



Strata Building Policy

New Policy

Prepared especially for
Owners of Strata Plan EPS 3743

through the facilities of
Megson FitzPatrick Inc.

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers
(hereinafter called the Insurer) through Lloyd's approved coverholder
("the Coverholder")



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER.

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE

PURPOSE OF THIS DOCUMENT

New Policy-The Insurer will provide the insurance described in this Policy in return for the premium paid by the Insured and his compliance with the terms of this insurance.

THE COVERHOLDER

Megson FitzPatrick Inc.

1st Floor, 710 Redbrick Street
Victoria, British Columbia V8T 5J3

Main: (250) 595-5212

Fax: (250) 595-2900

Web Site: www.megsonfitzpatrick.com

SUB-AGENT OR SUB-BROKER

Megson FitzPatrick Inc.

1st Floor, 710 Redbrick Street
Victoria, British Columbia V8T 5J3

Main: (250) 595-5212

Fax: (250) 595-2900

Web Site: www.megsonfitzpatrick.com

NAMED INSURED AND POSTAL ADDRESS

Owners of Strata Plan EPS 3743

1950 John Road Suite #108
North Saanich, British Columbia V8L 2P9

LOCATION OF RISK

Per attached Locations and Loss Payees schedule

PERIOD OF INSURANCE

From April 03, 2023 to April 03, 2024
(12:01 a.m. standard time at the Postal Address of the Insured)

FORM OF BUSINESS

Corporation

SUMMARY OF INSURANCE COVERAGE AND ANNUAL PREMIUMS

TYPE OF COVERAGE	ANNUAL PREMIUM	MINIMUM RETAINED COVERAGE PREMIUM
Property	\$13,541	Nil
Crime	\$0	Nil
Liability	\$875	Nil
Directors & Officers Liability	\$550	Nil
Commercial Legal Expense	\$400	Nil
Other	\$0	Nil

The Insured is requested to read this policy, and if incorrect, return it immediately for alteration.

In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder whose name and address appears above. All inquiries and disputes are also to be addressed to this Coverholder.

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada.

IN WITNESS WHEREOF THIS POLICY HAS BEEN SIGNED, AS AUTHORIZED BY THE INSURERS BY

PER

Agreement No.

B0429BA2200391

ANNUAL PREMIUM ▶

\$15,366

FLAT CHARGE PREMIUM ▶

\$100

PREMIUM PAYABLE (EXCL. APPL. TAXES) ▶

\$15,466

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER

Locations and Loss Payees

- 1. 1950 John Road Suite #108, North Saanich, British Columbia V8L 2P9**
Building (as per standard mortgage clause)
As per Strata Titles Act

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED. ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER

LIST OF SUBSCRIBING COMPANIES

(SUBJECT TO CONDITIONS IN LSW1554 AND LSW1550)

THE INSURERS AND COVERAGES INSURED	SUM(S) INSURED OR PERCENTAGE(S)	PREMIUM	FLAT CHARGE PREMIUM	AUTHORIZED REPRESENTATIVE
Property				
Certain Underwriters at Lloyd's under Agreement No. B0429BA2200391	25.0%	\$3,385		_____
Certain Underwriters at Lloyd's under Agreement No. B0429BA2308190	25.0%	\$3,385		_____
Global Alliance Specialty Solutions Ltd.	50.0%	\$6,771		_____
15.0% Certain Lloyds Underwriters under UMR No. B08313022412022 as arranged by Global Alliance Specialty Solutions Ltd.				
10.0% Certain Lloyds Underwriters under UMR No. B0831P006512022 as arranged by Global Alliance Specialty Solutions Ltd.				
10.0% Certain Lloyds Underwriters under UMR No. B0831P045182023 as arranged by Global Alliance Specialty Solutions Ltd.				
15.0% Certain Lloyds Underwriters under UMR No. B0831NA0031523 as arranged by Global Alliance Specialty Solutions Ltd.				
Total Property	100.0%	\$13,541		
Crime				
Certain Underwriters at Lloyd's under Agreement No. B0429BA2200391	100.0%	Incl		_____
Liability				
Certain Underwriters at Lloyd's under Agreement No. B0429BA2201504	100.0%	\$875		_____
Directors & Officers Liability				
Certain Underwriters at Lloyd's under Agreement No. B0429BA2201504	100.0%	\$550		_____
Commercial Legal Expense				
Certain Underwriters at Lloyd's under Agreement No. B0429BA2204430	100.0%	\$400		_____
Other				
Certain Underwriters at Lloyd's under Agreement No. B0429BA2200391	100.0%	Incl	\$100	_____
Total Policy Premium		\$15,366	\$100	

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers
(hereinafter called the Insurer) through Lloyd's approved coverholder
("the Coverholder")

Megson
FitzPatrick
INSURANCE SERVICES
• a division of Regent Insurance



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER

SUBSCRIPTION POLICY

LSW1554

IN CONSIDERATION OF THE INSURED having paid or agreed to pay each of the INSURERS named in the List of Subscribing Companies forming part hereof, or to INSURERS whose names are substituted therefor or added thereto by endorsement, hereinafter called "THE INSURERS", the Premium set against its name in the List of Subscribing Companies (attached hereto),

THE INSURERS SEVERALLY AND NOT JOINTLY agree, each for the Sum(s) Insured or Percentage(s) and for the Coverage(s) Insured set against its name in the List of Subscribing Companies, and subject always to the terms and conditions of this Policy, that if a loss occurs for which insurance is provided by this Policy at any time while it is in force, they will indemnify the INSURED against the loss so caused; the liability of each insurer individually for such loss being limited to that proportion of the loss payable according to the terms and conditions of this Policy which the Sum Insured or the amount corresponding to the Percentage set against its name in the List of Subscribing Companies, or such other sum or percentage as may be substituted therefor by endorsement, bears to the total of the sums insured or of the amounts corresponding to the percentages of the sums insured respectively set out against the coverage concerned on the Declarations page(s).

That as regards each item of property insured which is lost or damaged at any time while this Policy is in force by a peril for which insurance is provided by the terms and conditions of this Policy, the liability of each Insurer individually shall be limited to whichever is the least of:

- (a) that proportion of the actual cash value of the property at the time of the loss, destruction or damage which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual Insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril, or
- (b) that proportion of the interest of THE INSURED in the property which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this policy in respect of that property against that peril, or
- (c) that proportion of the limit of insurance stipulated in respect of the property lost, destroyed or damaged which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril,

Provided however, that where the insurance applies to the property of more than one person or interest THE INSURERS' total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

If this Policy contains a Co-Insurance Clause or a Guaranteed Amount (Stated Amount) Clause, and subject always to the limit of liability of each Insurer corresponding to the percentage of the sum insured by this Policy as set out above, no Insurer shall be liable for a greater proportion of any loss or damage to the property insured, than the sum insured by such Insurer bears to:

- (a) that percentage, stated in the Co-Insurance Clause, of the actual cash value of the said property at the time of loss, or
- (b) the Guaranteed Amount (Stated Amount) of total insurance stated in the Guaranteed Amount (Stated Amount) Clause, as the case may be.

If the insurance under this Policy is divided into two or more items, the foregoing shall apply to each item separately.

Wherever in this Policy, or in any endorsement attached hereto, reference is made to "The Company", "The Insurer", "This Company", "we", "us", or "our", reference shall be deemed to be made to each of the Insurers severally.

This policy is made and accepted subject to the foregoing provisions, and to the other provisions, stipulations and conditions contained herein, which are hereby specially referred to and made a part of this Policy, as well as such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers
(hereinafter called the Insurer) through Lloyd's approved coverholder
("the Coverholder")

Megson
FitzPatrick
INSURANCE SERVICES
• a division of Regent Insurance



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER

IN WITNESS WHEREOF THE INSURERS through their representative(s) duly authorized by them for this purpose have executed and signed this Policy.

LSW1550

Where LLOYD'S UNDERWRITERS are subscribing insurers to the Policy, the following applies to them:

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been entered into in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to the Agreement shown in the List of Subscribing Companies (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is Royal Bank Plaza South Tower, 200 Bay Street, Suite 2930, P.O. Box 51 Toronto, Ontario M5J 2J2.

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder.

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED. ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER

FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
Property				
PAP1 (7/18)	Property of Every Description (Broad Form)	2,500	90%	
	At Loc 1 (1950 John Road Suite #108, North Saanich, British Columbia)	2,500	90%	
	All Property	2,500	90%	7,522,900
PE1 (7/18)	Replacement Cost Endorsement			
MFI-PE02S	Stated Amount - Waiver of Co-Insurance Endorsement			
PE8 (7/18)	Sewer Backup Endorsement	10,000		
MFI-PE8A (08/2022)	Sewer Backup Definition Amendment			
PE9 (8/18)	Flood Endorsement	10,000		7,522,900
PE10 (7/18)	Earthquake Shock Endorsement			7,522,900
	At Loc 1 (1950 John Road Suite #108, North Saanich, British Columbia)			
	Deductible percentage	10%		
MFI-PE10D	Earthquake Deductible Amendment			
PD1 (7/00)	Special Deductible			
	Water related claims	10,000		
MFI-CEE (09/2020)	Commercial Enhancement Endorsement			
	Coverage 4. Blanket Glass - Deductible Amendment	250		
MFI-SPE (02/2020)	Strata Property Extension	2,500		
MFI-USE (02/2020)	Underground Services Extension	2,500		
Crime				
C1 (7/00)	Comprehensive Dishonesty, Disappearance and Destruction			
	Employee dishonesty			
	Limit per loss (Form A)			10,000
	Money and securities			
	Inside loss			10,000
	Outside loss			10,000
	Money orders and counterfeit paper currency			10,000
	Depositors forgery			10,000
Liability				
L1a (2/21)	Commercial General Liability (Occurrence Form)			
	Each occurrence limit			2,000,000
	Products-completed operations included			
	Products-completed operations aggregate limit			2,000,000
	Personal and Advertising injury limit - Any one person or organization			2,000,000
	Medical payments limit			
	Any one person			5,000
	Each occurrence			25,000
	Tenants' legal liability limit - Any one premises			2,000,000

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED. ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER

FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
LD3c (7/18)	Combined Deductible Endorsement (Bodily Injury and Property Damage) Per occurrence	1,000		
LE5c (7/18)	Extension - Employers' Bodily Injury Liability Coverage			2,000,000
LE39a (7/18)	Broad Form Completed Operations			
STR-EIL	Pollution Liability Coverage Endorsement Each occurrence limit Aggregate limit	5,000		1,000,000 1,000,000
LX5c (10/05)	Professional Services Exclusion Professional services excluded Ownership of Residential Strata Complex			
LX7c (10/05)	Building Moving or Demolition Exclusion			
LD5 (7/18)	Personal Injury Deductible Endorsement Amount of deductible	1,000		
LX6 (10/05)	Blasting, Pile Driving, Weakness of Support Exclusion			
MFI-LE28c	World Wide Coverage Territory Extension			
L14 (5/01)	Non-Owned Automobile Liability	1,000		2,000,000
LE25 (5/01)	Contractual Liability Extension (SEF 96)			
LE26 (5/01)	Legal Liability for Damage to Hired Automobiles Extension (SEF 94) All perils	1,000		50,000
LX16 (5/01)	Long Term Leased Vehicle Exclusion (SEF 99)			
Directors & Officers Liability				
MFI-CDO	Condominium Directors & Officers Liability Insurance Limit of Liability Each Wrongful Act Limit of Liability Aggregate	1,000		2,000,000 2,000,000
Commercial Legal Expense				
LEXP-STRATA (02-2023)	Commercial Legal Expense Insurance for Condominium or Strata Corporations Enhanced Coverage Amount Per Claim Aggregate Limit Minimum Sum in Dispute Lawyer's Hourly Rate Deductible does not apply to Telephone Legal Advise Co-Insurance applies only to Contract Disputes when Legal Expenses Exceed \$10,000 Initial inception when the Legal Expense Insurance was included in the Declarations	500 500	10% 10%	150,000 500,000 5,000 350

Other

Standard Lloyd's Endorsement Schedule (10/2022)

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED. ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER

FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
LSW1815 (7/12)	Statutory Conditions (British Columbia)			
R1 (12/09)	Additional Agreements and Conditions			
R3 (8/04)	Commercial Crime General Conditions and Definitions			
R7 (3/02)	Short Rate Cancellation Table			
	Policy Fee (effective 2023-04-03 to 2024-04-03)			
	Annual Premium:			\$15,366

STRATA BUILDING POLICY

SUBSCRIPTION POLICY

Effected with certain Lloyd's Underwriters and other insurers (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")



Policy No. LNP5163

Declarations

Effective 2023-04-03

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED. ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS THE INSURER

CANCELLATION REQUEST

We, the undersigned, do hereby request cancellation of the Policy bearing number LNP5163 (together with any renewal certificates relating thereto) as of _____ and acknowledge that the Insurers are hereby relieved from all liability as from the cancellation date.

Signature of First Named Insured _____ Signature of a Witness _____

Signature of Second Named Insured _____ Signature of a Witness _____

Signature of Third Named Insured _____ Signature of a Witness _____

Signature of Mortgagee _____ Signature of a Witness _____

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 18

1. INDEMNITY AGREEMENT

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

- a) the value of the lost or damaged property as determined in Clause 15;
- b) the interest of the Insured in the property;
- c) the amount of insurance specified on the "Declarations Page" for the lost or damaged property.

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

2. INSURED PROPERTY

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

"Building"
"Equipment"
"Stock"
"Contents"
"All Property"

If **Blanket coverage applies** is indicated on the "Declarations Page", "building" and/or "contents" and/or "equipment" and/or "stock" are insured for the amount of insurance so specified on the "Declarations Page".

