authorized agent, by anyone impersonating another, and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated.
3. Any payroll cheque or payroll order made or drawn by you and endorsed by anyone other than the named payee without authority from such payee.

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We will pay under this Crime Cover whether or not the endorsed instruments mentioned in 1., 2., or 3. above are considered a forgery under the law of the place where such forgery or alteration occurred.

Mechanically produced signatures will be treated the same as handwritten signatures.

In addition, we will pay you, or any bank included in your proof of loss in which you carry an account, for loss of "money", "securities" or "other property" resulting from telephone instructions purported to have been transmitted by you, but which were in fact transmitted by someone else without your knowledge or consent.

In the event of loss under this Crime Cover, you will be entitled to priority of payment ahead of any bank included in your proof of loss. Any loss payable hereunder, whether suffered by you or such bank, will be paid directly to you in your own name, except in such cases where the bank has already fully reimbursed you for such loss. Our liability to the bank for such loss will not increase the amount of insurance that would have been available had you sustained such loss.

If you or the bank included in your proof of loss refuse to pay any of the instruments described above, alleging that such instruments are forged or altered, and such refusal results in suit being brought against you or your bank to enforce payment, and if we give our written consent to the defence of such suit, then any reasonable legal fees, court costs or similar expenses incurred and paid by you and your bank in defence of any such action will be considered to be a loss under this Crime Cover and our liability for such loss will be in addition to any other liability under this Crime Cover.

We will not pay for loss under this Crime Cover resulting from the use of any computer.

E. Money and Securities

We will pay for loss of "money" and "securities" resulting directly from wrongful abstraction, disappearance or destruction. As specified in the Declarations, separate limits shall apply for loss occurring inside or outside the "premises", both of which must be selected in order for this Crime Cover to take effect. Coverage will be in accordance with the following provisions.

1. Loss Inside the Premises

We will pay for loss of "money" and "securities" resulting directly from the wrongful abstraction, disappearance or destruction and loss of "other property" by "robbery", within your "premises" or within a night depository safe provided by a bank or trust company on its "banking premises", except that no coverage is provided in this Crime Cover for:

- a. "money" or "securities" left on your "premises" overnight or while you are closed for business;
- b. loss of "money" from any coin-operated amusement or vending device, unless the amount of "money" deposited in such a device is continuously recorded by a recording instrument installed within the device; or
- c. loss of "money" or "securities" given or surrendered in any exchange or purchase, or resulting from any accounting or arithmetic error or omission.

2. Loss Outside the Premises

**COMPREHENSIVE DISHONESTY, DISAPPEARANCE &
DESTRUCTION POLICY**

We will pay for loss of “money” and securities” resulting directly from the wrongful abstraction, disappearance or destruction and loss of “other property” by “robbery”, all while outside your “premises” and in the care and custody of a “messenger” or an armoured car service. Coverage is also extended to include “money” and “securities” lost, destroyed or stolen and loss of “other property” at or from your residence or that of an “employee” authorized by you. However, we will not pay for loss of “money” or “securities” surrendered in any exchange or purchase, or resulting from any accounting or arithmetic error or omission. The coverage as afforded under this Form will be in excess of any coverage available through any armoured car service provider.

F. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the acceptance, in good faith and in the regular course of your business, of any post office, express or bank money order if such money order is not paid upon presentation. This coverage also includes loss due to the acceptance, in good faith and in the regular course of your business, of counterfeit Canadian or United States of America paper currency.

G. Premises Damage

We will pay for loss from damage to the “premises”, or to the exterior of the “premises”, resulting directly from an actual or attempted theft of your “money” or “securities”. You must be the owner of the “premises” or be legally liable for such damage in order for us to pay under this coverage.

H. Safe Burglary

We will pay for loss of “money”, “securities” and “other property” caused by “burglary” or attempted “burglary” of a locked safe, vault, cash register, cash box or cash drawer located on the “premises”.

I. Unauthorized Business Card Use

We will pay for loss resulting directly from theft, forgery or unauthorized use of credit, debit or charge cards issued in your name, including fund transfer cards, charge plates and telephone cards.

III. Exclusions**A. Causes of Loss Not Covered**

We will not pay for loss or damage caused directly or indirectly, in whole or in part, out of any of the following causes; such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

1. Contamination (including Pollution)

The presence, suspected presence, discharge, release, escape, dispersal, seepage or migration of a “contaminant”; the cost or expense for testing, monitoring, evaluating or assessing an actual, alleged, potential or threatened discharge, release, escape, dispersal, seepage or migration of a “contaminant”. However, if the contamination results in loss or damage covered by this Form, this exclusion does not apply to such ensuing loss or damage.

2. Confidential Information

**COMPREHENSIVE DISHONESTY, DISAPPEARANCE &
DESTRUCTION POLICY**

Loss resulting from

- a. The unauthorized use or disclosure of your confidential information, including, but not limited to trade secrets, know-how, strategies, processing methods, non-patented inventions and customer lists; or
- b. The unauthorized use or disclosure of confidential information of another person or entity which is held by you, including, but not limited to financial information, personal information, or other similar non-public information.

3. Credit, Debit or Charge Card

Loss resulting from the use of any credit, debit or charge card issued in the name of anyone other than you, whether or not such card is customarily used in your business.

4. Damages

Damages of any type for which you are legally liable, except direct compensatory damages arising from a loss covered under this Form.

5. Data Problem

Loss or damage caused directly or indirectly by “data problem”, except as provided in Crime Cover A. (Computer Fraud).

6. Dishonesty

Dishonest, fraudulent or criminal acts by you or any of your associates, proprietors, partners, officers, “employees”, directors, trustees or authorized representatives, except as provided for “fraudulent or dishonest acts” in Crime Cover C. (Employee Dishonesty).

7. Extortion Payments

Loss or damage resulting from any one or more of kidnap, ransom and other extortion payments (as distinguished from the proceeds of a “robbery”) surrendered to any person as a result of a threat to do (1) bodily harm to any person, or (2) damage to the “premises” or other property you own or hold in any capacity.

8. Fees, Costs or Other Expenses

- a. Fees, costs or other expenses incurred or paid by you in the prosecution or defence of any legal proceeding, whether or not such legal proceeding results or would result in a loss to you that would be covered under this Form, except as provided in Crime Cover D. (Forgery or Alteration) or as specifically described elsewhere in this Form.
- b. Fees, costs or other expenses incurred by you in establishing the existence of, or amount of loss covered under this Form, except as provided in Crime Cover B. (Claim Preparation Costs).

9. Fire

**COMPREHENSIVE DISHONESTY, DISAPPEARANCE &
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Property lost or damaged as a result of fire, however caused. This exclusion does not apply to "money" and "securities" as covered under Crime Cover E. (Money and Securities), provision 1 Loss Inside the Premises and to safes and vaults as covered under Crime Cover H. (Safe Burglary).

10. Loss of Potential Income

Potential income, including but not limited to interest and dividends, not realized by you or any customer of yours because of a loss covered under this Form.

11. Nuclear Hazard

Any nuclear incident as defined in the Nuclear Liability Act, or any nuclear liability act, law or statute, or any law amendatory thereof; nuclear explosion or contamination by radioactive material.

12. Surrender

- a. Surrender of "money", "securities" or "other property" away from the "premises", as a result of a threat to do bodily harm to any person, or damage to the "premises" or property owned by you or for which you are legally liable. However, this exclusion does not apply to Crime Cover C. (Employee Dishonesty) or to Crime Cover E. (Money and Securities - 2. Loss Outside the Premises) while being conveyed by a "messenger", where there was no knowledge by you of any threat at the time the conveyance was initiated.
- b. Loss or damage arising directly or indirectly from the giving or surrendering of any one or more of "money", "securities" and "other property" in any exchange, purchase or other similar transaction (or any combination thereof).

13. Terrorism

Loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

14. War and Military Action

- a. War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or by any direct or indirect action taken to hinder, combat or defend against an actual, impending or expected attack or invasion by a foreign enemy.
- b. Any weapon of war or of mass destruction, employing biological or chemical warfare, atomic fission, atomic fusion, radioactive force or radioactive material, whether in time of peace or war, regardless of who commits the act.

15. Fraudulent Instruction

Loss or damage resulting from an "employee" acting upon a fraudulent instruction to transfer, pay or deliver "money", "securities" or "other property" (or any combination thereof).

B. Assets Not Covered

Coverage under this policy does not apply to
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Loss of “customer loyalty points”, including your obligation to reimburse customers (or replenish customer accounts) for the loss of such loyalty points or any other similar unit of reward or asset.

IV. Special Conditions

1. Books and Records

You shall keep records of all the insured property in such manner that we can accurately determine from them the amount of loss.

2. Consolidation or Merger

If anyone becomes an “employee” as a result of consolidation, amalgamation or merger with, or through the purchase of the assets of another company or business, or if you acquire the use and control of additional “premises”, coverage under this Form shall also apply to such “employees” and “premises”. Our recognition of such “employees” and “premises” will be conditional upon your written notice within thirty (30) days thereafter. This notice period shall commence on the date of such consolidation, merger, purchase or acquisition.

Upon receipt of written notice, we will make any necessary adjustments to the Declarations and charge you an additional premium, pro rata from the date of consolidation, merger, purchase or acquisition until the expiration of the current policy period.

3. Discovery

We will only pay under this Form for covered losses that are discovered no later than twelve (12) months from the expiration of the policy period.

Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Form has been or will be incurred, even though the exact amount or details may not then be known. Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that, if true, would constitute a covered loss under this Form.

4. Joint Insured

If more than one Insured is named in the Declarations, the first Named Insured shall act for itself and on behalf of every other Insured for all purposes under this Form. If the first Named Insured ceases to be covered, the next Named Insured will become the first Named Insured.

If you or your partners or officers have knowledge of any information relevant to this Form, that knowledge is considered the knowledge of every Insured. An “employee” of any Insured is considered to be an “employee” of every Insured.

If this Form or any of its Crime Covers is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than twelve (12) months from the date of cancellation or termination.

5. Loss Caused by Unidentifiable Employees

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If a loss is alleged to have been caused by the “fraudulent or dishonest acts” of one or more of your “employees”, and you are unable to designate the specific “employee” or “employees” causing such loss, you will have the benefit of coverage under Crime Cover C. (Employee Dishonesty), subject to the provisions of this Form, provided that the evidence submitted reasonably proves that the loss was in fact due to “fraudulent or dishonest acts” of one or more of your “employees”.

6. Loss Under Prior Bond or Policy

If you, or the previous owner of your business, sustained a loss as covered under Crime Cover C. (Employee Dishonesty) during the period of any prior bond or policy that you or the previous owner could have recovered under that bond or policy if the discovery period had not expired, we will pay for such loss under this Form, subject to the following conditions:

- a. This Form must have become effective at the time of cancellation or termination of the prior bond or policy; and
- b. The loss would have been covered by this Form had it been in effect when the acts or events causing the loss were committed or occurred.

Any amount that we pay under this provision shall be part of, and not in addition to, the limit of insurance shown in the Declarations for the applicable Crime Cover in this Form. The amount we pay under this provision is limited to the lesser of the amount recoverable under the prior bond or policy and the limit of insurance shown in the Declarations for the applicable Crime Cover in this Form.

7. Ownership of Property; Interests Covered

The insured property may be leased or owned by you, or held by you in any capacity whether or not you are liable for loss thereof, or may be property as respects which you are legally liable; provided coverage under Crime Covers D. (Forgery or Alteration), E. (Money and Securities) and H. (Safe Burglary) apply only to your interest in such property, including your liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in your proof of loss, in which event item e. Section 8. (Requirement After Loss) is applicable to them.

8. Requirements After Loss

In the event of loss or damage that may be covered under this Form, and in addition to the requirements specified in the Special Conditions of this Form and the Common Conditions attached to this Policy, you agree to comply with the following conditions:

- a. Advise us as soon as possible and, except for loss under Crime Cover C. (Employee Dishonesty) and Crime Cover D. (Forgery or Alteration), also advise the police if the loss involves a violation of law.
- b. Your sworn Proof of Loss under Crime Cover D. (Forgery or Alteration) must include the document that is the basis of your claim for loss. If it is not possible to include such document, we will accept a sworn affidavit from you or your bank outlining the amount and cause of loss.
- c. The interest of any other person or organization in the property is not covered unless you include them in your sworn Proof of Loss; however, this condition does not apply to loss under Crime Cover C. (Employee Dishonesty) or Crime Cover D. (Forgery or Alteration).

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- d. Submit sworn Proof of Loss within one hundred and twenty (120) days after the discovery of the loss.
- e. Upon our request, you shall submit to examination by us, subscribe the same, under oath if required, and produce for our examination all pertinent records, all at reasonable times and places as we shall designate, and shall cooperate with us in all matters pertaining to loss or claims with respect thereto.

9. Subrogation

In the event of any payment under the Form, we shall be subrogated to all of your rights of recovery against any person or organization and you shall execute and deliver instruments and papers and whatever else is necessary to secure such rights. You shall do nothing after loss to prejudice such rights.

10. Recoveries

If you shall sustain any loss covered by this Form which exceeds the applicable amount of insurance hereunder, you shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for our benefit) 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 our reimbursement.

V. Definitions

The following terms are referenced in this Form and have special meaning as described below:

1. **Actual Cash Value** – the cost of replacing lost or damaged property with similar property of like kind, capacity, size, quality and function, less depreciation, however caused. We will consider such items as the age, condition and normal life expectancy of the affected property in determining depreciation.
2. **Banking Premises** – the interior of that portion of any building occupied by a banking institution to conduct its business.
3. **Burglary** – the taking of insured property:
 - a. From inside your “premises” by a person gaining illegal entry or exit through actual force, which must be evidenced by visible marks or physical damage to the interior or exterior of the “premises” at the place of such entry or exit; or
 - b. From within a showcase or show window outside the “premises”, into which a person gains illegal entry by actual force, clear marks of which must be visible.
4. **Contaminant(s)** – any solid, liquid, gaseous, thermal or other irritant or pollutant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals, bacteria, fungi, virus, mould, spores, vaccines, waste (including materials to be recycled, reconditioned or reclaimed) or other hazardous substances.
 - a. Fungus (or fungi) includes, but is not limited to, any form or type of yeast, mould, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas

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produced by, emitted from or arising out of any fungi or spores or resultant myotoxins, allergens or pathogens

- b. Spores include, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any fungus (or fungi).
- 5. Coverage Territory** – means Canada and the continental United States of America (including Alaska).
- 6. Customer Loyalty Points** – means any one or more of points, units of reward and other assets, derived from any type of customer loyalty program that can be converted or redeemed into one or more of the following:
- (a) “Money”.
 - (b) Discounts towards the purchase of goods or services (or both).
 - (c) The purchase of goods or services (or both).
- 7. Data** – representations of information or concepts, in any form.
- 8. Data Problem** – the erasure, destruction, corruption, misappropriation or misinterpretation of “data”; error in creating, amending, entering, deleting or using “data”; or the inability to receive, transmit or use “data”.
- 9. Employee(s)** – Any natural person (except a director or trustee if your business is incorporated, unless the director or trustee is also a corporate officer or employed by the business in some other capacity) while in your regular service in the ordinary course of your business during the policy period. As applied to loss under Crime Cover C. (Employee Dishonesty), the words *while in your regular service* shall include the first sixty (60) days thereafter unless such regular service was terminated due to any “fraudulent or dishonest acts”. You must pay such person a salary, wages or commission and you must have the right to direct his or her performance of such service. Brokers, factors, commission merchants, consignees, contractors or any other representatives of a similar nature are not considered to be “employees” under this Form.
- 10. Fraudulent or Dishonest Acts** – Acts committed by an “employee” with the manifest intent to cause you to sustain loss and 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, all earned in the normal course of employment.
- 11. Messenger** – You, your partner or any “employee” who is duly authorized by you to have care and custody of the insured property outside the “premises”.
- 12. Money** – currency, coins, bank notes, bullion, travellers cheques and money orders held for sale to the public; however money does not mean “securities”.
- 13. Other Property** – means any tangible property other than “money” and “securities” that has intrinsic value.

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14. Occurrence – means a loss or series of losses arising directly or indirectly out of or caused by a single cause or event. All such covered loss or damage shall be treated as a single “occurrence”.

15. Premises – the interior of the portion of the building where you conduct your business, at the locations stated in the Declarations; however, this definition does not include:

- a. Showcases or show windows which do not open directly into the interior of the building; or
- b. Public entrances, halls and stairways.

For loss under Crime Cover E. (Money and Securities) only, this definition is extended to include the area immediately surrounding such building, provided you are conducting business in this area.

16. Public Adjusters – individuals or groups, including consultants, secured specifically for the purpose of representing your interest in the adjustment of a claim or claims under this Form.

17. Robbery – The taking of insured property from you, one of your “employees” or a “watchman” employed exclusively by you (while on duty within the “premises”) through violence or threat of violence during the commission of an overt criminal act in the presence of you, or one of your “employees” or a “watchman”, provided in each case the act is not committed by you, an officer or an “employee”. This definition includes the taking of insured property from you or one of your “employees” after you or one of your “employees” have been killed or disabled by injuries sustained either intentionally or accidentally.