B. This form also insures those of the following items for which an amount of insurance is specified on the "Declarations Page":

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

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

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

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

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

3. DEDUCTIBLE

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

Should any occurrence give rise to the application of more than one deductible amount for any one "premises", only the highest deductible will be applied.

4. CO-INSURANCE

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

The Insured shall maintain insurance concurrent with this form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in Clause 15 by the co-insurance percentage specified on the "Declarations Page". If the Insured fails to do so, the Insured shall be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

5. INSURED PERILS

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

6. EXCLUSIONS

A. EXCLUDED PROPERTY

This form does not insure loss of or damage to:

- a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the "building", outside communication towers, antennae (including satellite receivers) and attached equipment, streetclocks, or exterior signs. This exclusion does not apply to loss or damage caused directly by "Named Perils";
- b) property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;
- c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 l);
- d) growing plants, trees, shrubs or flowers, all while outside the "building", except as provided in Clause 7 e);
- e) animals, fish or birds. This exclusion does not apply to loss or damage caused directly by "Named Perils" or by theft or attempted theft;
- f) money, "cash cards", bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;
- g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, or precious and semi-precious stones. This exclusion does not apply to:
 - i) the first \$1,000 of any loss otherwise insured; or
 - ii) loss or damage caused directly by "Named Perils";
- i) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- j) property from the time of leaving the Insured's custody if it is:
 - i) loaned or rented or leased to others; or
 - ii) sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

This exclusion j) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;

- k) property in the custody of a sales representative outside the "premises", unless an amount of insurance is shown on the "Declarations Page" for Sales Representative;
- l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- m)
 - i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
 - ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimeters (24 inches) or less used for the storage of hot water for domestic use);

caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use.

This exclusion m) does not apply to:

- 1) manually portable gas cylinders;

- 2) explosion of natural, coal or manufactured gas;
- 3) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;
- n) roadways, walkways, parking lots or other exterior paved surfaces. This exclusion does not apply to the first \$10,000 of any loss otherwise insured;
- o) "equipment" or "stock" while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of "equipment" or "stock". This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 I);
- p) exterior glass or vitrolite and its lettering or ornamentation, except as provided in Clause 7 d). This exclusion does not apply to loss or damage caused directly by "Named Perils".

B. EXCLUDED PERILS

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

- a) in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 I). This exclusion does not apply to property in transit;
- b) in whole or in part by flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in Clause 18 I). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;
- c)
 - i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this form;
 - ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this form;
 - iii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this form;
 - iv) by the entrance of water or natural precipitation diffused over the surface of the roof, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this form;
- d) by centrifugal force, mechanical or electrical breakdown or derangement, in or on the "premises". This exclusion does not apply to loss or damage caused directly by resultant fire;
- e)
 - i) by dampness or dryness of atmosphere;
 - ii) by changes in or extremes of temperature, heating or freezing;
 - iii) by total or partial interruption to the supply of electricity, water, gas or steam;

This exclusion e) does not apply to:

- 1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph m) of Clause 6.A.;
- 2) damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph m) of Clause 6.A.;
- 3) loss of or damage to "building" or "equipment" caused directly by "Named Perils", theft or attempted theft;
- 4) loss or damage caused directly by an accident to a transporting conveyance;
- f)
 - i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
 - ii) by contamination;

iii) by marring, scratching or crushing.

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

- 1) "Named Perils";
- 2) rupture of pipes or breakage of apparatus not excluded in paragraph m) of Clause 6.A.;
- 3) theft or attempted theft;
- 4) an accident to a transporting conveyance;

g) by smoke from agricultural smudging or industrial operations;

h) by rodents, insects, bats, raccoons, skunks or vermin. This exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this form;

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

j) in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;

k)

i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Clause 18 I);

ii) by contamination by radioactive material;

l)

i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;

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

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

This exclusion l) iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

m) by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 I);

n) by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:

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

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

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

iv) moving or rotating machinery or its parts;

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

vi) gas turbines.

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

- o) by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this form;
- p) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;

C. POLLUTION EXCLUSION

This form does not insure against:

- a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up". This exclusion does not apply:
 - i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this form, or
 - ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

D. DATA EXCLUSION

- 1) This form does not insure "data".
- 2) This form does not insure loss or damage caused directly or indirectly by a "data problem". This exclusion 2) does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 I);

E. TERRORISM EXCLUSION

This form does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

F. FUNGI AND SPORES EXCLUSION

This form does not insure:

- a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores".
This exclusion does not apply:
 - i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
 - ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

G. OTHER EXCLUDED LOSSES:

This form does not insure:

- a)
 - i) wear and tear;
 - ii) rust or corrosion;
 - iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

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

- b) the cost of making good:
 - i) faulty or improper material;
 - ii) faulty or improper workmanship;
 - iii) faulty or improper design.

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

- c) mysterious disappearance, or shortage of "equipment" or "stock" disclosed on taking inventory.

7. EXTENSIONS OF COVERAGE

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

- a) **Removal:** If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.
- b)
 - i) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this form.

The amount payable under this extension shall not exceed 25% of the sum of:

- 1) the total amount payable for the direct loss of or damage to insured property; and
- 2) the amount of the applicable deductible.
- ii) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises".

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

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

Debris removal expense shall not be considered in the calculation of the value as determined in Clause 15 for the purpose of applying co-insurance.

- c) **Personal Property of Officers and Employees:** At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
 - i) shall not attach if it is insured by the owner, unless the Insured is obliged to insure it or is liable for its loss or damage;
 - ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;
 - iii) shall apply only to loss or damage occurring at the "premises".
- d) **"Building" Damage by Theft:** This form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this form. This extension of cover shall be limited to a maximum recovery of \$2,500 for any one occurrence.
- e) **Growing Plants, Trees, Shrubs or Flowers outside the "Building":** This form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the "building" caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 18 I) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of:
 - i) \$500 for each growing plant, tree, shrub or flower; and
 - ii) \$5,000 for any one occurrence.

8. PERMISSION

Permission is granted:

- a) other insurance concurrent with this form;
- b) make additions, alterations or repairs;

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

9. BREACH OF CONDITION

If the Insured does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable.

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

10. REINSTATEMENT

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

11. SUBROGATION

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

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

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

12. PROPERTY PROTECTION SYSTEMS

It is a condition of this insurance, for the purpose of Clause 9, that the Insured shall immediately notify the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

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

and shall also immediately notify the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

13. PREMIUM ADJUSTMENT

This clause is applicable if a specific amount of insurance is shown on the "Declarations Page" for "stock".

If, within six months after the expiry or anniversary date of each policy period, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the policy period, the value of the "stock" on the last day of each month at each "premises" as commented upon by the Insured's Accountant, the actual premium for the policy period shall then be calculated at the rate applying to each "premises" for the average amount of the total values declared. If the premium paid by the Insured for such "stock" exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 50% of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

14. VERIFICATION OF VALUES

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

15. BASIS OF VALUATION

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

- a) unsold "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- b) sold "stock": the selling price after allowance for discounts;
- c) the property of others in the custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended to such time;

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

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

16. PROPERTY OF OTHERS

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

17. LOCKED VEHICLE WARRANTY

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

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

18. DEFINITIONS

Wherever used in this form:

- a) **"All Property"** means "building", "equipment" and "stock".
- b) **"Building"** means:
 - the building(s) described on the "Declarations Page" and includes:
 - i) fixed structures pertaining to the building(s) and located on the "premises";
 - ii) additions and extensions communicating and in contact with the building(s);
 - iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
- c) **"Cash cards"** means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- d) **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- e) **"Contents"** means "equipment" and "stock".
- f) **"Data"** means representations of information or concepts, in any form.

- g) **"Data problem"** means:
- i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - ii) error in creating, amending, entering, deleting or using "data"; or
 - iii) inability to receive, transmit or use "data".
- h) **"Declarations Page"** means the Declarations Page applicable to this form.
- i) **"Equipment"** means:
- 1) generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than "building" or "stock";
 - 2) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - 3) tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this form applies as though such tenant's improvements had been made at the expense of the Insured.
- j) **"Fire protective equipment"** includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - iii) any pond or reservoir in which the water is impounded by a dam.
- k) **"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.
- l) **"Named Perils"** means:
- (A) **FIRE OR LIGHTNING**
- (B) **EXPLOSION:** Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
- i)
 - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
 - d) smelt dissolving tanks;
 - ii) other vessels and apparatus and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 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 connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
 - v) gas turbines;

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

- a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - b) bursting or rupture caused by hydrostatic pressure or freezing;
 - c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- (C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms Aircraft and Spacecraft include articles dropped from them.

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

- i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - ii) to aircraft, spacecraft or land vehicles causing the loss;
 - iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
- (D) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.

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

- i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 18(l)(B);
 - iii) due to theft or attempted theft.
- (E) **SMOKE:** The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.
- (F) **LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT":** The term Leakage From "Fire Protective Equipment" means:
- i) the leakage or discharge of water or other substances from;
 - ii) the collapse of;
 - iii) the rupture due to freezing of; "fire protective equipment" for the "premises" or for adjoining structures.

(G) **WINDSTORM OR HAIL:** There shall in no event be any liability for loss or damage:

- i) to the interior of the "building" or to "contents" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- m) **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- n) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at:
- i) each location described on the "Declarations Page";
 - ii) Temporary Locations and any Newly Acquired Location, if covered by this form;
- and in or on vehicles within 100 metres (328 feet) of such locations.
- o) **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
- p) **"Stock"** means:
- i) merchandise of every description usual to the Insured's business;
 - ii) packing, wrapping and advertising materials; and
 - iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.

- q) **"Surface water"** means water or natural precipitation temporarily diffused over the surface of the ground.
- r) **"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.

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW
OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED**

This endorsement modifies insurance provided by forms PA1, PAP1, PAC1, PA2, PA3, PA6, PA11, PA12, PA21, PA22, PA23, PA24, PA26, PA29, PN1, PNP1, PNC1, PN6, PN11, PN12, PN21, PN23, PN24 and PN29, but only if indicated on the "Declarations Page" for the form.

1. The Insurer agrees to amend the Basis of Valuation from actual cash value to "replacement cost" subject to the following provisions:
 - (a) "replacement" shall be effected by the Insured with due diligence and dispatch;
 - (b) "replacement" shall be on the same site or on an adjacent site;
 - (c) settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such "replacement";
 - (d) any other insurance effected by or on behalf of the Insured in respect of the insured perils under this Policy on the property to which this endorsement is applicable shall be on the basis of "replacement cost";
 - (e) failing compliance by the Insured with any of the above provisions, settlement shall be made as if this endorsement had not been in effect.
2. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that lost or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.

3. Exclusions

This endorsement does not apply to:

- (a) "stock";
- (b) patterns, dies, moulds;
- (c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
- (d) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);
- (e) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

4. Definitions

- (a) "replacement" includes repair, construction or re-construction with new property of like kind and quality; and
- (b) "replacement cost" means whichever is the least of the cost of replacing, repairing, constructing or re-constructing the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, Replacement Cost coverage is restricted to the locations so indicated.

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

Stated Amount - Waiver of Co-Insurance Endorsement - MFI-PE02S

This extension modifies coverage provided by forms PA1, PAP1, PAC1, PA6, PA8, PN1, PNP1 and PNC1, but only if indicated on the Declarations Page for the form.

- (a) In consideration of a statement of values filed and attested by the Insured or a certified reconstruction appraisal or its annual updated certificate is on file with the insurer or broker and the amount is no less than the reconstruction amount specified in that appraisal, the following clause (paragraph b) is substituted for the Co-Insurance Clause cited in this policy.
- (b) It is part of the consideration of this policy and 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 shall not be less than the amount indicated on the Declarations Page applicable to this extension (including the amount of insurance effected by this policy) and that failing to do so, the Insured shall be a co-insurer to the extent of an amount sufficient to make the total insurance on the said property equal to the amount indicated on the Declarations Page applicable to this extension and, in that capacity, shall bear their proportion of any loss that may occur.
- (c) On the date and time, if any, specified on the Declarations Page applicable to this extension as **Date and time that conditions of this extension cease**, the terms and conditions of this extension shall cease to be in effect, and the terms and conditions of the Co-insurance Clause cited in this policy shall then apply.

If **Restricted to locations** is indicated on the Declarations Page applicable to this extension, stated amount co-insurance is restricted to the locations so indicated.

All other terms and conditions of this Policy remain unchanged.

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW
OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED**

This endorsement modifies insurance provided by forms PA1, PAP1, PAC1, PA2, PA6, PA8, PA13, PA21, PA22, PA23, PN1, PNP1, PNC1, PN6, PN11, PN12, PN13, PN18, PN19, PN21, PN23, PN24 and PN29, but only if indicated on the "Declarations Page" for the form.

1. Insured Peril

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

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by "sewer back up" exceeds the amount of the deductible specified on the "Declarations Page" for this endorsement in any one occurrence. This Deductible Clause applies separately to each "premises" to which this endorsement applies.

3. Limit of Insurance

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

4. Definition

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

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, sewer back-up coverage is restricted to the locations so indicated.

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

Sewer Backup Definition Amendment

MFI-PE8A

This endorsement modifies coverage provided by form PE8 Sewer Back Up Endorsement, but only if indicated on the Declarations Page for the form.

It is hereby understood and agreed that 4. Definition is deleted in its entirety and replaced with the following:

4. Definitions

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

All other terms and conditions of this policy remain unchanged.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This endorsement modifies insurance provided by forms PA1, PAP1, PAC1, PA2, PA3, PA6, PA8, PA23, PA24, PN1, PNP1, PNC1, PN6, PN19, PN21, PN23 and PN29, but only if indicated on the "Declarations Page" for the form.