18. Securities – all negotiable or non-negotiable contracts or other written documents representing “money” or “other property”, including revenue and other stamps in current use, tokens and tickets; however, this definition does not include “money”.

19. Terrorism – 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.

20. Watchman – any person you retain specifically to have care and custody of property inside the “premises” and who has no other duties.

**COMPREHENSIVE DISHONESTY, DISAPPEARANCE &
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THIRD PARTY EXTENSION ENDORSEMENT

THIRD PARTY EXTENSION ENDORSEMENT

This endorsement modifies the coverage provided under the Comprehensive Dishonesty Disappearance and Destruction Policy

1. Item II Crime Covers C. Employee Dishonesty is extended to cover any direct loss or losses which any person or organization, having engaged your services shall sustain because of loss of "money" or "other property":

(a) belonging to; or

(b) in which such person or organization has a pecuniary interest; or

(c) held in any capacity whether legally liable therefor or not;

resulting directly from any "fraudulent or dishonest acts" or act committed by an "employee", acting alone or in collusion with others, during the period of the performance of such services.

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

This Endorsement changes the Policy. Please Read it Carefully.

Statutory Conditions, General Conditions and Other Conditions

Please refer to the Statutory Conditions, General Conditions and Other Conditions applicable to your Province(s)/Territory(ies).

1. Statutory Conditions

Page 1 - All Provinces/Territories except:

- a. Alberta, British Columbia and Quebec.
- b. Conditions 5. (Termination) and 15. (Notice) do not apply to Ontario, please see Other Conditions for the Termination and Notice conditions that apply in Ontario.
- c. Condition 14. (Action) does not apply to Manitoba, please see Other Conditions for the Action condition that applies in Manitoba.

Page 4 – Alberta.

Page 7 - British Columbia.

2. General Conditions

Page 11 – Quebec .

3. Other Conditions

Page 16.

Statutory Conditions

(For all provinces except Alberta, British Columbia and Quebec, except that paragraph 14 does not apply to Saskatchewan).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

Where a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate a circumstance which 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 is stated in the contract.

3. Change of Interest

The Insurer shall be 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

A change material to the risk and within the control and knowledge of the Insured shall void the contract as the part affected by it, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured shall, within 15 days of the receipt of the notice pay to the Insurer an additional premium; and in default of the payment the contract shall no longer be in force and the Insurer shall return the unearned portion of the premium paid.

5. Termination

(1) This contract may be terminated.

(a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail or five days written notice of termination personally delivered;

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

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

(a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportional premium for the expired time, but, in no event shall the proportional premium for the expired time be considered to be less than any minimum retained premium specified; and

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

(3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as 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 considered to be less than a minimum retained premium specified.

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

(5) The 15 days mentioned in clause (1) (a) of this condition start 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 a loss of or damage to the insured property, the Insured shall, where the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,

(a) forthwith 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 destroyed and 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 where 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 a wilful 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 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 property insured was at the time of loss:

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

(d) where required, and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.

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

7. Fraud

A fraud or a wilfully false statement in a statutory declaration in relation to the above particulars, shall vitiate the claim of the person making the declaration.

8. Who May Give Notice and Proof

Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or where the Insured refuses to do so, by a person to whom a part of the insurance money is payable.

9. Salvage

(1) The Insured, in the event of any loss or damage to the property insured under the contract, shall take all reasonable steps to prevent further damage to the property so damaged and to prevent damage to other property insured under the contract including, where necessary, its removal to prevent damage or further damage to the property.

(2) The Insurer shall contribute proportionally towards reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (1) of this condition according to the respective interest of the parties.

10. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer shall not be entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

11. Appraisal

In the event of a disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act*, or the *Insurance Contracts Act* in the case of Newfoundland and Labrador, before there can be a 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 an appraisal is made in writing and until after proof of loss has been delivered.

12. When Loss Payable

The loss shall be payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

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

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

14. Action

Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within 1 year next after the loss or damage occurs.

15. Notice

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

Statutory Conditions

(applicable in the province of Alberta). Subject to certain exceptions set out in the Insurance Act and regulations thereunder, the Statutory Conditions are deemed to be part of every contract of insurance in force in the province of Alberta. (**Statutory Conditions 1 and 6 to 13** apply only to contracts that include insurance against loss or damage to property).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made

known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property of Others

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

3. Change of Interest

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

4. Material Change in Risk

(1) The insured must promptly give notice in writing to the insurer or its agent of a change that is

(a) material to the risk, and

(b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

(a) terminate the contract in accordance with Statutory Condition 5, or

(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2)(a) applies in respect of the unearned portion of the premium.

5. Termination of Insurance

(1) The contract may be terminated

(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or

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

(2) If the contract is terminated by the insurer,

(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

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

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

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

6. Requirements After Loss

(1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

(a) immediately give notice in writing to the insurer,
(b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration

(i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,

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

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

(iv) stating the amount of other insurances and the names of other insurers,
(v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,

(vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and

(vii) stating the place where the insured property was at the time of loss,

(c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and

(d) if required by the insurer and if practicable,

(i) produce books of account and inventory lists,

(ii) furnish invoices and other vouchers verified by statutory declaration, and

(iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

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

8. Who May Give Notice and Proof

Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made

(a) by the agent of the insured if

(i) the insured is absent or unable to give the notice or make the proof, and

(ii) the absence or inability is satisfactorily accounted for,
or

(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

9. Salvage

(1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, Control, Abandonment

After loss or damage to insured property, the insurer has

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

11. In Case of Disagreement

(1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act* whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

(2) There is no right to a dispute resolution process under this condition until

- (a) a specific demand is made for it in writing, and
- (b) the proof of loss has been delivered to the insurer.

12. When Loss Payable

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

13. Repair or Replacement

(1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

(1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

15. Action

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

Statutory Conditions

(applicable in the province of British Columbia). Subject to certain exceptions set out in the Insurance Act and regulations thereunder, the Statutory Conditions are deemed to be part of every contract of insurance in force in the province of British Columbia. (**Statutory Conditions 1 and 6 to 13** apply only to contracts that include insurance against loss or damage to property).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

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

2. Property of others

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

(b) the interest of the insured in that property is stated in the contract.

3. Change of interest

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

4. Material change in risk

(1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
(a) material to the risk, and

(b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

(a) terminate the contract in accordance with Statutory Condition 5, or

(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

5. Termination of insurance

(1) The contract may be terminated

(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or

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

(2) If the contract is terminated by the insurer,

**COMPREHENSIVE DISHONESTY, DISAPPEARANCE &
DESTRUCTION POLICY**

(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

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

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

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

6. Requirements after loss

(1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

(a) immediately give notice in writing to the insurer,

(b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,

(i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,

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

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

(iv) stating the amount of other insurances and the names of other insurers,

(v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,

(vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and

(vii) stating the place where the insured property was at the time of loss,

(c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and

(d) if required by the insurer and if practicable,

(i) produce books of account and inventory lists,

(ii) furnish invoices and other vouchers verified by statutory declaration, and

(iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

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

8. Who may give notice and proof

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

(a) by the agent of the insured, if

(i) the insured is absent or unable to give the notice or make the proof,

(ii) the absence or inability is satisfactorily accounted for, or

(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

9. Salvage

(1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, control, abandonment

After loss or damage to insured property, the insurer has

(a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and

(b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but

(i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and

(ii) without the insurer's consent, there can be no abandonment to it of the insured property.

11. In case of disagreement

(1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

(2) There is no right to a dispute resolution process under this condition until

(a) a specific demand is made for it in writing, and

(b) the proof of loss has been delivered to the insurer.

12. When loss payable

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

13. Repair or replacement

(1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

(1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

15. Action

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

General Conditions

(This Policy is subject to the Civil Code of Quebec)

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

These General Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these General Conditions, the conditions more favourable to the insured will prevail.

For all coverages except where inapplicable.