1. Insured Peril

This insurance is extended to include "flood".

2. Deductible

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

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

3. Exclusions

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

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

4. Extension of Coverage

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

5. Definitions

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

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, flood coverage is restricted to the locations so indicated.

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

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This endorsement modifies insurance provided by forms PA1, PAP1, PAC1, PA2, PA3, PA6, PA8, PA23, PA24, PA25, PN1, PNP1, PNC1, PN6, PN14, PN15, PN19, PN23 and PN29, but only if indicated on the Declarations Page for the form.

This endorsement applies separately to each location for which Earthquake Shock is specified on the "Declarations Page".

1. Insured Peril

This insurance is extended to include "earthquake".

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by "earthquake" exceeds the amount of the deductible specified on the "Declarations Page" for this endorsement in any "earthquake occurrence".

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item separately as specified on the "Declarations Page".

If both an amount and a percentage are specified on the "Declarations Page", whichever deductible is greater shall apply.

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

3. Exclusions

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

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

4. Extension of Coverage

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

5. Definitions

- (a) "Earthquake" includes snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
- (b) "Earthquake occurrence" means all earthquake shocks which occur within 168 consecutive hours, commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.

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

This endorsement modifies coverage provided by form PE10 Earthquake Shock Endorsement but only if indicated on the Declarations Page for the form.

It is hereby understood and agreed that item 2. Deductible is deleted in its entirety and replaced with the following:

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by "earthquake" exceeds the amount of the deductible specified on the "Declarations Page" for this endorsement in any "earthquake occurrence".

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item of insured property separately, as each such item is specified on the "Declarations Page" or on a statement of values. If any such item shall insure two or more "buildings" and/or "contents", this percentage deductible clause shall be applied separately to each "building" and/or "contents".

If both a dollar amount and a percentage deductible are specified on the "Declarations Page", whichever deductible is greater shall apply. The dollar amount deductible shall apply separately to each "building" and/or "contents", unless they are located on the same "premises".

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

All other terms and conditions of this policy remain unchanged.

This deductible modifies coverage provided by forms PA1, PAP1, PAC1, PA2, PA3, PA4, PA5, PA6, PA8, PA11, PA12, PA18, PA19, PA21, PA22, PA23, PA24, PA25, PA26, PA27, PA29, PN1, PNP1, PNC1, PN6, PN11, PN12, PN18, PN19, PN21, PN23, PN24 and PN29, but only if indicated on the Declarations Page for the form.

If **Special deductible** is designated on the Declarations Page applicable to this deductible, the Insurer is liable only for the amount by which the loss or damage caused by the perils to which the special deductible applies exceeds the special deductible amount so designated.

Claims to which the special deductible applies are:

Vandalism or malicious acts claims;

Water related claims;

Burglary, theft or attempt claims.

If **Restricted to locations** is indicated on the Declarations Page applicable to this deductible, the deductible applies only to those locations listed.

All other terms and conditions of this policy remain unchanged.

COMMERCIAL ENHANCEMENT ENDORSEMENT - MFI-CEE

Summary of Coverage Extensions

Coverage	Limit of Insurance
1. Accounts Receivable	\$100,000
2. Arson, Theft and Vandalism Reward	\$10,000
3. Automatic Fire Suppression System Recharge Expenses Extension	\$50,000
4. Bailee's Customer	\$10,000
5. Blanket Glass	Included
6. Brands and Labels	\$100,000
7. Building at Newly Acquired Locations Extension	\$1,000,000
8. Building By-laws Endorsement	Included
9. Building Damage by Theft	\$50,000
10. Building Inflation Protection Endorsement	Included
11. Catch All Clause	\$50,000
12. Communication Towers and Antennae Extension	\$25,000
13. Computer Equipment and Media Extension.....	\$50,000
14. Consequential Loss Assumption (Including Off Premises Power)	\$25,000
15. Contents at Newly Acquired Location	\$500,000
16. Deferred Payment Plan Stock.....	\$50,000
17. Exhibition Floater	\$25,000
18. Expediting Expense	\$25,000
19. Extra Expense.....	\$25,000
20. Fees to Substantiate Loss Extension	\$100,000
21. Fine Arts.....	\$20,000
22. Fire Department Service Charges Extension	\$100,000
23. Growing Plants, Trees, Shrubs or Flowers Outside the "Building"	\$10,000
24. Home Office Extension	\$10,000
25. Installation Floater	\$25,000
26. Jewellery Extension	\$10,000
27. Leasehold Improvements Extension	\$10,000
28. Liberalization Clause	Included
29. Master Key & Lock Extension	\$25,000
30. Money	\$1,000
31. New Construction Endorsement	\$100,000
32. Peak Season Extension.....	Included
33. Personal Property of Officers and Employees Increased Limit Extension	\$25,000
34. Proof of Loss and Inventory Preparation Expense	\$10,000
35. Property in Transit	\$25,000
36. Property on Loan, Rental or Demonstration Extension	\$25,000
37. Removal.....	Included
38. Removal of Windstorm Debris	\$50,000
39. Roadways, Walkways, Parking Lots Extension	Included
40. Sales Representatives	\$25,000
41. Same Site Clause Removal Extension	Included
42. Signs	\$25,000
43. Temporary Locations	\$25,000
44. Tool Extension (including Employee's Tools).....	\$5,000
45. Valuable Papers and Records	\$100,000

It is hereby understood and agreed that the following extensions under Form PAP1 are subject to all terms, conditions, provisions and definitions applicable to Form PAP1 Property of Every Description unless stated otherwise.

The limits stated in the Summary of Coverage Extensions applicable to this form, or the limit of insurance indicated on the "declaration page(s)" if higher, apply. Each limit shown is in additional to the limit of insurance for "building", "equipment", "stock", "contents of every description" or "property of every description" unless indicated to the contrary in this endorsement.

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

1. Accounts Receivable (Broad Form)

1. INDEMNITY AGREEMENT

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

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the Summary of Coverage Extensions, or as specified on the "Declarations Page" whichever is greater, in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the Summary of Coverage Extensions, or as specified on the "Declarations Page" whichever is greater.

2. PROPERTY INSURED

This Form insures the interest of the Insured in the Insured's records of accounts receivable and does not apply to the interest of any other person or organization unless included in the Insured's proof of loss.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds \$1,000 in any one occurrence.

4. PERILS INSURED

This Form, except as herein provided, insures against all risks of direct physical loss of or damage to the Insured's records of accounts receivable.

5. EXCLUSIONS

This form does not insure:

- (a) loss due to any fraudulent, dishonest or criminal act by any Insured, a partner therein, or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;
- (b) loss due to bookkeeping, accounting or billing errors or omissions;
- (c) loss, the proof of which, as to factual existence, is dependent upon an audit of records, or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (d) loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;
- (e) loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.

6. SPECIAL CONDITIONS

- 1. PROTECTION - It is a condition of this policy that the records of accounts receivable insured hereunder shall be contained in the "premises" described on the "Declarations Page" and
 - (a) if the limit of liability is below \$100,000, be kept in a metal filing cabinet at all times, when not in use;
 - (b) if the limit of liability is \$100,000 or more, be kept in fire resistive receptacles at all times when not in use.

2. REMOVAL - This insurance also applies while the records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured gives written notice to the Insurer of such removal within ten days thereafter.
3. ADJUSTMENT OF LOSS - 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:
 - (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which loss occurs;
 - (b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has provided monthly statements to the Insurer as compared with such average for the same months of the preceding year;
 - (c) the amount determined in paragraph (a), increased or decreased by the percentage calculated under paragraph (b) shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
 - (d) the amount determined in paragraph (c) shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

In determining the amount of the Insurer's liability for any loss hereunder there shall be deducted from the total amount of accounts receivable the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.
4. RECOVERIES - After payment of loss all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Insurer by the Insured up to the total amount of loss paid by the Insurer; but all recoveries in excess of such amounts shall belong to the Insured.

2. Arson, Theft and Vandalism Reward

In the event that an insured loss is the result of arson, theft or vandalism, reimbursement will be provided for the information which leads to an arrest or conviction.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

3. Automatic Fire Suppression System Recharge Expenses Extension

This insurance covers any automatic fire suppression system recharge expense incurred by the Insured due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at the "premises" of the Insured where such discharge or leakage is caused by or results from a peril insured against under this form.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

4. Bailee's Customer

This form is extended to cover all lawful goods and articles belonging to the Insured's customers and clients while such goods or articles are:

- (a) On the "premises" for the purpose of the Insured performing the business service or professional service described on the "Declarations Page";
- (b) In transit if the goods or articles are in the possession of the Insured

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

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

5. Blanket Glass

The Insurer will indemnify the Insured for all risks of direct physical loss or damage to exterior glass, interior glass set in frames, sashes or bars, or vitrolite and lettering, ornamentation or attached tape of foil at the "premises".

Such insurance shall also include the expense of boarding up damaged openings or installing temporary plates.

The Insurer shall not be liable under this extension for loss or damaged caused by fire occurring during the Period of Coverage by breakage of the glass or by chemicals accidentally or maliciously applied.

This extension does not increase the limit(s) of insurance under this policy.

This extension of coverage is subject to a \$500 deductible or the deductible specified on the "Declarations Page" whichever is lower.

6. Brands and Labels

If "stock" damaged by an insured peril is salvageable and bears a brand or trademark or guarantee, the Insurer agrees to pay for the removal of such brand, trademark or guarantee before sale of such stock as salvage.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

7. Building at Newly Acquired Locations Extension

It is hereby understood and agreed that PAP1, Section 2. INSURED PROPERTY B. Building at Newly Acquired Location is deleted in its entirety and replaced with the following:

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

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

8. Building By-laws Endorsement

1. INDEMNITY AGREEMENT

This insurance is, without increasing the amount of insurance, and only as a result of an insured peril, extended to indemnify the Insured for:

- (a) loss occasioned by the demolition of any undamaged portion of the "building";
- (b) the cost of demolishing and clearing the site of any undamaged portion of the "building";
- (c) any increase in the cost of repairing, replacing, constructing or reconstructing the "building" on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which
 - (i) regulates zoning or the demolition, repair or construction of damaged "buildings" and
 - (ii) is in force at the time of loss or damage

2. EXCLUSIONS

This endorsement does not insure against:

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

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, Building By-laws coverage is restricted to the locations so indicated.

9. Building Damage by Theft

It is hereby understood and agreed that PAP1, Section 7. Extensions of Coverage (d) "Building" Damage by Theft is amended as follows:

This form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this form. The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

10. Building Inflation Protection Endorsement

It is agreed that:

1. The amount of insurance applicable to "building" shall increase during the policy period by the proportion by which the latest published Statistics Canada Non-Residential Building Construction Price Indexes has increased since the last "premium due date".
2. At the "premium due date", the amount of insurance shall be increased automatically in accordance with the latest published Statistics Canada Non-Residential Building Construction Price Indexes and the appropriate premium charged.
3. If the amount of insurance applicable to "building" is changed at the request of the Insured during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of such change.
4. Definition
"Premium due date" means the inception or renewal date of the Policy. "Premium due date" does not mean the date on which any periodic instalment of the premium is payable.

If **Restricted to locations** is indicated on the "Declarations Page" applicable to this endorsement, Building Inflation Protection coverage is restricted to the locations so indicated.

11. Catch All Clause

In the event of a claim being made under any extension specified in this form, and following the application of all terms, deductibles, and conditions applicable to the Extension, if the amount of insurance is insufficient to fully indemnify the Insured for loss or damage, then the insurance under this form is extended to provide additional coverage, in excess of any such adjusted claim.

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

- (a) The difference between the amount payable, under the adjusted claim and the amount required to fully indemnify the Insured; or
- (b) the amount of insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page" whichever is the lesser amount.

If the amount of insurance for more than one Extension is insufficient, this Catch All Clause may be applied to one or more Extensions in any one loss occurrence. In the event that claim is made under this Catch All Clause, the Insured shall elect which Extensions shall receive the benefit of this Catch All Clause.

The Insurer shall not be liable for more than the amount shown in the Summary of Coverage Extensions for this Form, in any one occurrence, no matter how many Extension limits are insufficient.

12. Communication Towers and Antennae Extension

This extension insures communication towers and antennae (including satellite receivers) and equipment attached thereto.

If **Restricted to locations** is indicated on the Declarations Page for this extension, then coverage is restricted to only those locations so indicated.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

13. Computer Equipment and Media Extension

2. INSURING AGREEMENT

This extension applies only to "computer equipment" including component parts thereof related to the business of the Insured as described in the "Declaration Page", owned by the Insured or leased or under the control of the Insured, and "computer media" all while on the "premises" described in the "Declaration Page" or Schedule of Locations. The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

3. PERILS INSURED

This coverage insures against direct physical loss, destruction or damage by:

- (i) Mechanical Failure, faulty construction or error in design.
- (ii) Short Circuit, blow-out or other electrical disturbance, other than lightning, within electrical apparatus;
- (iii) Rust, corrosion or changes in humidity or temperature – due to damage to the air conditioning system that services the Insureds data processing system which results from Fire, "Explosion", "Smoke", "Leakage from Fire Protective Equipment" or from a watermain;
- (iv) Processing – on covered electronic equipment that occurs during processing operations or while the equipment is being worked on or serviced. The loss or damage must result from this processing, work or service. This coverage does not apply to "data" or "computer media";

4. ADDITIONAL EXCLUSIONS

- (i) This form does not insure against loss or damage caused directly or indirectly by "Data Problem". However, if loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured at the "premises" that is directly caused by fire, "explosion", "smoke", "leakage from fire protective equipment", water damage caused by bursting of frozen pipes and tanks, this exclusion shall not apply to such resulting loss or damage.
- (ii) This extension does not insure "data".