1. Statements

1.1 Representation of risk (Article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

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

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

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

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

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. General Provisions

2.1 Insurable interest (Articles 2481 and 2484) ***(Applicable to property insurance only)***

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

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

3. Losses

3.1 Notice of loss (Article 2470)

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

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

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

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

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

3.3 False representation (Article 2472)

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault. Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police

(Applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(Applicable to property insurance only)

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

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

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

3.7 Admission of liability and cooperation

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

(The following two paragraphs are applicable to liability insurance only: Article 2504)

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

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

3.8 Right of action (Article 2502)

(Applicable to property insurance only)

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

4. Compensation and Settlement

4.1 Basis of settlement (Articles 2490, 2491, 2493) *(Applicable to property insurance only)*

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

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

4.2 Pair and set *(Applicable to property insurance only)*

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

4.3 Parts *(Applicable to property insurance only)*

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

4.4 Replacement (Article 2494) *(Applicable to property insurance only)*

Subject to the rights of preferred and hypothecary creditors, the Insurer re-serves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others***(Applicable to property insurance only)***

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

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

4.8 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. Other Insurance**5.1 Property insurance (Article 2496)**

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

5.2 Liability insurance

**COMPREHENSIVE DISHONESTY, DISAPPEARANCE &
DESTRUCTION POLICY**

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

– Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

– Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. Cancellation (Articles 2477 and 2479)

This policy may be cancelled at any time:

(a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.

(b) By the Insurer giving written notice to each of the Named Insureds. Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

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

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

7. Notice

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

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

Other Conditions

The Conditions shown below are deemed to be part of every contract of insurance in force in the province of Ontario:

Termination

(1) This contract may be terminated,

(a) by the insurer giving to the insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent;

(b) by the insured at any time on request;

(2) Where this contract is terminated by the insurer,

(a) the insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and

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

(3) Where this contract is terminated by the insured, the insurer shall refund as soon as 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 days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Notice

(1) Written notice may be given to the insurer in the following ways:

(a) It may be personally delivered at the chief agency or head office of the insurer in the Province.

(b) It may be sent by registered mail to the chief agency or head office of the insurer in the Province.

(2) It may be delivered by electronic means.

(2) Written notice may be given to the insured named in the contract in the following ways:

(a) It may be personally delivered.

(b) It may be delivered by prepaid courier to the latest address of the insured on the records of the insurer if there is a record by the person who has delivered it that the notice has been sent.

(c) It may be sent by registered mail to the latest address of the insured on the records of the insurer.

(d) It may be delivered by electronic means, if the insured consents to delivery by electronic means.

(3) In this condition, the expression "registered" means registered in or outside Canada.

The Condition shown below is deemed to be part of every contract of insurance in force in the province of Manitoba:

Action

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

Trade and Economic Sanctions Limitation

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the policy it forms part of.

Notwithstanding any other terms under this agreement, no insurer shall be deemed to provide coverage or will make any payments or provide any service or benefit to any insured or other party to the extent that such cover, payment, service, benefit and/or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Zurich Insurance Company Ltd Endorsement

Named Insured	Policy Number	Endorsement Effective Date	Endorsement Number
As per Policy Declarations	As per Policy Declarations	As per Policy Declarations	n/a

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is only applicable to the percentage share of Zurich Insurance Company Ltd, as set out in the schedule of Subscribing Companies limiting any liability to that proportion of the loss payable under this Policy. Without amending or changing in any way the quota share participation (with respect to both of coverage provided and percentage share of limits of insurance shown on the Declarations or elsewhere in this Policy) of the subscribing insurers, other than as stated hereinbelow, and solely with respect to the quota share participation of Zurich Insurance Company Ltd, the Policy is hereby amended to include the following:

1. OSFI Statement

In compliance with the *Insurance Companies Act* (Canada) and the requirements of the Office of the Superintendent of Financial Institutions, this endorsement is issued in the course of Zurich Insurance Company Ltd's insurance business in Canada.

2. Privacy Consent Notice

By submitting the requested information, which may include, but is not limited to, name, address, date of birth, driver's licence number, medical information, financial information, driving record, automobile insurance policy history, and automobile insurance claims history, you are providing consent to Zurich Insurance Company Ltd and its subsidiaries and affiliates located in your country of residency or abroad (collectively, "Zurich"), for the collection, storage, use, disclosure, and processing of your personal information as may be necessary for the purposes of securing and administering the requested insurance coverage(s), including but not limited to, risk evaluation, policy execution, premium setting, premium collection, claims adjusting, administration, investigation and settlement, fraud prevention, detection and suppression, or statistical evaluation. You are also providing consent to Zurich for the disclosure of your personal information to third parties, as required for and in relation to the above-stated purposes, including reinsurers, third party administrators, brokers, agents, claims adjusters, regulators or other governmental or public bodies, taxing authorities, industry associations, other insurers, and other third parties involved in providing insurance services ("Third Parties"). If your policy is being arranged by a broker or an agent, you authorize Zurich to collect, store, use, disclose, and process personal information received from such broker or agent in relation to the above-stated purposes. Additionally, by providing information about a third party, including but not limited to, a family member, director, officer, employee, or any party that has an interest in or derives a benefit from the policy, you hereby covenant and warrant that you have obtained the appropriate consent from such third party to disclose their personal information to Zurich and for Zurich to use and disclose such information for any of the above-stated purposes.

Zurich is committed to protecting the privacy and confidentiality of information provided. Your personal information may be processed by and is securely stored within the offices of Zurich and authorized Third Parties, both in domestic and foreign jurisdictions outside Canada and is subject to applicable laws.

Zurich may retain your personal information as needed for any of the above-stated purposes or as necessary to comply with Zurich's legal and regulatory obligations, resolve disputes, and enforce Zurich's agreements. You may request to review the personal information Zurich maintains about you and make corrections by writing to: Privacy Officer, Zurich Insurance Company Ltd (Canadian Branch), 100 King Street West, Suite 5500, P.O. Box 290, Toronto, ON M5X 1C9 or by emailing privacy.zurich.canada@zurich.com.

You may refuse to consent or withdraw your consent to the collection, storage, use, disclosure or processing of your personal information; however, your refusal to provide consent may result in Zurich being unable to offer and administer insurance coverage or prevent Zurich from being able to pay any claim benefits payable under your policy.

Please contact the Zurich Privacy Officer if you require further information regarding the collection, use, disclosure, processing and storage of your personal information or if you have any complaints via email at privacy.zurich.canada@zurich.com. You can also review our Privacy Policy at <https://www.zurichcanada.com/en-ca/about-zurich/privacy-statement>.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.



Business Legal Solutions

Legal Expense Insurance Policy

Please read this policy carefully and in full to familiarize yourself with the coverage, terms, and conditions.

This document also outlines:



Legal services access



Making a claim



Complaint handling

If you are unsure about anything in this document, please contact whomever you purchased your policy from.

ARAG Legal Solutions Inc.

121 King Street West, Suite 2200
Toronto, Ontario, M5H 3T9

T| 416.342.5400 or 1.888.582.5586

W| ARAG.ca

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ARAG Business Legal Solutions

Legal Expense Insurance Policy

ARAG Legal Solutions Inc. (ARAG) acts as the insurance manager and has the authority to issue this insurance policy and administer claims on behalf of **HDI Global Specialty SE. (HDI)**.

This is a Named Perils policy and provides coverage only for the insured events listed within this policy.

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

Legal Services

1. Legal Helpline

We will provide **you** access to a Legal Helpline through which **you** can receive confidential general legal assistance and information over the phone relating to any legal problem affecting **your** business to help determine **your** legal rights and options under the laws of the applicable province or territory and the federal laws of Canada.

The Legal Helpline is available 24 hours a day, 7 days a week.



For general legal assistance on any matter, please call:

1.877.255.4269

Calls to this service may be recorded.

The lawyer cannot provide case specific research or review documents.

The helpline cannot provide information in respect of a dispute with **us**, the **Insurer**, or the **Broker**.

We will not accept responsibility if the helpline service is unavailable for reasons **we** cannot control.

2. Legal Document Review

A lawyer will review a simple legal document **you** have received and provide **you** with an annotated copy of the document with the lawyer's notes to assist **you** in understanding the general impacts this may have for **you**.



To submit a legal document for review, please call:

1.877.255.4269

You must submit the entire document for the lawyer to review, up to 8 pages single sided, and in a readable font.

This service is not intended to review documents which **you** have drafted.

This service includes but is not limited to a letter you have received, a contract for goods or services, or a commercial lease.

If a document forms part of an existing claim under **your** legal expense insurance policy, then it is not eligible for this review. If **you** believe that **your** issue may be covered under **your** legal expense insurance policy, please submit it as a claim for assessment before using this service.

This service cannot review any documents which are a part of any ongoing litigation or procedure.

Legal Services (continued)



Please note: Legal Document Review service can be accessed a total of twelve (12) times per year.

3. Simple Legal Letter Drafting

A lawyer will draft a simple legal letter for **you** to send. This service is intended to assist **you** with drafting simple documents, such as: demand letters, complaint letters, or a warning letter to an employee.



To request a simple legal letter to be drafted, please call:

1.877.255.4269

This service is not intended for complex legal documents, such as: wills, power of attorney documents, contracts, employment termination letters, loan agreements, documents related to the lease of a property, or partnership agreements.

This service is not available for issues which are already subject to a claim under **your** legal expense insurance policy. If **you** believe that **your** issue may be covered under **your** legal expense policy, please submit it as a claim for assessment before using this service.

This service cannot be used to draft letters if the issue is part of any ongoing litigation or procedure.



Please note: Simple Legal Letter Drafting service can be accessed a total of twelve (12) times per year.

4. Legal Document Centre

You have access to current legal documents, all of which have been drafted by lawyers, and are in the form of guided, customizable templates. One account is available per policyholder.



To create an account please first visit:

documentcentre.arag.ca

Then under Step 1: Create an Account, please enter the Customer Code found on **your** Policy Declaration Page.

Additional Support Services

1. HR Assistance

We provide **you** with access to HR Assistance where **you** can speak to a Human Resources professional, who can provide **you** with information regarding HR issues that are impacting **your** business.

The HR Assistance service is available Monday to Friday 9:00 a.m. to 6:00 p.m. Eastern Standard Time (EST).



To schedule a time to speak with an HR professional, please call:

1.877.255.4269

Making a Claim

Please contact **us** as soon as practicable following an insured event, and in no event later than 120 days after the **date of occurrence** of the insured event.



You may report a claim to us by:

- Calling the Legal Helpline phone number while **you** are insured under this policy
- Email at claims@arag.ca
- Mail to **our** Head Office address listed on arag.ca

We will then advise **you** on next steps.



Please note:

- That the **Insurer** will not pay for any **legal costs you** incur before **we** have accepted **your** claim, even if **we** later accept the claim.
- This policy contains clauses which may limit the amount payable.

Definitions

The following definitions apply wherever these words or phrases appear in bold in the policy.

Appointed representative

The lawyer, accountant or other suitably qualified person appointed by **us** on behalf of the **insured person** to act for an **insured person**.

Broker

The company, as identified on the Policy Declaration Page for this policy, which facilitated the purchase of this policy by **you**.

Cannabis

A cannabis plant that belongs to the genus Cannabis, and any other meaning prescribed by **cannabis laws**, not including illicit cannabis.

Cannabis laws

The Cannabis Act, S.C. 2018, c. 16, its regulations, documents incorporated by reference, and amendments thereto, and any related or similar federal, provincial or territorial legislation and regulations.

Contract of employment

Written agreement between **you** and **your** employee(s) setting out both party's rights, duties and obligations.

Definitions (continued)

A **contract of employment** does not include a collective agreement covering a group of employees who are represented by a union.

Criminal offence

An offence under the Criminal Code of Canada (R.S.C., 1985, c. C-46) or any of its amendments.

Date of Occurrence

1. For civil cases: the date of the event which leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date of the first of these events.
2. For criminal cases: the date of the alleged **criminal offence**, or the earliest date in a series of related alleged **criminal offences**, for which an **insured person** is charged.
3. For licence or registration appeals: when **you** were first informed by the relevant licensing or regulatory authority of their proposal to review, suspend, alter the terms of, refuse to renew or cancel **your** licence.
4. For a **tax appeal**: when the Canada Revenue Agency (CRA) or a provincial tax authority first issues **you** a notice of assessment, reassessment or determination with which **you** disagree.
5. For a **tax audit**: when the CRA or a provincial tax authority first contacts **you** in relation to commencing an audit.

The insured event must occur within the period the **Insurer** has agreed to cover the **insured person**.

Federal Anti-Spam Legislation

An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, S.C. 2010, c. 23.

Goods

Any object which is not attached to **real property**, except by its own weight, and can be removed without damage or alterations to the **real property** requiring repair.

Any object which is plugged in and can be removed without any damage or alteration to the **real property**.

Insured person

You and **your** directors, officers, partners, managers and employees.

Anyone claiming under this policy must have **your** agreement to claim.

Insurer

HDI Global Specialty SE.

Definitions (continued)

Legal costs

In respect of the insured events described in this policy:

1. all reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative** including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports incurred by the **appointed representative**;
2. the costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with **our** agreement; and
3. the **insured person's** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing.

Motor vehicle

Includes an automobile, a motorcycle, a motor assisted bicycle, and any other vehicle propelled or driven otherwise than by muscular power.

Reasonable prospects

For civil cases **reasonable prospects** means that **we** agree that it is always more likely than not that an **insured person** will recover losses or damages (or obtain other legal remedy which **we** have agreed to) or make a successful defence.

For appeals relating to any insured event, **reasonable prospects** means that **we** agree that it is always more likely than not that the appeal will be successful.

Real property

Real property is land, and anything growing on, affixed to, or built upon land. This also includes man-made buildings as well as crops. **Real property** is characterized as property that doesn't move, or that is attached to the land.

Tax appeal

An appeal regarding an assessment, reassessment or determination made by the CRA or a provincial tax authority, including an administrative appeal to the CRA or a provincial tax authority and an appeal to the Tax Court of Canada or a superior court of a province.

Tax audit

An inspection and verification by the CRA or a provincial tax authority of **your** financial accounting records to determine whether or not **you** have paid the correct amount of tax.

Territorial limit

Canada.

Definitions (continued)

We, us, our

ARAG Legal Solutions Inc. who has been authorized by the **Insurer** to act as the insurance manager for this policy.

You, your

The corporation or partnership shown in the Policy Declaration Page as the policyholder.

Agreement

In return for payment of the premium, and subject to the policy terms, definitions, conditions, exclusions and limitations set out in this policy and the Policy Declaration Page, the **Insurer** will provide insurance for **legal costs** incurred for insured events described in this policy, provided that:

1. The **date of occurrence** of the insured event happens within the period the **Insurer** has agreed to cover an **insured person**; and
2. The insured event occurs within the **territorial limit** and any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **territorial limit**; and
3. The **legal costs** are incurred after the claim has been accepted by **us**, and are limited to:
 - (a) The reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative**, including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports incurred by the **appointed representative**;
 - (b) Costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with **our** agreement; and
 - (c) The cost of the **insured person's** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing; and
4. **You** have paid the insurance premium specified; and
5. For civil cases and appeals relating to any insured event, **reasonable prospects** exist for the duration of the claim.

Except where stated otherwise, the **Insurer** will not pay **legal costs** incurred with respect to the enforcement of judgments or final orders, or settlement agreements, or minutes of settlement, which may arise in the pursuit or defence of **your** legal rights from an accepted claim under this policy.

Agreement (continued)

Except where stated otherwise, the **Insurer** will pay **legal costs** incurred in making or defending an appeal, as long as:

- The matter being appealed was previously accepted as a claim under this policy,
- The **insured person** tells **us** within the time limits allowed to file an appeal that they want to appeal (and within reasonable time to allow for the filing of all necessary documents for an appeal), and;
- **We** agree there are **reasonable prospects** of success for the appeal.

The policy, together with the Policy Declaration Page and any endorsement, and incorporating the application and any information **you** have provided, forms the contract of insurance between **you** and the **Insurer**.



Please note: This is not a policy for reimbursement of **legal costs you** have already incurred.

Insured Events

1. Employment Disputes

What Is Covered	What Is Not Covered
<p>The Insurer will pay your legal costs to defend your legal rights:</p> <ol style="list-style-type: none"> 1. Following the dismissal of an employee. 2. In legal proceedings in respect of any dispute with an employee or ex-employee which: <ol style="list-style-type: none"> (a) arises out of, or relates to, a contract of employment with you. (b) arises from an alleged breach of their statutory rights under employment legislation. 3. In legal proceedings in respect of any dispute with an employee, prospective employee or ex-employee which arises from an alleged breach of their rights under applicable human rights legislation, as it relates to their employment. 	<p>Any claim relating to:</p> <ol style="list-style-type: none"> 1. death, illness or bodily injury, and/or loss of or damage to property. 2. the negotiation of a collective bargaining agreement, a general work disruption (including but not limited to a strike, work slowdown or a work to rule campaign), or dispute made pursuant to a collective bargaining agreement. 3. a contract for services. 4. legal costs for preparation and representation at an internal disciplinary hearing, grievance or appeal.