5. SPECIAL BASIS OF SETTLEMENT - FUNCTIONAL REPLACEMENT COST

The Insurer agrees to amend the basis of settlement from replacement cost to "functional replacement cost" by substituting the term "functional replacement cost" for the term "replacement cost" wherever it appears in the Policy, subject to the following provisions:

1. The Insurer shall not be liable under this extension for any loss unless and until the damaged or destroyed property is actually repaired or replaced by the Insured with due diligence and dispatch.
2. The Insurer's liability for loss on a "functional replacement cost" basis, shall not exceed the least of the following amounts:
 - (a) the amount applicable to the damaged or destroyed property;
 - (b) the replacement cost of the property covered hereunder or any part thereof identical with such property and intended for the same occupancy and use; except that with respect to the items described for which replacement with identical property is impossible, the "functional replacement cost" shall be the measure of recovery;
 - (c) the amount actually and necessarily expended in repairing or replacing said property or any part

thereof.

6. DEFINITIONS

For the purpose of this extension:

- (a) "Computer Equipment" means electronic equipment used for "data" storage and word processing.
- (b) "Computer Media" means material on which "data" is recorded.
- (c) "Data" means representations of information or concepts, in any form.
- (d) "Data Problem" means:
 - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - (ii) error in creating, amending, entering, deleting or issuing "data", or;
 - (iii) inability to receive, transmit or use "data".
- (e) "Functional Replacement Cost" means the cost of replacing or repairing property with items similar to the destroyed property and intended to perform the same function but which may include some technological advancements.
- (f) "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" described on the "Declaration Page" or for adjoining "premises" and loss or damage caused by the fall or breakage of such equipment.

14. Consequential Loss Coverage Extension (Including Off Premises Power)

Insurance is extended to include loss, destruction or damage to stock, due to change in temperature resulting from damage caused by perils insured against, to the refrigerating or cooling apparatus, connections or supply pipes and apparatus furnishing power therefor and/or gas and/or water facilities (including their connections and supply or transmission lines and pipes) furnishing or transmitting power and/or gas and/or water to the operations of the Insured.

The foregoing extension is subject otherwise to all the terms and conditions of the policy (as now existing or hereafter changed) and without increasing the amount insured.

If it is further understood and agreed that, if there shall be other fire insurance on the said property, the Insurer shall only be liable by virtue of this extension of liability for not exceeding such proportion of such Consequential Loss as the amount of fire insurance on this policy bears to the total amount of fire insurance on the property, whether such other fire insurance does or does not cover Consequential Loss, and whether or not such other fire insurance be valid or collectible.

No liability is assumed hereunder for any loss specifically excluded under the Riot, Vandalism or Malicious Acts provisions of this Policy.

If a **Sub-limit** is indicated on the Declarations Page applicable to this extension, the sub-limit so indicated applies as the maximum amount payable as a result of a consequential loss claim.

If **Restricted to locations** is indicated on the Declarations Page applicable to this extension, consequential loss coverage is restricted to the locations so indicated.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

15. Contents at Newly Acquired Location

It is hereby understood and agreed that PAP1, Section 2. PROPERTY INSURED B. Contents at newly acquired location is deleted in its entirety and replaced with the following:

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

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

16. Deferred Payment Plan Stock

This form is extended to cover "stock" the Insured has sold conditionally or whose price is payable at a future date or by installments. If direct physical loss of or damage to such "stock" by an insured peril occurs after it has left the Insured's custody but before the Insured has received full payment, the Insurer will indemnify the Insured for the unpaid balance. This Extension does not insure against default by the purchaser.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

17. Exhibition Floater

This Form is extended to cover loss or damage caused directly to the insured property by an insured peril, from the time the property insured leaves any "premises" of the Insured, while in transit to and from any exhibition site in Canada or the United States of America (including its territories and possessions) and while at such exhibition site.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

18. Expediting Expenses

This Form is extended to cover expediting expenses, including overtime, incurred as a result of loss or damage to insured property by an insured peril, for such costs incurred to:

- (a) make reasonable temporary repairs;
- (b) expedite reasonable permanent repairs;
- (c) expedite permanent "replacement" of the insured property that has been lost or damaged by an insured peril.

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

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

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

19. Extra Expense

This Form is extended to include the necessary "extra expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the business of the Insured following damage to or destruction by the perils insured against to the building(s) or additions thereto or contents thereof, commencing with the date of the loss and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild or replace such party of the described "building" or "contents of every description" as may be destroyed or damaged.

Additional Definitions

"Extra Expense" means the excess of the total cost during the "period of restoration" for the purpose of continuing the business of the Insured over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. The cost in each case to include expense of using other property or facilities of other businesses or other similar necessary emergency expenses. In no event shall the Insurer be liable under this Form for loss of income nor for "extra expense" in excess of that necessary to continue as nearly as practicable the "normal" conduct of the business of the Insured, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by perils

insured against, except cost in excess of the "normal" cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "extra expense"; liability for such excess cost shall not exceed the amount by which the total "extra expense" otherwise payable under this Form is reduced. The Insurer shall also be liable for "extra expense" incurred in obtaining property for temporary use during the "period of restoration" necessarily required for the conduct of the business of the Insured. Any salvage value of such property remaining after resumption of "normal" business operations shall be taken into consideration in the adjustment of any loss hereunder.

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

"Period or Restoration" means the interval of time, commencing with the date of the loss and not limited by the date of expiration of this Form, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or additions thereto or contents thereof as may be destroyed or damaged.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

20. Fees to Substantiate Loss Extension

This Form insures Fees to Substantiate Loss, being reasonable fees, not to exceed the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page" whichever is greater, charged by "Independent Consultants" retained by the Insured for the purpose of producing and/or certifying particulars and details required by the Insurer in connection with an insured loss.

This extension may also apply to any Business Interruption or Business Income loss covered under this Policy. This extension of coverage shall not be considered for the purpose of determining the application of any Coinsurance clause.

"Independent Consultants" means auditors, accountants, lawyers, architects, engineers or other professionals, excepting the Insured's own employees.

21. Fine Arts

This extension insures fine arts, including paintings, etchings, pictures, tapestries and other bona fide works of arts such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac, of rarity, historical value or artistic merit, the property of the Insured or the property of others for which the Insured may be liable, while at the "premises" described in the "Declarations Page".

Additional Exclusions

This Form does not insure:

- (a) breakage of glassware, statues, marbles, bric-a-brac, porcelains and other fragile articles unless caused by fire, lightning, earthquake, explosion, falling object striking the exterior of a building, flood, impact by aircraft or land vehicle, riot, vandalism or malicious acts, windstorm or hail, or by accident to land, water or air conveyances, or by theft or attempted theft ;
- (b) loss caused by the neglect of the Insured to use all reasonable means to save and preserve the property at and after any loss insured under this Form;
- (c) "stock" of the Insured.

Replacement

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

Limit of Liability:

The limit of the Insurer's liability for loss shall not to exceed the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page" whichever is greater, subject to a maximum value and amount of insurance per item not to exceed \$5,000.

22. Fire Department Service Charges Extension

1. This extension indemnifies against expenses directly incurred by the Insured for fighting fire on the premises owned and/or leased and/or occupied by the Insured.
2. The Insurer shall not be liable for more than the amount of insurance, being the Annual aggregate limit, specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page" whichever is greater.
3. This insurance shall not cover any Consequential Loss or Damage of any kind or description whatsoever.
4. If the Insured incurs expenses for fighting fire on property not owned and/or leased by them, the Insured agrees to subrogate to the Insurer the right of recovery against any individual or corporation for expenses incurred on such other property.
5. Insurance provided herein shall extend to include expenses and costs incurred by or assessed against the Named Insured (or others on behalf of the Named Insured) for fighting fire on premises used, owned, leased, occupied or being logged by the Named Insured or by their contractors (including any property adjacent thereto).
6. Expenses and costs shall include, but not be limited to, charges for the use of fire fighting equipment and supplies of the Insured or of others, salaries of personnel operating such equipment or otherwise fighting the fire, and the cost of transporting such equipment to and from the fire.
7. Expenses and costs incurred after this Policy's expiry date for fighting fires which originated prior to the expiry date are insured herein.
8. Any portion of the described expenses that is recovered by the Insured from any Governmental department or agency or other party is not recoverable hereunder.
9. SHUTDOWN: Insurance under this item shall be void in the event of violation by the Insured of regulations relative to shutdown during the dry season, made or published by the Forestry Department of the Province in which the insured property is located.
10. Notwithstanding the warranty contained in Clause 9, permission is hereby granted the Insured to use and operate the equipment necessary for the fighting of fires, or for the towing of logs in any body of water; to repair and keep their trucks, railroad rolling stock and machinery, provided such repairs and upkeep are done at a safe distance from their actual logging operations; to make and repair roads other than in the logging area; to keep and maintain log dumps and booming grounds; to operate camps.
11. DEDUCTIBLE: Each occurrence resulting in a claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim shall be deducted the amount of \$1,000. Losses net of each and every loss deductible will be applied to the Annual aggregate limit until exhausted.

23. Growing Plants, Trees, Shrubs or Flowers Outside the "Building"

This form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the "building" caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 18 l) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery per occurrence, including debris removal expense, of the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page" whichever is greater.

This extension replaces 7. EXTENSIONS OF COVERAGE (e) Growing Plants, Trees, Shrubs or Flowers Outside the "Building".

24. Home Office Extension

The insurance under this form is extended to insure "contents of every description" while such property is away from the "premises" and is at an office in the home of the Insured or at an office in the home of an Insured's employee.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

25. Installation Floater

1. INDEMNITY AGREEMENT

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

- (a) the actual cash value of the property at the time of loss or damage;

- (b) the cost to repair or replace the property at the time of loss or damage with property of like kind and quality;
- (c) the interest of the insured in the property;
- (d) the limit of the insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater.

2. PROPERTY INSURED

This Form insures property as specified on the "Declarations Page" as Property at any one location, the property of the Insured or the property of others for which the Insured is legally liable, intended to enter into and form part of any installation which has been contracted for by the Insured with others, including tools and materials used in connection with the installation. This Form also covers the property insured during transit from the Insured's premises, or from other premises if the property insured is transported at the Insured's risk, to the site of installation.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds \$1,000 in any one occurrence.

4. PERILS INSURED

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

5. PROPERTY EXCLUDED

This Form does not insure:

- (a) accounts, bills, jewellery, precious stones, currency, evidence of debt, money, notes, securities, plans, blueprints, designs or specifications;
- (b) property used or being installed in tunnels designed for vehicle traffic, bridges, canals, or other waterway construction;
- (c) property in transit while in the custody or control of sub-contractors or common carriers;
- (d) property at premises owned, leased or occupied by the Insured until loading for shipment to job site of any contract undertaken by the Insured is commenced;
- (e) property while being lifted, lowered, or hoisted while in the custody or control of sub-contractors or persons other than the Insured's employees;
- (f) buildings and permanent fixtures normally insured under a specific Builder's Risk Policy;
- (g) property described herein while undergoing any test or while being used for the purpose for which it was intended;
- (h) breakage of glass being installed, loaded or unloaded or while in transit.

6. PERILS EXCLUDED

This Form does not insure loss or damage caused by:

- (a) improper workmanship or faulty installation;
- (b) or resulting from interruption of business or other consequential loss extending beyond the direct physical loss of or damage to the insured property;
- (c) delay or loss of market;
- (d) unexplained loss, mysterious disappearance, or loss or shortage disclosed taking inventory;
- (e) wear, tear, mechanical breakdown, inherent vice, latent defect, gradual deterioration, moth, vermin or insects;
- (f) corrosion, rust, dampness or dryness of atmosphere or extremes of temperature;
- (g) misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents to whom the property may entrusted (carriers for hire excepted);
- (h) short circuit, blow-out or other electrical disturbance within any article insured hereunder, unless fire or explosion ensues, and then only for direct loss or damage caused by such ensuing fire or explosion;
- (i) or as a result of failure or breakdown of machinery or accessories unless resulting from an external cause which is not excluded elsewhere in this Form;
- (j) or as a result of the explosion, collapse or rupture of boilers and pressure vessels including all piping and apparatus attached thereto unless resulting from an external cause which is not excluded elsewhere hereunder.