2. Employees' Extra Protection

What Is Covered	What Is Not Covered
<p>your request the Insurer will pay legal costs where proceedings are brought against an insured person for unlawful discrimination.</p>	<p>Any claim relating to defending you.</p>

Insured Events (continued)

3. Legal Defence

What Is Covered	What Is Not Covered
<p>At your request, the Insurer will pay legal costs:</p> <ol style="list-style-type: none"> To defend an insured person's legal rights in relation to: <ol style="list-style-type: none"> their being investigated by the police in respect of an alleged criminal offence. their being prosecuted for an alleged criminal offence. a civil action being taken against them for compensation in connection with a failure or alleged failure to comply with requirements under protection of privacy legislation. an investigation or prosecution against them under applicable occupational health and safety legislation. To defend an insured person's (other than your) legal rights if civil action is taken against them in their capacity as a trustee of a pension fund set up for the benefit of your employees. To respond to a Notice for Production or Notice of Violation issued against an insured person under the Federal Anti-Spam Legislation. 	<p>Any claim relating to:</p> <ol style="list-style-type: none"> any offence against any insured person who obstructs or hinders, or provides false or misleading information to, a designated person who is carrying out their duties and functions under the Federal Anti-Spam Legislation. an insured person being prosecuted in connection with the ownership, use or operation of a motor vehicle.

Insured Events (continued)

4. Auto Legal Defence

What Is Covered	What Is Not Covered
<p>At your request, the Insurer will pay legal costs to defend an insured person's legal rights in relation to being prosecuted for a highway traffic or motor vehicle offence in connection with the ownership, use or operation of a motor vehicle.</p>	<p>Any claim relating to:</p> <ol style="list-style-type: none"> 1. an insured person's alleged use of alcohol, cannabis or illegal drugs, including failure to provide a sample or be tested for the presence of such substances. 2. an insured person allegedly operating a motor vehicle for any type of race or contest, while performing a stunt or on a bet or wager, or allegedly operating a motor vehicle 40km/h or more above the posted speed limit. 3. parking or obstruction offences. 4. the insured person's alleged use of a prohibited electronic/communication device while using or operating a motor vehicle. 5. automated Traffic Enforcement Camera Offences including but not limited to photo radar and photo red light tickets. 6. an insured person's ownership, use, or operation of a motor vehicle with a gross weight of more than 4,500 kilograms. 7. an insured person allegedly operating a motor vehicle without a valid driver's licence.

Insured Events (continued)

5. Statutory Licence Appeals

What Is Covered	What Is Not Covered
The Insurer will pay legal costs to represent you in appealing to the relevant statutory or regulatory authority, court, or tribunal following an event which results in a licensing or regulatory authority suspending, or altering the terms of, or refusing to renew, or cancelling your licence to conduct your business.	Any claim relating to: <ol style="list-style-type: none"> 1. an original application or application for renewal of a statutory licence. 2. the ownership, use or operation of a motor vehicle. 3. a professional licence issued to an individual.

6. Property Protection

What Is Covered	What Is Not Covered
<p>The Insurer will pay legal costs to pursue your legal rights in a civil action relating to physical property which you own, rent or is your responsibility because of a statutory obligation:</p> <ol style="list-style-type: none"> 1. following an event which causes physical damage to such property, provided that the amount in dispute exceeds \$1,000. 2. following a legal nuisance (meaning any unlawful interference with your use or enjoyment of your land, or some right over, or in connection with it). 3. following a trespass. 4. which you wish to recover or repossess from an employee or ex-employee. 	<p>Any claim relating to:</p> <ol style="list-style-type: none"> 1. a contract entered into by you. 2. disputes related to easements or other agreed rights over land. 3. goods that are in transit, lent, rented to others or away from any premises occupied by you unless the goods are at such premises for the purpose of installations or use in work to be carried out by you. 4. someone legally taking your real property from you, whether you are offered money or not, or restrictions or controls placed on your real property by any governmental, quasi-governmental or public or local authority. 5. work done by, or on behalf of, any governmental, quasi-governmental or public or local authority unless the claim is for accidental physical damage. 6. compulsory purchase or demolition, control restrictions or permissions placed on land or property by any federal, provincial, territorial or public authority.

Insured Events (continued)

6. Property Protection (continued)

What Is Covered	What Is Not Covered
	<ol style="list-style-type: none"> 7. a motor vehicle, other than physical damage to motor vehicles where you are engaged in the business of purchasing, selling, leasing, repairing or performing maintenance upon motor vehicles. 8. mining, subsidence, heave or landslide. 9. defending your legal rights, other than in defending a counter-claim.

7. Bodily Injury

What Is Covered	What Is Not Covered
At your request, the Insurer will pay an insured person's legal costs to pursue their legal rights following a specific or sudden accident which causes their death or bodily injury.	<p>Any claim relating to:</p> <ol style="list-style-type: none"> 1. a dispute with any provincial workers' compensation board. 2. psychological injury or mental illness unless the condition arises from a specific or sudden accident that has caused physical bodily injury. 3. a condition, illness or disease which develops gradually over time. 4. death, illness or bodily injury arising from a sudden accident which involves an insured person's ownership, use or operation of a motor vehicle. 5. defending an insured person's legal rights, other than in defending a counter-claim.

Insured Events (continued)

8. Tax Protection

What Is Covered	What Is Not Covered
<p>The Insurer will pay legal costs in respect of a tax appeal or a tax audit relating to:</p> <ol style="list-style-type: none"> 1. liability for income tax, GST, PST or HST arising from your business. 2. payroll deductions compliance by your business. 	<p>Any claim relating to:</p> <ol style="list-style-type: none"> 1. a tax avoidance scheme, arrangement, or plan of any kind. 2. your failure to register for GST and/or PST and/or HST. 3. an investigation or inquiry by the CRA into alleged gross negligence, dishonesty or criminal offences.
<p>Provided that: You have taken reasonable care to ensure that all returns are complete and correct and submitted within the statutory time limits allowed.</p>	

Limits of Indemnity under this policy

The **Insurer** will pay up to the limit of indemnity shown in the Policy Declaration Page in respect of **legal costs** related to all claims resulting from one or more events arising at the same time or from the same originating cause.

Subject to the above, the **Insurer** will pay, in aggregate, **legal costs** of no more than the aggregate limit shown in the Policy Declaration Page in respect of all claims that arise in that period of insurance that result from different originating causes.

General Exclusions

This insurance does not apply to:

1. Events not connected with your business

Any event not arising in connection with the business shown in **your** Policy Declaration Page.

2. Willful acts

Any claim resulting from an act which is wilfully committed, and the results of which are consciously intended, by an **insured person**.

3. Late reported claims

A claim reported to **us** more than 120 days after the **date of occurrence**.

General Exclusions (continued)

4. Legal costs not agreed with us

Legal costs incurred before **our** written agreement that the **Insurer** will pay them.

5. Legal action not agreed with us

Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to or where an **insured person** does anything that hinders **us** or the **appointed representative**.

6. Contingency fee agreements

Any **legal costs** arising as a consequence of a contingency fee agreement.

7. Disputes with any governmental or public body

Except as it relates to claims accepted under **Insured events 3. Legal Defence, 4. Auto Legal Defence, 5. Statutory Licence Appeals, and 8. Tax Protection**, any **legal costs** relating to a review or dispute regarding the lawfulness of any decision or action of any federal or provincial governmental or quasi – governmental body, or any other local or public authority, other than in relation to an accepted claim in respect of any event insured under this policy.

8. Class action proceedings

Any claim where an **insured person** is a party to a legal action brought under applicable class proceedings legislation, or where an **insured person** has opted out of being a party to a legal action brought under applicable class proceedings legislation.

9. Judicial review

Any claim arising from or relating to a judicial review.

10. Excluded activities

Any claim arising from or relating to:

- (a) assault, violence, indecent or obscene materials, dishonesty, defamation or slander; or
- (b) the use of alcohol or **cannabis** or the unauthorized or unregulated manufacture, unlicensed dealing in alcohol or **cannabis**, or dealing in or using illegal drugs; or
- (c) illegal immigration; or
- (d) money laundering or bribery offences, breaches of international sanctions, or any other financial crime activities.

11. Inter-company disputes

Any claim arising from or relating to a dispute with any subsidiary, parent, associated or sister company of the business identified in the Policy Declaration Page, or between shareholders or partners of the business identified in the Policy Declaration Page.

12. Costs awarded outside of Canada

Any **legal costs** awarded in any jurisdiction outside of Canada.

General Exclusions (continued)

13. Damages, fines and penalties

Damages, fines, penalties, compensation or restitution orders which the **insured person** is ordered to pay by a court or other authority and any costs awarded in criminal or statutory proceedings.

14. Disputes with ARAG, the Insurer, or the Broker

Any dispute with **us**, the **Insurer**, or the **Broker** not otherwise dealt with under **Policy Condition 10. Disputes over reasonable prospects for a claim**.

15. Fraudulent claims

Any claim which is fraudulent, exaggerated or dishonest.

16. Claims under this policy by a third party

Apart from **us**, only an **insured person** may enforce all or any part of this policy and the rights and interests arising from or connected with it.

17. Nuclear, war, terrorism and pollution or contamination risks

Any claim caused by, contributed to, or arising from any of the following:

- (a) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (b) an event 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;
- (c) terrorism or a decision of a government agency or other entity to prevent, respond to or terminate terrorism;
- (d) pollution or contamination;
- (e) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed.

18. Bankruptcy of policyholder

Any matter or claim if, at any time:

- (a) **you** are declared bankrupt, placed into receivership, are in the process of being wound-up or if any part of **your** affairs or property is in liquidation;
- (b) **you** have made a proposal, petition, filing or arrangement for the benefit of any creditor or creditors;
- (c) a creditor seeks to have **you** placed into bankruptcy, declared insolvent, liquidated or be wound-up;
- (d) any of **your** property is placed under the care or control of a trustee, receiver or administrator.

19. Intellectual property disputes

Any claim related to disputes about patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy or confidentiality agreements, patents, copyright, passing-off, trade or service marks, registered designs and confidential information and agreements.

General Exclusions (continued)

20. Agency agreement

Any claim relating to rights under a franchise or agency agreement entered into by **you**.

21. Shareholding or partnership disputes

Disputes about a shareholding or partnership interest in **you** unless such shareholding or partnership interest was acquired under a plan open to all of **your** employees or a substantial number of them.

22. Disputes between Insured Persons

Any dispute between **insured persons** under this policy.

23. Disputes relating to the validity of legislation

Any constitutional or other challenge to the validity of federal, provincial, or municipal legislation.

Policy Conditions

1. Observance of policy terms

The **insured person** must:

- (a) comply with the terms and conditions of this policy;
- (b) notify **us** immediately of any change in circumstance which may materially affect **our** assessment of the risk;
- (c) take reasonable steps to avoid and prevent claims;
- (d) take reasonable steps to avoid incurring unnecessary costs;
- (e) send everything **we** reasonably ask for in writing;
- (f) report to **us** full and factual details of any claim as soon as practicable and give **us** any information **we** reasonably need.

2. Notice of Insured Event

The **insured person** shall notify **us** of any insured event which may give rise to coverage, as soon as they become aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to coverage shall be forfeited by the **insured person** where such non-compliance has caused prejudice to **us**.

Policy Conditions (continued)

3. Conduct and control of claim

- (a) If it is necessary to take legal proceedings, including a **tax appeal**, an **appointed representative** will be appointed by **us** on behalf of the **insured person** in accordance with **our** standard terms of appointment and will be retained by the **insured person**.
- (b) The **insured person** must cooperate with **us** and must keep **us** up to date regarding the progress of the claim.
- (c) The **insured person** must cooperate with the **appointed representative** and must follow the recommendations of the **appointed representative**, which have been agreed to by **us**.
- (d) The **insured person** must give the **appointed representative** any instructions that **we** require.

4. Consent to access information

The **insured person** will provide written consent, at the commencement of the retainer of the **appointed representative**, permitting the **appointed representative**, at **our** request, to give **us**, or **our insurer**, actuaries or auditors, or any regulatory authority or its agents, to the extent required by law, access to all correspondence, documents and records in the **appointed representative's** possession or control which are relevant to the matter. This consent will include permission to deliver up all such documents or copies of all such documents at **our** request.

5. Offers to settle a claim

- (a) The **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to a settlement without **our** written consent.
- (b) If the **insured person** refuses to settle the claim following advice to do so from the **appointed representative**, the **Insurer** reserves the right to refuse to pay further **legal costs** associated with the **insured person's** claim.
- (c) The **Insurer** reserves the right to pay the **insured person** the reasonable amount of damages that the **insured person** is claiming, or that is being claimed against them, or negotiate a reasonable settlement of any claim, instead of starting or continuing legal proceedings. In these circumstances the **insured person** must allow **us** to take over and conduct in their name the pursuit or settlement of any claim. The **insured person** will also allow **us** to pursue at **our** own expense and for **our** own benefit, any claim for compensation against any other party and must give **us** all information and assistance required.

6. Withdrawal of coverage

If an **insured person** settles or negotiates a claim without **our** consent, or withdraws a claim without **our** consent, or does not give to the **appointed representative** any instructions that **we** require, **we** can withdraw coverage and will be entitled to reclaim from the **insured person** any **legal costs** **we** have paid.

Policy Conditions (continued)

7. Sanction limitation

The **Insurer** shall not be deemed to provide coverage and the **Insurer** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under trade or economic sanctions, laws, or regulations of Canada, the United States of America, the United Nations, or the European Union.

8. Assessment and recovery of costs

- (a) The **insured person** must instruct the **appointed representative** to have **legal costs** taxed, assessed or audited if **we** ask for this.
- (b) The **insured person** must take every reasonable step to recover **legal costs** that **we** have to pay and must pay **us** any amounts that are recovered.
- (c) Where a settlement is made on a without costs basis the **appointed representative** will determine what proportion of that settlement will be deemed **legal costs** and payable to or by **us**.

9. Cancellation of a representative's appointment

If the **appointed representative** refuses to continue acting for the **insured person**, or if the **insured person** dismisses the **appointed representative** without **our** prior consent, the coverage the **Insurer** provides will end immediately.

10. Disputes over reasonable prospects for a claim

If there is a dispute between an **insured person** and **us** over **reasonable prospects**, the **insured person** may obtain, at their expense, an opinion, from a lawyer mutually agreed to by the **insured person** and **us**, on the merits of a claim or proceedings. If the lawyer's opinion indicates that **reasonable prospects** exist, **we** will pay the reasonable cost of obtaining the opinion.

11. Complaint handling

If **you** are not satisfied with any aspect of **our** service and wish to make a complaint, **you** can:

- Telephone **us** at **1.888.582.5586** or email **us** at customerrelations@arag.ca

Alternatively, the **Insurer** can be contacted by:

- Telephone at **1.416.867.9712** or email at complaints-canadianbranch@hdi-specialty.com

Policy Conditions (continued)

If **your** complaint remains unresolved or not resolved to **your** satisfaction after you have received a response from the **Insurer**, **you** may contact the General Insurance OmbudService (GIO). The GIO is an independent regulatory organization which exists to help resolve complaints between individuals and their insurance providers. The GIO's services are available free of charge to the customer and GIO can be contacted by:

- Telephone at **1.877.225.0446** or through their website at **www.giocanada.org**



Please note: The GIO should be contacted only after **you** have first tried to resolve the complaint directly with **us**.

12. Other insurance

The **Insurer** will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this policy did not exist.

13. Applicable law

This policy will be governed, interpreted and enforced in accordance with the laws of the province where this policy was issued and the federal laws of Canada.

14. Currency

All of the dollar limits described in this policy are in Canadian funds.

15. Action against us or the Insurer

Any action or proceeding against **us** or the **Insurer** for the recovery of any claim under this policy is absolutely barred unless commenced within two years after the **date of occurrence**, or prior to the expiry of the applicable limitation period in the province where this policy was issued, whichever is earlier. Any such action or proceeding shall be held in the province where this policy was issued and in accordance with its laws and the federal laws of Canada.

16. Communication with us

The **insured person** can communicate with **us** by telephone, mail or email. New claims may also be reported to **us** by mail or telephone, or via **our** website at www.arag.ca.

Statutory Conditions

1. Property of others

The **Insurer** is not liable for loss or damage to property owned by a person other than the **insured person** unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the **insured person** in that property is stated in the contract.

Statutory Conditions (continued)

2. Change of interest

The **Insurer** is not liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

3. Material change in risk

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

4. Termination of insurance

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



Statutory Conditions (continued)

5. Fraud

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

6. Notice

- (a) Written notice to the **Insurer** may be delivered at, or sent by registered mail to, the chief agency or head office of the **Insurer** in the province.
- (b) Written notice to the **insured person** may be personally delivered at, or sent by registered mail addressed to, the **insured person's** last known address as provided to the **Insurer** by the **insured person**.

Privacy Policy

ARAG and HDI value you as a customer, and **we** are committed to protecting **your** privacy. **We** will maintain the confidentiality of the personal information which **we** collect, use, and disclose in the course of providing **you** with **our** services.

ARAG relies upon the definition of personal information found in the Personal Information and Protection of Electronic Documents Act (PIPEDA). This means that **we** consider any information about an identifiable individual to be personal information.

We limit **our** collection, use, and disclosure of **your** personal information to only that which is necessary for providing **you** with **our** services.

What personal information do we collect?