7. SPECIAL CONDITIONS

1. REPORTING CLAUSE - (this clause applies only if Reporting basis applies is shown on the "Declarations Page").
 - (a) The premium shown on the "Declarations Page" is provisional only.
 - (b) The Insured shall render to the Insurer or its duly authorized representative within 6 months of the expiry of this Policy a statement showing the true and correct amount of gross receipts (whether collected or not) of the preceding year's business. The Rate per \$1,000 of gross receipts stated on the "Declarations Page" shall be applied to the gross receipts figure duly reported and the earned premium determined.
 - (c) If the earned premium so determined exceeds the provisional premium, then the Insured shall pay the Insurer forthwith the difference.
 - (d) If the earned premium is less than the provisional premium then the Insurer shall refund the difference forthwith to the Insured, subject to a minimum retained premium of 50% of the provisional premium.
 - (e) The Insurer or its duly authorized representative shall be permitted at all reasonable times during the term of the Policy or within a year after termination or expiration to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Form.
2. CESSATION OF COVERAGE - Coverage on all property ceases when:
 - (a) the Insured's interest ceases; or
 - (b) the property installed has been accepted as satisfactory; or
 - (c) the policy expires;whichever occurs first.
3. OTHER -
 - (a) The Insurer through its authorized representative and at all reasonable times shall have access to the Insured's books and records for the purpose of determining the actual premium due.
 - (b) It is understood and agreed that where any specific insurance exists in the name of the Insured on property insured hereunder, this insurance shall be considered as excess insurance and shall not apply or contribute to the payment of any loss until the amount collectible from all such specific insurance shall have been exhausted and then shall be liable, subject to the terms and conditions of this policy, for the difference between the amount collectible from such other insurance and the actual loss sustained on the property hereby insured, but in no event to exceed the limits of liability stated elsewhere in this Form.
 - (c) In case of loss or damage to property of others for which claim is made upon the Insurer, the right to adjust such loss or damage with the owner or owners of the property is reserved to the Insurer and the receipt by such owner or owners of settlement in satisfaction thereof shall be in full satisfaction of any claim of the Insured for which such payment has been made. If legal proceeding be taken to enforce a claim against the Insured with respect to any such loss or damage, the Insurer reserves the right at its option, without expense to the Insured, to conduct and control the defence on behalf of and in the name of the Insured. No action of the Insurer in such regard shall increase the liability of the Insurer under this Form.
4. TERRITORIAL LIMITS - This insurance applies only to loss, destruction or damage occurring within Canada or the continental United States of America (excluding Alaska).

26. Jewelry Extension

It is hereby understood and agreed to that PAP1 Property of Every Description (Broad Form) is amended as follows:

6. Exclusions

A. Property Excluded

- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, or precious and semi-precious stones. This exclusion does not apply to:
 - (i) the first ten thousand (\$10,000) of any loss insured herein;
 - (ii) any loss or damage caused directly by "Named Perils"

27. Leasehold Improvements Extension

It is hereby understood and agreed that this policy is extended to include additional lease expense up to the limit of the insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater, in any one occurrence for additional lease expense resulting from the loss or destruction of the insured premises by a peril insured against rendering the said premises unfit for

occupancy provided that the Insured's lease is terminated under the terms of the lease agreement. Indemnity shall be based on the difference between the monthly rent on the new premises and the monthly rent on the Insured's premises subject to a maximum of 12 months. Such difference is to be calculated on the basis that the replacing location is of similar size, condition and location without allowance for improvements.

28. Liberalization Clause

If, during the period that insurance is enforced under this policy, the insurer shall introduce any broadening of this Form or its replacement, and for which no additional premium is charged, then such broadened insurance shall inure to the benefit of the insured hereunder.

29. Master Key & Lock Extension

This Form is extended to cover the replacement, repair or reprogramming of locks in the event of loss or damage caused by an insured peril, to master keys, electronic passes or key cards controlling the doors to locations specified on the "Declarations Page".

Coverage under this extension shall continue until the replacement of locks and keys has been completed or the limit of the insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater, has been exhausted.

This extension of coverage is subject to a \$250 deductible.

30. Money

Money and securities used in and incidental to the Insured's business (as evidenced by the Insured's account records) while on the premises of the Insured as specified in the "Declaration Page" or away from such premises while being carried or held strictly incidentally to the Insured's business are covered up to the limit of the insurance, per occurrence, specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater.

For the purpose of this coverage, "money" mean currency, coins, bank notes and bullion. "Securities" means all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens, and ticket, but does not include money.

31. New Construction Endorsement

This extension provides up to 15% of the Limits of Insurance applicable to Form PAP1 as stated in the "Declarations Page", but in no event to exceed the limit of the insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page" whichever is greater, to be applied to direct loss or damage caused by any peril insured against by this form to a new addition, new building or new structure owned by the Insured and constructed at the Insured premises if the new addition, building or structure is similar to that described in this form and has been constructed since the issuance of the last renewal of the policy.

This coverage shall cease 60 days from the commencement date of construction unless the new value is reported to the Insurer and an additional premium is paid at the agreed rate, calculated from the date construction commenced.

32. Peak Season Extension

The amount of Insurance for Contents insured under this Policy shall be automatically increased by 25% to provide for seasonal variations. However, this increase shall not apply unless the amount of insurance for Contents is 100% or more of the Insured's average monthly values for the 12 months immediately preceding the latest effective date, or in the event the Insured has been in business for less than 12 months, such shorter period of time.

33. Personal Property of Officers and Employees Increased Limit Extension

It is hereby understood and agreed that PAP1, Section 7. Extensions of Coverage (c) Personal Property of Officers and Employees, item (ii) is deleted in its entirety and replaced with the following:

(ii) is, in any event, limited to a maximum recovery of the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page" whichever is greater, subject to a maximum limit of \$2,500 in respect of any one officer or employee;

34. Proof of Loss and Inventory Preparation Expense

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

- (a) the preparation of a proof of loss; or
- (b) the preparation of inventories to help determine the amount of loss.

This Extension covers the necessary expenses incurred to prepare such proofs or inventories.

This Extension does not apply to expenses to prove this Form insures against a loss, nor for expenses incurred under the condition of this policy relating to appraisal.

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

35. Property in Transit

It is hereby understood and agreed that PAP1, Section 2. PROPERTY INSURED B. Property in transit is deleted in its entirety and replaced with the following:

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

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

36. Property on Loan, Rental or Demonstration Extension

Property insured under Form PAP1 - Property of Every Description (Broad Form) is extended to include Property on Loan, Rental or Demonstration up to the limit of insurance specified in the Summary of Coverage Extensions applicable to this form, but only when such property is within Canada and the continental United States of America (excluding Alaska).

37. Removal

It is hereby understood and agreed that PAP1, Section 7. Extensions of Coverage (a) Removal is deleted in its entirety and replaced with the following:

- (a) **Removal:** If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 30 days only, or for the unexpired term of the policy if less than 30 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.

38. Removal of Windstorm Debris

It is hereby understood and agreed that PAP1, Section 7. Extensions of Coverage (b) (ii) Removal of Windstorm Debris is deleted in its entirety and replaced with the following:

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

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

39. Roadways, Walkways, Parking Lots Extension

It is hereby understood and agreed that PAP1 Property of Every Description (Broad Form), 6. EXCLUSIONS, A. EXCLUDED PROPERTY, item n) is deleted in its entirety.

40. Sales Representative

It is hereby understood and agreed that PAP1, Section 2. PROPERTY INSURED B. Sales Representative is deleted in its entirety and replaced with the following:

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

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

41. Same Site Clause Removal Extension

It is hereby understood and agreed that Replacement Cost Extension PE1 is amended as follows:
Section 1 (b) is deleted in its entirety

42. Signs

1. INDEMNITY AGREEMENT

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

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the limit of the insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater.

2. PROPERTY INSURED

This Form insures neon or automatic or mechanical signs owned by the Insured or the property of others in the custody or control of the Insured.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds \$1,000 in any one occurrence.

4. PERILS INSURED

This Form, except as herein provided, insures against all risks of direct physical loss of or damage to the

property insured.

5. EXCLUSIONS

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

- (a) mechanical breakdown, wear and tear, gradual deterioration, moths, vermin, inherent vice, or damage sustained due to any process or while actually being worked upon and resulting from such work;
- (b) breakage of glass or brittle or fragile articles or parts unless caused by a peril insured against;
- (c) short circuit or other electrical disturbances of any kind, exclusive of lighting, within any electrically equipped article unless fire ensues, and then only for loss or damage caused directly by such ensuing fire;
- (d) infidelity of persons to whom the property insured may be loaned, rented, or entrusted;
- (e) faulty manufacture, or installation, or by the inherent character of the insured property;
- (f) dampness of atmosphere and extremes of temperature;
- (g) strikers, locked out workers, or persons taking part in labour disturbances, riots, or civil commotions.

NOR DOES THIS FORM INSURE

- (h) loss or damage to materials or spare parts while contained in or on premises owned, leased, rented, or controlled by the Insured, or after installation, or after the interest of the Insured has ceased;
- (i) mysterious disappearance, or any shortage, disclosed on taking inventory.

6. SPECIAL CONDITIONS

- 1. LOSS CLAUSE - Loss under any item of this Form shall not reduce the amount of insurance.
- 2. OTHER INSURANCE - The Insurer shall not be liable for loss or damage, if, at the time of loss, there is other insurance which would attach if this insurance had not been effected, except that this insurance shall apply only as excess and in no event as contributing insurance and then only after all other insurance has been exhausted.

43. Temporary Locations

It is hereby understood and agreed that PAP1, Section 2. PROPERTY INSURED B. Temporary Locations is deleted in its entirety and replaced with the following:

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

The amount of insurance, for any one occurrence, shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for this Form or as specified on the "Declarations Page", whichever is greater.

44. Tool Extension (including Employee's Tools)

1. INDEMNITY AGREEMENT

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

- (a) the actual cash value of the property at the time of loss or damage;
 - (b) the interest of the Insured in the property;
 - (c) the limit of the insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater, in respect of the property lost or damaged
- Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater.

2. PROPERTY INSURED

This Form insures unscheduled tools owned by the Insured and usual to the business of the Insured, the property of the Insured, tools owned by employees or the property of others for which the Insured may be legally liable.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured

against exceeds \$1,000 in any one occurrence.

4. PERILS INSURED

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

5. EXCLUSIONS

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

- (a) mechanical breakdown, wear and tear, gradual deterioration, moths, vermin, inherent vice, or damage sustained due to any process or while actually being worked upon and resulting from such work;
 - (b) breakage of glass or brittle or fragile articles or parts unless caused by a peril insured against;
 - (c) short circuit or other electrical disturbances of any kind, exclusive of lightning, within any electrically equipped article unless fire ensues, and then only for loss or damage caused directly by such ensuing fire;
 - (d) infidelity of persons to whom the property insured may be loaned, rented, or entrusted;
- NOR DOES THIS FORM INSURE**
- (e) loss or damage to materials or spare parts while contained in or on premises owned, leased, rented, or controlled by the Insured, or after installation, or after the interest of the Insured has ceased;
 - (f) mysterious disappearance, or any shortage, disclosed on taking inventory.

6. SPECIAL CONDITIONS

- 1. **LOSS CLAUSE** - Loss under any item of this Form shall not reduce the amount of insurance.
- 2. **TERRITORY** - This Form insures only within the limits of Canada and the continental United States of America (excluding Alaska).
- 3. **LOCKED VEHICLE WARRANTY** - This clause does not apply to property under the control of a common carrier. Warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment, the doors and windows of which shall have been securely locked.

45. Valuable Papers and Records

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 7

1. INDEMNITY AGREEMENT

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

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified in the Summary of Coverage Extensions applicable to this form or as specified on the "Declarations Page" whichever is greater, in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified in the Summary of Coverage Extensions in the Form or as specified on the "Declarations Page" whichever is greater.

2. PROPERTY INSURED

This Form insures "Valuable Papers and Records" owned by the Insured or held by the Insured in any capacity: provided the insurance applies only to the interest of the Insured in such property, including the Insured's Liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's Proof of Loss.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds \$1,000 in any one occurrence.

4. PERILS INSURED

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

5. EXCLUSIONS

This Form does not insure loss or damage:

- (a) due to any fraudulent, dishonest or criminal act by any insured, a partner therein, or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;
- (b) directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
- (c) due to electric or magnetic injury, disturbances or erasure of electronic recordings, except by lightning;
- (d) due to wear and tear, gradual deterioration, vermin or inherent vice;
- (e) to property not specifically scheduled if such property cannot be replaced with other of like kind and quality;
- (f) to property held as samples or for sale or delivery after sale.

6. SPECIAL CONDITIONS

1. PROTECTION - It is a condition of this insurance that the "Valuable Papers and Records" insured hereunder shall be contained in the "Premises" described on the "Declarations Page" and
 - (i) if the limit of liability is \$25,000 or less, be kept in metal filing cabinets at all times when not in use;
 - (ii) if the limit of liability exceeds \$25,000, be kept in fire resistive receptacles at all times when not in use.
2. AUTOMATIC EXTENSION - This insurance also applies while the "Valuable Papers and Records" are being conveyed outside the "Premises" and while temporarily within other "Premises", except for storage, provided the Insurer's liability for such loss or damage shall not exceed whichever is least of ten percent of the total limit of liability provided hereunder, or \$5,000.
3. REMOVAL - This insurance also applies while the "Valuable Papers and Records" are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the insured gives written notice to the Insurer of such removal within ten days thereafter.

7. DEFINITIONS

Wherever used in this form:

- (a) "**Valuable Papers and Records**" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean "Money" or "Securities".
- (b) "**Money**" means currency, coins, bank notes and bullion; and traveller's checks, register checks and money orders held for sale to the public.
- (c) "**Securities**" means all negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes revenue and other stamps in current use, tokens and tickets but does not include "Money".

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

It is hereby understood and agreed that the following extensions under Form PAP1 are subject to all terms, conditions and provisions applicable to Form PAP1 Property of Every Description unless stated otherwise.

The limits stated for each extension, or the limit of insurance indicated on the "declaration page(s)" if higher, apply. Each limit shown is in addition to the limit of insurance for "building", "equipment", "stock", "contents of every description" or "property of every description" unless indicated to the contrary in this endorsement.

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

1. Common Expense

This extension shall, without increasing the amount of insurance applying under this endorsement and only as a result of a peril insured against, extend to indemnify the "Condominium Corporation" for: The 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 shall be liable under this extension for not more than the prorata share of such expense during the time the "unit" or units remain unoccupied and untenable following an occurrence: but in no event shall the limit of insurance for this extension exceed \$50,000 or the limit shown on the "Declarations Page", whichever is greater.