The types of personal information that **we** collect will vary depending on the circumstances and the type of policy which **you** have. **We** may collect (and subsequently use and disclose as required) the following personal information:

- Individual Details: This can include **your** name, address, telephone number, email address, and date of birth.
- Financial Details: Bank account information
- Claims Information: Information relating to **your** current and former legal expenses claims. This could include correspondence with **your appointed representative**, and in some cases may contain health information.
 - Marketing: Whether or not **you** have consented to receive marketing from **us**.

How do we use and disclose your personal information?

We collect, use and disclose personal information for a number of reasons including to:

- Assess and underwrite insurance risks.
- Verify **your** identity and to communicate with **you**.
- Investigate insurance claims.
- Determine prices, fees, and premiums.
- Conduct market and customer satisfaction research.
- Detect and preventing fraud.
- Comply with all applicable laws and regulatory requirements.
 - Share **your** information with third party service providers.

Accessing and Correcting your Information

You have the right to access and correct any personal information which **we** hold on **you**. Subject to certain exceptions prescribed by law, **you** will be given reasonable access to **your** personal information. Please contact **our** Privacy Officer with these requests.

Privacy Policy (continued)

Withdrawal of your Consent

Subject to certain exceptions prescribed by law, **you** are able to withdraw **your** consent for **our** collection, use, and disclosure of **your** personal information. If **you** do withdraw **your** consent, then **we** may be unable to continue to effectively provide **you** with **our** services. If **you** wish to withdraw **your** consent, please contact **our** Privacy Officer.

How to Contact Us

If **you** need to contact **our** Privacy Officer, **you** can do so as follows:

ARAG Legal Solutions Inc.
121 King Street West, Suite 2200
Toronto, Ontario, M5H 3T9

Attention: Privacy Officer
Telephone: (416) 342-5400
E-mail: customerrelations@arag.ca

For information regarding HDI Global Specialty SE's privacy policy on how it may collect and deal with **your** data, please visit:

www.hdi-specialty.com/downloads/International/privacy/Fachinfo_Specialty_Privacy-Policy_Canada_EN_201210.pdf

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of HDI Global Specialty SE. insurance business in Canada.

ARAG Legal Solutions Inc.

121 King Street West, Suite 2200
Toronto, Ontario, M5H 3T9

T| 416.342.5400 or 1.888.582.5586
W| ARAG.ca

EEEffected with (hereinafter called "The Insurer") through Approved Coverholder (hereinafter called "The Coverholder"):

Linx Underwriting Solutions Inc., 20 Bay Street, 22nd Floor, Toronto, Ontario M5J 2N9

Insurance Broker: Aon - Consumer Products Group (CPG) - Consumer Products Division, 20 Bay Street, Waterpark Place, Tower 1, Toronto ON M5J 2N9

Telephone: 1-416-868-5500

Endorsement Number: 1058080 **Attached to and forming part of Policy No:** LCMP000043

Named Insured: Condominium Corporation 9910542

Endorsement Effective: 01-Apr-2025

Expiry Date: 01-Apr-2026

This Endorsement modifies coverages provided under the Commercial General Liability section of this Policy.

Additional Named Insured Endorsement

It is hereby understood and agreed that the following Additional Insureds are added but solely with respect to their corresponding coverages arising out of the operations of the Named Insured:

Additional Named Insured	Interest Type	Applicable Coverage
Ben Calica	The whole policy	Manager

Insurer

Property, Liability, Crime

Zurich Insurance Company Ltd (Canadian Branch)	27.5%	\$2,481
AXIS Reinsurance Company (Canadian Branch)	27.5%	\$2,481
Everest Insurance Company of Canada	25%	\$2,257
Liberty Mutual Insurance Company	20%	\$1,805

Equipment Breakdown

XL Specialty Insurance Company	100%	\$383
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Legal Expense

ARAG Legal Solutions Inc.

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

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

In Witness whereof the Insurer(s) through their respective duly authorized by them for this purpose, have executed and signed this Endorsement.



Linx Underwriting Solutions Inc.

Issued In: Toronto, Ontario

Document Creation Date: 28-Mar-2025

Consent

Information on the application may be pre-populated based on information you have previously provided or that we have obtained from other documents. It is your responsibility to ensure that the information submitted in your application is accurate and complete. Please review any pre-populated information carefully, make any required changes and answer any blank questions on the application. By submitting this application, you declare to the best of your knowledge and belief that all of the statements set forth herein are true and complete. If there is any material change in the information you have provided after your application has been submitted, you must immediately advise Aon in writing. The insurance company is hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

PRIVACY NOTICE

The collection, use and disclosure of personal information through this site and Aon's services is governed by Aon's Privacy Policy <http://www.aon.com/canada/about-aon/privacy.jsp>.

HIGHLIGHTS

The personal information Aon collects may include:

- Basic personal details (name, address, date of birth, age, gender, nationality)
- Family, lifestyle and social circumstances
- Employment history and professional qualifications
- Identification and verification data (including images of ID card or passport)
- Financial and income details
- Information about shareholdings where relevant to the insurance or reinsurance
- Insurance details (type and amount of insurance, details of claims)
- Health and medical history where relevant to the services

In some cases you may provide us with information through technological means such as an online application that immediately provide you with an insurance premium quotation. The quotation you receive is an automated decision based on a premium rating matrix built into the technology that determines the level of risk associated with your specific circumstances. We may also automatically collect information through our marketing programs through the use of cookies, beacons and other technologies that track how you use our website and marketing communications.

Aon collects, uses and discloses personal information:

- For insurance and reinsurance broking and consulting services
- For consulting on risks and insurance and re-insurance claims
- For advising on risk and insurance due diligence
- To process applications and determine appropriateness for products and services and to provide information and services
- To understand and assess ongoing needs of Clients and potential Clients and offer products and services to meet those needs
- For communication, service, marketing, billing and administration
- For claims administration and data analysis and benchmarking
- For fraud detection and prevention
- To obtain and update credit information with appropriate third parties, such as credit reporting agencies, where transactions are made on credit
- Other purposes disclosed in our terms of business or disclosed to you at the time of collection, use or disclosure.
- For analytics purposes
- To develop proprietary tools and databases
- To provide consulting services to insurance companies
- To comply with legal, audit, security and regulatory requirements

Each Applicant authorizes Aon to collect and/or disclose the Applicant's personal information from/to third parties including insurance companies and/or their managing general agents or underwriters, reinsurers and other parties who have a need for the information in order to make available insurance or reinsurance coverage and other products and services. We also share information with claims adjusters and insurers and reinsurers in order to settle claims. We may also need to disclose the personal information we collect to affiliates, subsidiaries, successors and other service providers or agents who perform various functions for us. Such parties may be located in Canada, or in other jurisdictions outside of Canada. Where information is collected in Quebec such parties to which we disclose personal information may be located in Quebec or in other jurisdictions outside of Quebec. While your personal information is always subject to confidentiality obligations, while stored in another jurisdiction, it may be subject to the laws of that jurisdiction. As a result the information may be accessed by the courts, government, law enforcement, and regulatory authorities of that country. If we are legally entitled to do so, we may share information with consumer reporting agencies, insurance reporting agencies and governmental authorities when requested to do so or in order to protect our business. We may also be required by law or by rules of arbitration or rules of court to share information. If the Applicant is providing any additional insured personal information, the Applicant providing this information warrants having obtained the prior written consent from each additional insured for the collection, use and disclosure of their personal information as set out herein.

TERMS AND CONDITIONS

The Applicant hereby warrants and represents that the statements and answers to the questions made above and attachments hereto are true and the Applicant has not omitted or misrepresented any information.

COVERAGE IF OFFERED MAY BE RENDERED VOID IF THERE HAVE BEEN ANY MISREPRESENTATIONS.

The Applicant understands and agrees that the completion of this application does not bind the insurer to issuance of an insurance policy or to do so without imposing Conditions, Limitations or Exclusions. Applicant also understands and agrees that the cashing of a cheque, money order or similar instrument or withdrawal of payment via credit card is not proof of insurance, nor does it bind the insurer to issue an insurance policy. This application and all attachments to it become part of and are the legally binding basis of any policy issued.

If applying as individual(s): In the case of co-insured individuals, unless you instruct us otherwise, both individuals acknowledge and agree that Aon may deal with either individual for the purpose of administering the services and/or products requested, and is not obliged to contact both individuals. *If also applying on behalf of a company:* Applicant has authority to bind the company.

By clicking the "Submit Application" button, the Applicant consents to Aon's collection, use and disclosure of any personal information required for the purposes as set out above, and acknowledges that the Applicant has read the terms and conditions of this application and agrees to be bound by them.

☐

I have read and agree to the terms and conditions.