2. Contingent Unit Betterments

At the option of the Insured, this clause is extended to insure property of others permanently attached to the building(s) subsequent to the original construction of the building(s). This extension of cover shall be limited to \$25,000, or the limit shown on the "Declaration Page", for any one loss and shall be in excess of any more specific insurance covering said Unit Betterments.

3. Trustees Fees

This form is extended to indemnify the "Condominium Corporation" for reasonable and customary fees paid to an insurance trustee for services provided following covered loss or damage. The use of an insurance trustee must be required by the documents or legislation governing the operation of the "Condominium Corporation". The Insurer's liability under this extension shall not exceed \$50,000 for any one occurrence.

4. Unit Owners Property Exclusion

It is hereby understood and agreed that the following exclusion is added under 6. EXCLUSIONS, A. EXCLUDED PROPERTY:

- q) property belonging to the owners of individual "units";
- r) improvements and betterments to individual "units" made or acquired by the owners of such "units";

5. Vacancy Amendment

It is hereby understood and agreed that the 6. EXCLUSIONS, A. EXCLUDED PROPERTY, item b) is deleted in its entirety and replaced with the following:

- b) "building" or "contents", if all "units", are to the knowledge of the "Condominium Corporation" vacant or unoccupied for more than 30 consecutive days;

6. Definitions

- (a) "Condominium Corporation" means a Corporation constituted under provincial legislation relating to condominiums or coownership by declaration and includes a strata corporation.
- (b) "Unit" means the unit as defined in provincial legislation relating to condominiums or co-ownership by declaration and includes a strata lot.

All other terms and conditions of this Policy remain unchanged.

This extension modifies coverage provided by form PAP1 Property of Every Description, but only if indicated on the Declarations Page for the form.

It is hereby understood and agreed that 6. EXCLUSIONS, A. EXCLUDED PROPERTY, item a) is deleted in its entirety and replaced with the following:

a) Sewers, Drains, "Watermains"

sewers, drains or "watermains" located beyond the Insured's property lines at the location(s) described in the Declarations Page(s). This exclusion does not apply to loss or damage caused directly by "Named Perils";

Sewers drains or "watermains" located within the property lines described above shall only be covered if the Insured owns or is legally liable for loss or damage to such property;

"Watermain" means piping of a public potable water distribution system exclusively.

All other terms and conditions of this Policy remain unchanged.

Comprehensive Dishonesty, Disappearance and Destruction

C1

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

INSURING AGREEMENTS

I Employee Dishonesty Coverage - Form A

Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated on the Declarations Page applicable to this form as **Employee dishonesty - Limit per loss (Form A)** applicable to this Insuring Agreement I, Form A, resulting directly from one or more Fraudulent or Dishonest Acts committed by an Employee, acting alone or in collusion with others.

I Employee Dishonesty Coverage - Form B

Loss of Money, Securities and other property which the Insured shall sustain resulting directly from one or more Fraudulent or Dishonest Acts committed by an Employee, acting alone or in collusion with others, the amount of insurance on each of the Employees being the amount stated on the Declarations Page applicable to this form as **Employee dishonesty - Limit per employee (Form B)** applicable to this Insuring Agreement I, Form B.

II Loss Inside the Premises Coverage

Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognized places of safe deposit, the amount of insurance being the amount stated on the Declarations Page applicable to this form as **Money and securities - Inside loss**.

Loss of (a) other property by Safe Burglary or Robbery within the Premises or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat.

Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

III Loss Outside the Premises Coverage

Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armoured motor vehicle company, or while within the living quarters in the home of any Messenger, the amount of insurance being the amount stated on the Declarations Page applicable to this form as **Money and securities - Outside loss**.

Loss of other property by Robbery or attempt thereat outside the Premises while being conveyed by a Messenger or any armoured motor vehicle company, or by theft while within the living quarters in the home of any Messenger.

IV Money Orders and Counterfeit Paper Currency Coverage

Loss due to the acceptance in good faith, in exchange for merchandise, Money or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit Canadian or United States paper currency, the amount of insurance being the amount stated on the Declarations Page applicable to this form as **Money orders and counterfeit paper currency**.

V Depositors Forgery Coverage

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

- (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
- (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and

(c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to the named payee and endorsed by anyone other than the named payee without authority from such payee;

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

The amount of insurance is the amount stated on the Declarations Page applicable to this form as **Depositors forgery**.

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

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

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

GENERAL AGREEMENTS

A. Consolidation - Merger

If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees or if the Insured shall thereby acquire the use and control of any additional Premises, the insurance afforded by this Policy shall also apply as respects such Employees and Premises, provided the Insured shall give the Company written notice thereof within thirty days thereafter and shall pay the Company an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

B. Joint Insured

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

C. Loss Under Prior Bond or Policy

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

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

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

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

**THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS
ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:**

Section 1. Policy Period, Territory, Discovery

Loss is covered under this Policy only if discovered not later than one year from the end of the Policy Period, except that under Insuring Agreement I, Form B, loss is covered only if discovered not later than two years from the end of the Policy Period.

Subject to General Agreement C:

- (a) this Policy, except under Insuring Agreements I and V, applies only to loss which occurs during the Policy Period within Canada, any of the States of the United States of America or the District of Columbia;
- (b) Insuring Agreement I applies only to loss sustained by the Insured through Fraudulent or Dishonest Acts committed during the Policy Period by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;
- (c) Insuring Agreement V applies only to loss sustained during the Policy Period.

Section 2. Exclusions

This Policy does not apply:

- (a) to loss due to any Fraudulent, Dishonest or criminal Act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I, to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- (c) under Insuring Agreements II and III, to loss due to any Fraudulent, Dishonest or criminal Act by an Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this Exclusion does not apply to Safe Burglary or Robbery or attempt thereat;
- (d) under Insuring Agreements II and III, to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (e) under Insuring Agreements II and III, to loss (1) due to the giving or surrendering of Money or Securities in exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records, except for blank value;
- (f) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;
- (g) under Insuring Agreement III, to loss of insured property while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armoured motor vehicle company, (2) insurance carried by said armoured motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company's service, and then this Policy shall cover only such excess;
- (h) under Insuring Agreements II and III, to loss due to any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- (i) under Insuring Agreement II, to loss, other than to Money, Securities, a safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;

- (j) to loss due to the surrender of Money, Securities or other property away from the Premises as a result of a threat to do:
 - (1) bodily harm to any person, or
 - (2) damage to the Premises or property owned by the Insured or held by the Insured in any capacity; provided, however, these exclusions do not apply:
 - (a) to Insuring Agreement I if coverage is afforded thereunder, or
 - (b) under Insuring Agreement III if coverage is afforded thereunder, to loss or Money, Securities or other property while being conveyed by a Messenger when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- (k) to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Policy, except as may be specifically stated to the contrary in this Policy;
- (l) to potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Policy;
- (m) to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Policy;
- (n) to all costs, fees and other expenses incurred by the Insured in establishing the existence of, or amount of loss covered under this Policy;
- (o) under Insuring Agreement II, to loss of Money, Securities and other property which has been transferred by any computer to a person or to a place outside the covered premises on the basis of unauthorized electronic instructions.

Section 3. Definitions

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

"Banking Premises" means the interior of that portion of any building which is occupied by a banking institution in conducting its business.

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

"Employee" means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business, including persons hired through an intervening employment agency or employer, during the Policy Period and whom the Insured compensates directly or indirectly by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreement I, the above words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject however, to Sections 15 and 16.

"Fraudulent or Dishonest Acts" shall mean only Fraudulent or Dishonest Acts committed by such Employee with the manifest intent:

- (a) to cause the Insured to sustain such loss; and
- (b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

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

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

"Messenger" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the Premises.

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

"Premises" means the interior of that portion of any building which is occupied by the Insured in conducting its business. As respects Robbery only, the premises shall also include the space immediately surrounding such building.

"Robbery" means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or Employee of the Insured; (4) from the person or direct care and custody of a Messenger or Custodian who has been killed or rendered unconscious; or (5) under Insuring Agreement II, (a) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish

him with means of ingress into the Premises, or (b) from a showcase or show window within the Premises while regularly open for business, by a person who has broken the glass thereof from outside the Premises.

"Safe Burglary" means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the Premises by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, of (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the Premises.

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

Section 4. Loss Caused By Unidentifiable Employees

If a loss is alleged to have been caused by the Fraudulent or Dishonest Acts of any one or more of the Employees and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreement I, subject to the provisions of Section 2(b) of this Policy, provided that the evidence submitted reasonably proves that the loss was in fact due to the Fraudulent or Dishonest Acts of one or more of the said Employees, and provided further, that the aggregate liability of the Company for any such loss shall not exceed the Limit of Liability applicable to Insuring Agreement I.

Section 5. Ownership of Property; Interests Covered

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

Section 6. Books and Records

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

Section 7. Prior Fraud, Dishonesty or Cancellation

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

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

Section 8. Loss Notice - Proof - Action Against Company

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (a) give notice thereof as soon as practicable to the Company or any of its authorized agents and, except under Insuring Agreements I and V, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Company within four months after the discovery of loss.

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

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

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, nor until ninety days after the required proofs of loss have been filed with the Company, nor at all unless commenced within two years from the date when the Insured discovered the loss. If any limitation of time for notice of loss or any legal

proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

Section 9. Valuation - Payment - Replacement

In no event shall the Company 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 the loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

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

In case of damage to the Premises or loss of property other than Securities, the Company shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such Premises or property or of replacing same with property or material of like quality and value. The Company may, at its election, pay such actual cash value, or make such repairs or replacements. If the Company and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

Section 10. Recoveries

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

Section 11. Limits of Liability

Payment of loss under Insuring Agreement I or V shall not reduce the Company's liability for other losses under the applicable Insuring Agreement whenever sustained. The Company's total liability (a) under Insuring Agreement I, Form A, for all loss caused by any Employee or in which such Employee is concerned or implicated, or (b) under Insuring Agreement I, Form B, as to each Employee, or (c) under Insuring Agreement V for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified on the Declarations Page applicable to this form or endorsement amendatory thereto. The liability of the Company for loss sustained by any or all of the Insureds shall not exceed the amount for which the Company would be liable had all such loss been sustained by any one of the Insureds.

Except under Insuring Agreements I and V, the applicable limit of liability stated on the Declarations Page applicable to this form is the total limit of the Company's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted Fraudulent, Dishonest or criminal Act or series of related acts at the Premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

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

The limits of liability as expressed in the Policy are in Canadian currency.

Section 12. Limits of Liability Under This Policy and Prior Insurance

This Section shall apply only to Insuring Agreements I and V.

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

Section 13. Other Insurance

Except in the province of Quebec, if there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreement I or V, the Company shall be liable hereunder only for that part of such loss which is in excess of the amount

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

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Policy shall apply only as excess insurance over such other insurance, except in the province of Quebec where each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss, provided the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance or (b) to property otherwise insured unless such property is owned by the Insured.

Section 14. Subrogation

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

Section 15. Cancellation as to Any Employee

Insuring Agreement I shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee; or (b) except in the province of Quebec, at 12:01 a.m. standard time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Company of notice as aforesaid to the Insured at the address shown in this Policy shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by endorsement only.

Section 16. Cancellation of Policy or Insuring Agreement

This Policy or any Insuring Agreement may be cancelled by the Insured by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy or any Insuring Agreement may be cancelled by the Company by mailing to the Insured at the address shown in this Policy written notice stating when not less than fifteen days thereafter such cancellation shall be effective except in the province of Quebec where the notice of cancellation takes effect fifteen days after receipt by the Insured of the notice at the last known address. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Policy Period for any affected Insuring Agreement. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

Section 17. No Benefit to Bailee

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

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

Section 18. Assignment

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

Section 19. Changes

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

By acceptance of this Policy the Insured agrees that it embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

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.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW IN SECTION V - DEFINITIONS

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

SECTION I – COVERAGES

COVERAGE A. BODILY INJURY and PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A, B** or **D** or medical expenses under Coverage **C**.

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

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is an Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

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

- d. Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is an Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. **Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. **Contractual Liability**

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

c. **Workers' Compensation and Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.

d. **Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 2. d. (1) above.

This exclusion applies:

- (i) Whether the insured may be liable as an employer or in any other capacity; and
- (ii) To any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury.

This exclusion does not apply to:

- (a) Liability assumed by the insured under an "insured contract"; or
- (b) A claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

e. **Aircraft or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of:

- (1) Any aircraft, air cushion vehicle or watercraft that is owned, operated by rented or loaned to any insured; or
- (2) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is

owned, operated by, rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 8 metres long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) "Bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law, if the "bodily injury" results from an "occurrence" involving watercraft.

f. Automobile

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any "automobile" that is owned, operated by, on behalf of, rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion also applies to any motorized snow vehicle or its trailers and any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

This exclusion also applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "automobile" that is owned, operated by, on behalf of, rented or loaned to any 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" or "property damage".

This exclusion does not apply to:

- (1) "Bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- (2) "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" that is 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.
- (3) "Bodily injury" or "property damage" arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment. This exception however does not apply when such equipment is mounted on or attached to any "automobile" and such equipment is used for the purpose of "loading or unloading".
- (4) "Bodily injury" or "property damage" arising out of "loading or unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

g. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in your care, custody or control;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied,

rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

h. **Damage to Your Product**

"Property damage" to "your product" arising out of it or any part of it.

i. **Damage to Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

j. **Damage to Impaired Property or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

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

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

k. **Recall of Products, Work or Impaired Property**

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

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

l. **Electronic Data and Access or Disclosure of Confidential or Personal Information**

"Compensatory damages" arising out of:

1. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data"; or
2. 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.

m. **Personal and Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

n. **Professional Services**

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

o. **Abuse**

- a. Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of "abuse".
- b. Claims or "actions" based on your practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".

- c. Claims or "actions" alleging knowledge by an insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).
- p. **Asbestos** – see Common Exclusions
- q. **Fungi or Spores** – see Common Exclusions
- r. **Nuclear**– see Common Exclusions
- s. **Pollution** – see Common Exclusions
- t. **Terrorism** – see Common Exclusions
- u. **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:
 - (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A, B** or **D** or medical expenses under Coverage **C**.No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A, B** and **D**.
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

- a. **Knowing Violation of Rights of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".
- b. **Material Published With Knowledge of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.
- c. **Material Published Prior to Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- d. **Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.
- e. **Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the insured would have in the absence of the contract or agreement.
- f. **Breach of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".
- g. **Quality or Performance of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. **Wrong Description of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. **Infringement of Copyright, Patent, Trademark or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. **Insureds in Media and Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **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. **Interactive Websites, Electronic Chatrooms, Interactive Forums or Bulletin Boards**

"Personal and advertising injury" arising out of an, electronic interactive website, chatroom, interactive forum or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. **Unauthorized Use Of Another's Name or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. **Data-Related Liability and Access or Disclosure of Confidential or Personal Information**

"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.

n. **Asbestos** – see Common Exclusions

o. **Fungi or Spores** – see Common Exclusions

p. **Nuclear**– see Common Exclusions

q. **Pollution** – see Common Exclusions

r. **Terrorism** – see Common Exclusions

s. **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:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and

- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III – Limits of Insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury on Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation and Similar Laws

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

e. Athletics Activities

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

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others rented to you or occupied by you. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

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

- b. This insurance applies to "property damage" only if:

- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is an Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property

damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is an Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
- d. "Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is an Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
 - (3) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Property damage" expected or intended from the standpoint of the insured.

b. Contractual Liability

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

- c. **Asbestos** – see Common Exclusions
- d. **Fungi or Spores** – see Common Exclusions
- e. **Nuclear**– see Common Exclusions
- f. **Pollution** – see Common Exclusions
- g. **Terrorism** – see Common Exclusions
- h. **War Risks** – 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.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

2. Fungi or Spores

- a. "Bodily injury", "property damage" or "personal and advertising injury" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores";
- b. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or

- c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in **a.** or **b.** above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

For the purpose of the following exception:

- (i) "Property damage" means physical injury to animals.
- (ii) "Products-completed operations hazard" means all "bodily injury" and "property damage" that arises out of "your product" provided the "bodily injury" or "property damage" occurs after you have relinquished physical possession of "your product".

This exclusion does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" arising directly or indirectly from "fungi" or "spores" that are found in or on, or are, "your product", and you intend "your product" to be:

- (1) applied topically to; or
 - (2) ingested by;
- humans or animals.

3. Nuclear Energy Liability

- a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b. "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- c. "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
 - 1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an insured;
 - 2) the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
 - 3) the possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

4. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Section (2) does not apply to liability for "compensatory damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

5. Terrorism

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

6. War Risks

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

- c. All reasonable expenses you incur at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs assessed or awarded against you in the "action".
- e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", we will defend that indemnitee if all of the following conditions are met:
- a. The "action" against the indemnitee seeks "compensatory damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "action" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "action" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "action";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee;and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "action"; and
 - (b) Conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b. (2)** of Section **I – Coverage A – Bodily Injury and Property Damage Liability**, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated 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:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1) (a)** above;
 - (c) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraphs **(1)(a)** or **(b)** above;
 - (d) Arising out of his or her providing or failing to provide professional health care services; or
 - (e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
 - (2) "Property damage" to property that is:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
 - e. Your unit or strata lot owners and any tenants, but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.

3. Any organization you newly acquire or form, other than a partnership, limited liability partnership 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. Coverage **A** and **D** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not 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** is the most we will pay for the sum of:
 - a. "Compensatory damages" under Coverage **A**, except "compensatory damages" because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - b. "Compensatory damages" under Coverage **B**; and
 - c. Medical expenses under Coverage **C**.
3. The **Products-Completed Operations Aggregate Limit** is the most we will pay under Coverage **A** for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. or 3. above, whichever applies, the **Each Occurrence Limit** is the most we will pay for the sum of:
 - a. "Compensatory damages" under Coverage **A**; and
 - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. Subject to 2. above, the **Personal and Advertising Injury Limit** is the most we will pay under Coverage **B** for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained by any one person or organization.
6. The Tenants' **Legal Liability Limit** is the most we will pay under Coverage **D** for "compensatory damages" because of "property damage" to any one premises.
7. Subject to 4. above, the **Medical Expense Limit** is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 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**
 - a. Our obligation under Property Damage Liability and Tenants' Legal Liability to pay "compensatory damages" on your behalf applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Declarations as applicable to such coverages, and the limits of insurance applicable to each "occurrence" for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.

- b. The deductible amount applies as follows:
 - 1) Under Coverage **A**: To 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".
 - 2) Under Coverage **D**, Tenants' Legal Liability, to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
 - c. The terms of this insurance, including those in respect to:
 - 1) our right and duty to defend any "action" seeking those "compensatory damages"; and
 - 2) your duties in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
 - d. We may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
9. If **Products-Completed Operations excluded** is indicated in the Declarations, this insurance does not apply to "bodily injury" or property damage" included in the "products-completed operations hazard".

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

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

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "action" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "action" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "action" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "action"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Examination of Your Books and Records.

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. Inspections and Surveys

a. We have the right to:

- 1) Make inspections and surveys at any time;
- 2) Give you reports on the conditions we find; and
- 3) Recommend changes.

b. 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:

- 1) Are safe or healthful; or
- 2) Comply with laws, regulations, codes or standards.

c. Paragraphs a. and b. 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.

d. Paragraph b. 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.

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

8. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A**, **B** or **D** of this policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

- (c) If the loss arises out of the maintenance or use of watercraft or "automobile" to the extent not subject to either Exclusion e. or f. of Section I – Coverage A – Bodily Injury and Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A, B or D to defend the insured against any "action" if any other insurer has a duty to defend the insured against that "action". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance 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 Audit

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown in the Declarations of this policy.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

10. Premiums

The first Named Insured shown 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

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; and
- c. We have issued this policy in reliance upon your representations.

12. Separation of Insureds, Cross Liability

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "action" is brought.

13. Termination

- a. The first Named Insured shown in the Declarations may terminate this policy by mailing or delivering to us advance written notice of termination.

- b. We may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - 1) 5 days before the effective date of termination if personally delivered;
 - 2) 15 days before the effective date of termination if we terminate for nonpayment of premium; or
 - 3) 30 days before the effective date of termination if we terminate for any other reason.

Except in Quebec, if notice is mailed, termination takes effect 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.

In Quebec, paragraph 1) of this condition does not apply and termination takes effect either 15 or 30 days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.

- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. The policy period will end on the date termination takes effect.
- e. If this policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

14. Transfer of Rights of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "action" or transfer those rights to us and help us enforce them.

15. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

SECTION V – DEFINITIONS

1. **"Abuse"** means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
2. **"Action"** means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the insured submits with our consent.
3. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
4. **"Automobile"** means a land motor vehicle, trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
5. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
6. **"Compensatory damages"** means damages due or awarded in payment for actual injury or economic loss.

"Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.

7. **"Coverage territory"** means:

- a. Canada and the United States of America (including its territories and possessions).
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in **a.** above;
 - (2) The activities of an insured person whose home is in the territory described in **a.** above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in **a.** above or in a settlement we agree to.

8. **"Electronic data"** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

9. **"Employee"** includes a "leased worker" and a "temporary worker".

10. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

11. **"Fissionable substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

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

13. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.

14. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;
if such property can be restored to use by:
 - (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - (2) Your fulfilling the terms of the contract or agreement.

15. **"Incidental medical malpractice injury"** means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:

- (i) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
- (ii) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;

by any insured or any indemnitee causing the "incidental medical malpractice injury" who is not engaged in the business or occupation of providing any of the services described in i) and ii) above.

16. **"Insured contract"** means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;

- d. Any other easement agreement;
- e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
- f. An elevator maintenance agreement;
- g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph g. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

17. "Leased worker" means a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

18. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";
- b. While it is in or on an aircraft, watercraft or "automobile"; or
- c. While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".

19. "Nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;

20. "Nuclear facility" means:

- a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
- b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;
- c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 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.

21. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

22. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. 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;

- d. 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;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 23. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 24. "Products-completed operations hazard":**
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle that is not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
- 25. "Professional services"** shall include but not be limited to:
- a. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
 - b. Any professional service or treatment conducive to health;
 - c. Professional services of a pharmacist;
 - d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
 - f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
 - g. The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
 - h. Supervisory, inspection, architectural, design or engineering services;
 - i. Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
 - j. Any computer programming or re-programming, consulting, advisory or related services; or
 - k. Claim, investigation, adjustment, appraisal, survey or audit services.
- 26. "Property damage"** means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

- 27. **"Radioactive material"** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
- 28. **"Spores"** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- 29. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 30. **"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.
- 31. **"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.
- 32. **"Your product":**
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
- 33. **"Your work":**
 - a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
 - (2) The providing of or failure to provide warnings or instructions.

Combined Deductible Endorsement (Bodily Injury and Property Damage)

LD3c

This Endorsement Changes The Policy. Please Read It Carefully.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED

This endorsement modifies insurance provided by form L1a, but only if indicated on the "Declarations Page" for the form.

AMOUNT AND BASIS OF DEDUCTIBLE - The amount and basis of deductible is as indicated in the "Declarations Page" for this deductible as per occurrence or per claim

APPLICATION OF ENDORSEMENT

1. Our obligation under Bodily Injury and Property Damage 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 Page", as applicable to such coverages, and the limits of insurance applicable to each "occurrence" for Bodily Injury and Property Damage Liability will be reduced by the amount of such deductible. The **General Aggregate Limit** and **Products-Completed Operations Aggregate Limit** for such coverages shall not be reduced by the application of such deductible amount.
2. The deductible amounts stated in the "Declarations Page" apply as follows:
 - A. **PER OCCURRENCE BASIS** - if the deductible is on a **per occurrence** basis, the deductible amount applies under Coverage A - Bodily Injury and Property Damage Liability 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".
 - B. **PER CLAIM BASIS** - if the deductible is on a **per claim** basis, the deductible amount applies Under Coverage A - Bodily Injury Liability and Property Damage Liability to all "compensatory damages" because of "bodily injury" and "property damage" sustained by one person.
3. The terms of this insurance, including those in 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.

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

Extension - Employers' Bodily Injury Liability Coverage LE5c

This Endorsement Changes The Policy. Please Read It Carefully.

This endorsement modifies insurance provided by form L1a, but only if indicated on the "Declarations Page" for the form.

The following changes are made in your policy but only with respect to claims or "actions" because of "bodily injury" to an "employee" of the insured arising out of and in the course of employment by the insured in the business described in the "Declarations Page":

1. **SECTION 1 - COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** Exclusions d. and f. are deleted;
2. **SECTION 1 - COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** Exclusion e. is deleted and replaced with the following:

This insurance does not apply to:

"Bodily injury" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of:

- (i) Any aircraft or air cushion vehicle owned or operated by or rented or loaned to any insured; or
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental 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 involved the ownership, maintenance, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

3. This extension of insurance does not apply to "Bodily Injury" to an employee while employed in violation of the law with your actual knowledge or the actual knowledge of any of your executive officers.

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

This Endorsement Changes The Policy. Please Read It Carefully.

This endorsement modifies insurance provided by forms L1a, but only if indicated on the “Declarations Page” for the form.

Exclusion 2 i. of Section I – Coverage A: BODILY INJURY and PROPERTY DAMAGE LIABILITY is deleted and replaced by the following:

i. Damage To Your Work

“Property damage” to that particular part of “your work” arising out of it or any part of it and included in the “products-completed operations hazard”.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

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

POLLUTION LIABILITY COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART 1

In consideration of the premium charged, it is hereby agreed the following coverage is added to the policy.

- I. For the purposes of this endorsement, it is agreed that the following paragraphs are added to the **COMMERCIAL GENERAL LIABILITY POLICY, SECTION I. COVERAGES:**

COVERAGES E. POLLUTION LIABILITY COVERAGE

1. Insuring Agreement

We will pay those sums in excess of the Pollution Liability deductible amount shown in the Declarations that the insured becomes legally obligated to pay because of "bodily injury" or "property damage" arising out of an unexpected and unintended spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" caused by an "occurrence" to which this insurance otherwise applies.

2. Exclusions

This insurance does not apply to:

- a. "bodily injury", "property damage" that the insured becomes legally obligated to pay arising out of a spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
- i. which occurred prior to the policy period shown in the Declarations
 - ii. at, on, under or migrating from any premises, site or location which is or was at any time used by or for the insured or others for the handling, storage, disposal, processing or treatment of waste;
 - iii. arising from the transportation, handling, storage, disposal, processing or treatment of waste by or for an insured or organisation for whom the insured may be legally responsible;
 - iv. at, on, under or migrating from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on behalf of an insured are performing operations if the operations are for clean-up; or
 - v. at, on, under or migrating from any premises, site or locations:
 - 1) which is or was at any time owned or occupied by, or rented or loaned to an insured; or
 - 2) on which any insured or any contractors or subcontractors working directly

or indirectly on behalf of any insured are performing operations if the "pollutants" are brought onto the premises, site or location in connection with such operations by or on the instruction of such insured, contractor or subcontractor;

but paragraph v. does not apply to "bodily injury" or "property damage":

- (i) if caused by heat, smoke or fumes or from fire extinguishing substances used to fight a fire which becomes uncontrollable or breaks out from where it is intended to be; or
 - (ii) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - (a) commences during the policy period stated in the Declarations; and
 - (b) is detected within 240 hours of its commencement; and
 - (c) is reported to us within 240 hours of its being detected; and
 - (d) is a quantity or with a quality that is in excess of that which is routine or usual to the business of the insured.
- b. Any fines or penalties assessed against or imposed upon any insured.
 - c. Any loss resulting from an "underground storage tank incident"

3. Supplementary Payments

We will pay, with respect to any claim or "action" we defend:

- a. All expenses we incur.
- b. The costs 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 \$100 a day because of time off of work.
- d. All costs taxed against the Insured in the "action" and any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance.

These payments will reduce the Pollution Liability Limits of Insurance shown in the Declarations.

- II. For the purposes of this endorsement, it is agreed that the following conditions are added to the **COMMERCIAL GENERAL LIABILITY POLICY, SECTION III. LIMITS OF INSURANCE:**

LIMITS OF INSURANCE

The Pollution Liability Limit shown in the Declarations is the most we will pay for the sum of all damages and supplementary payments because of a "bodily injury" or "property damage" arising out of any one

“occurrence” under this policy.

The Pollution Liability deductible amount stated on the Declarations is applicable to each “occurrence”. The deductible amount applies once to each “occurrence” and applies to defense expenses, investigation, settlement, compromise, or indemnification.

III. For the purposes of this endorsement, it is agreed that the following definitions will apply:

1. **“Property Damage”** means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property; or
 - b. Loss of use of tangible property that is not physically injured; or
 - c. “Clean-up costs”.
2. **“Underground storage tank incident”** means an unexpected or unintended spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants” from an “underground storage tank system” into ground water, surface water or subsurface soils.
3. **“Underground storage tank system”** means an underground storage tank including any associated underground pumps and piping, that has at least 10% of its volume below ground.
4. **“Pollutants”** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. **“Clean-up costs”** means reasonable and necessary expenses incurred in the investigation, evaluation, monitoring, testing, removal, containment, treatment, response, disposal, remediation, detoxification or neutralization of any “pollutants” to the extent required by applicable **environmental laws**.
6. **“Environmental laws”** mean federal, state, provincial, municipal or other local laws, statutes, ordinances, regulations, and all amendments thereto, including state voluntary clean-up or risk-based corrective action guidance, governing the liability of the Insured with respect to the spillage, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”.

All other terms and conditions remain the same.

Professional Services Exclusion

LX5c

This exclusion modifies coverage provided by form L1a, but only if indicated on the Declarations Page for the form.

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury " arising out of:

1. The rendering or failure to render any professional services by or for you, including:
 - (a) the preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
 - (b) supervisory, inspection, or engineering services of engineers, architects, and surveyors.
2. The rendering or failure to render any professional services by or for you in the performance of any claim, investigation, adjustment, appraisal or audit service.
3. The rendering or failure to render any professional services by you or for you or those professional services designated in the Declarations as **Professional services excluded**.

All other terms and conditions of this policy remain unchanged.

Building Moving or Demolition Exclusion

LX7c

This exclusion modifies coverage provided by form L1a, but only if indicated on the Declarations Page for the form.

Section I - Coverage A - item 2. Exclusions is amended by adding the following exclusion:

v. "Bodily injury" or "property damage" arising out of the moving of buildings or demolition operations performed by you or for you.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

This deductible modifies coverage provided by form L1, L1a, and L2, but only if indicated on the Declarations Page for the form.

We shall not be liable for a greater proportion of any loss than the difference between the percentage shown in the "Declarations Page" as **Insured's participation percent** and one hundred percent. The balance of the loss shall be borne by you; provided, we may pay your portion of a loss to effect settlement of the loss, 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.

If **Amount of deductible** is shown in the "Declarations Page", the amount of the deductible shown applies rather than the percentage indicated above.

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

Blasting, Pile Driving, Weakness of Support Exclusion

LX6

This exclusion modifies coverage provided by form L1, L1a, L2 and L3, but only if indicated on the Declarations Page for the form.

This insurance does not apply to "property damage" arising out of:

1. The use of explosives for blasting;
2. Vibration from pile driving or caisson work; or
3. The removal or weakening of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply:

- a) To "property damage" arising out of work performed on your behalf by any contractor or sub-contractor; or
- b) To "property damage" included within the "products-completed operations hazard".

All other terms and conditions of this policy remain unchanged.

This extension modifies coverage provided by form L1a, but only if indicated on the Declarations Page for the form.

Under SECTION V - DEFINITIONS, Item 7, "Coverage territory", is deleted and replaced by the following:

4. "Coverage territory" means all parts of the world, if:
 - 1) The injury or damages arise out of:
 - a) Goods or products made or sold by you in Canada or the United States of America (including its territories and possessions): or
 - b) The activities of a person whose home is in Canada or the United States of America (including its territories and possessions), but is away for a short time on your business; or
 - c) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication and
 - 2) The insured's responsibility to pay compensatory damages is determined in an "Action" on the merits, in Canada or the United States of America (including its territories and possessions) or in a settlement we agree to in writing, provided:
 - a) For claims made against the insured in countries in which we have no claims facilities, the insured with our consent will undertake all of our obligations under this policy, and
 - b) The insured will notify us of all proceedings and "actions".
We agree to reimburse you for such expenses incurred under this paragraph with our consent, as would otherwise be paid by us under this policy.

All other terms and conditions of this policy remain unchanged.

Non-Owned Automobile Liability (SPF 6)

L14

S.P.F. No. 6 - Standard Non-Owned Automobile Policy

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

APPLICATION

ITEMS

1.	FULL NAME OF THE APPLICANT	SEE POLICY DECLARATIONS		
	POSTAL ADDRESS <small>(INCLUDING COUNTY OR DISTRICT)</small>	SEE POLICY DECLARATIONS		
	APPLICANT IS	SEE POLICY DECLARATIONS		
		<small>(STATE WHETHER INDIVIDUAL, PARTNERSHIP, CORPORATION, MUNICIPALITY OR ESTATE)</small>		
2.	Policy Period From	SEE POLICY DECLARATIONS	<small>TO 12.01 A.M. LOCAL TIME AT THE APPLICANT'S ADDRESS STATED HEREIN AS TO EACH OF SAID DATES</small>	
3.	THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF:			
	AS KNOWN TO THE INSURER			
4.	THE APPLICANT'S PARTNERS, OFFICERS, EMPLOYEES AND AGENTS AS OF THE DATE OF THIS APPLICATION ARE AS FOLLOWS: PARTNERS, OFFICERS AND EMPLOYEES WHO REGULARLY USE AUTOMOBILES NOT OWNED BY THE APPLICANT IN HIS BUSINESS. ALL OTHER PARTNERS, OFFICERS AND EMPLOYEES ALL APPLICANT'S AGENTS			
	LOCATION	<small>CLASS "A1"</small>	<small>CLASS "A2" COMMERCIAL</small>	<small>CLASS "B"</small>
		<small>PRIVATE PASSENGER</small>	<small>NUMBER RATE PREMIUM</small>	<small>NUMBER RATE PREMIUM</small>
		<small>NUMBER RATE PREMIUM</small>	<small>NUMBER RATE PREMIUM</small>	<small>NUMBER RATE PREMIUM</small>
		AS KNOWN TO THE INSURER		
5.	"HIRED AUTOMOBILES" - THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS:			
	<small>TYPE OF AUTOMOBILE</small>	<small>ESTIMATED COST OF HIRE</small>	<small>RATES PER \$100 OF COST OF HIRE</small>	<small>ADVANCE PREMIUM</small>
	COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT			
	<small>THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.</small>			
6.	"AUTOMOBILES OPERATED UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS:			
	<small>TYPE OF AUTOMOBILE & DESCRIPTION OF USE</small>	<small>ESTIMATED CONTRACT COST</small>	<small>RATES PER \$100 OF CONTRACT COST</small>	<small>ADVANCE PREMIUM</small>
	COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT			
	<small>THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.</small>			
7.	THIS APPLICATION IS MADE FOR INSURANCE AGAINST THE PERILS MENTIONED IN THIS ITEM AND UPON THE TERMS AND CONDITIONS OF THE INSURER'S CORRESPONDING STANDARD POLICY FORM AND FOR THE FOLLOWING SPECIFIED LIMIT.			
	INSURING AGREEMENT PERILS	LIMIT	COMBINED PREMIUMS	
	SECTION A	\$ IN	<small>(EXCLUSIVE OF INTEREST AND COSTS) FOR LOSS OR DAMAGE</small>	
	THIRD PARTY LIABILITY	ACCORDANCE WITH POLICY LIMITS	<small>RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS, AND FOR LOSS OR DAMAGE TO PROPERTY, REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT.</small>	
	ENDORSEMENTS		\$ INCLUDED	
	MINIMUM RETAINED PREMIUM \$		TOTAL PREMIUM	\$ INCLUDED
8.	HAS ANY INSURER CANCELLED, DECLINED OR REFUSED TO RENEW OR ISSUE, AUTOMOBILE INSURANCE TO THE APPLICANT WITHIN THREE YEARS PRECEDING THIS APPLICATION? IF SO, STATE NAME OF INSURER.			
	AS KNOWN TO THE INSURER			
9.	STATE PARTICULARS OF ALL ACCIDENTS OR CLAIMS ARISING OUT OF THE USE OR OPERATION IN HIS BUSINESS OF NON-OWNED AUTOMOBILES BY THE APPLICANT WITHIN THE THREE YEARS PRECEDING THIS APPLICATION.			
	<small>INJURY TO PERSONS</small>	<small>DAMAGE TO PROPERTY OF OTHERS</small>		
	AS KNOWN TO THE INSURER		AS KNOWN TO THE INSURER	
10.	ALL THE STATEMENTS IN THIS APPLICATION ARE TRUE AND THE APPLICANT HEREBY APPLIES FOR A CONTRACT OF AUTOMOBILE INSURANCE TO BE BASED ON THE TRUTH OF THE SAID STATEMENTS.			
11.	Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the insured contravenes a term of the contract or commits a fraud; or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.			

INSURING AGREEMENT

Now, Therefore, in Consideration of the payment of the premium specified and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated

SECTION A - THIRD PARTY LIABILITY

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR

DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

Provided always the Insurer shall not be liable under this Policy:

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b)* for any liability imposed upon any person insured by this Policy
 - (1) by any workmen's compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured;
- * Not applicable in the Province of Ontario
- (c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or
- (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- (e) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

ADDITIONAL AGREEMENTS OF INSURER

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

- (1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- (2) to defend in the name and on behalf of any person insured by this Policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- (3) to pay all costs taxed against any person insured by this Policy in any civil action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and
- (4) in the case the injury be to a person, reimburse any person insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- (5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in Section A of Item 7 of the application; and
- (6) not set up any 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 Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this Policy.

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSURED

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional Insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. TERRITORY

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

3. HIRED AUTOMOBILES DEFINED

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

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

5. TWO OR MORE AUTOMOBILES

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

6. PREMIUM ADJUSTMENT

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

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

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

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

STATUTORY CONDITIONS

The Statutory Conditions for Non-Owned Automobile Insurance as set out in the Insurance Act of the Province in which this Policy covers shall form part of the Policy.

S.E.F. No. 96 - Contractual Liability Endorsement

(For attachment only to a Non-Owned Policy S.P.F. No. 6)

This extension modifies coverage provided by form L14, but only if indicated on the Declarations Page for the form.

It is agreed that exclusion (c) of Section A Insuring Agreement of the Policy to which this endorsement is attached is amended to read as follows:

(c) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

All written contracts including any other written agreement assuming the liability of others except:

- (1) Any contract or agreement assuming the legal liability of the automobile owner.
- (2) Any contract or agreement wherein the Insured has assumed liability for the sole negligence of the indemnitee.

All other terms and conditions of this policy remain unchanged

Legal Liability for Damage to Hired Automobiles Extension (SEF 94)

LE26

S.E.F. No. 94 - Legal Liability for Damage to Hired Automobiles Endorsement

(For attachment only to a Non-Owned Policy S.P.F. No. 6)

THIS ENDORSEMENT CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE.

This extension modifies coverage provided by form L14, but only if indicated on the Declarations Page for the form.

In consideration of the premium herein stated, it is understood and agreed that the policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections of the Insuring Agreement hereof for which a premium is stated and no other.

SECTION B - LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of "Hired Automobiles" as defined in such policy and resulting from loss or damage thereto, caused solely by:

Subsection 1- ALL PERILS - from all perils;

Subsection 2- COLLISION OR UPSET - caused by collision with another object or by upset;

Subsection 3-COMPREHENSIVE - from any peril other than by collision with another object or by upset;

The words "another object" as used in this subsection shall be deemed to include (a) a vehicle to which the automobile is attached and (b) the surface of the ground and any object therein or thereon.

Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage for which insurance is provided under this subsection 3.

Subsection 4 - SPECIFIED PERILS - caused by fire, lightning, theft or attempt thereof, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or of parts thereof, rising water, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the automobile is being transported on land or water.

DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage covered under any subsection hereof except loss of damage caused by fire or lightning or theft of the entire automobile covered by such subsection shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, stated in the applicable subsection hereof.

TWO OR MORE AUTOMOBILES

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the limit of liability, including the deductible provision, if any, under this Insuring Agreement.

EXCLUSION

The Insurer shall not be liable

- (1) for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
- (2) under any subsection hereof for loss or damage
 - (a) to tires or consisting of or caused by 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 in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached; or
- (3) under subsection 3 (Comprehensive) 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

Legal Liability for Damage to Hired Automobiles Extension (SEF 94)

LE26

ADDITIONAL AGREEMENTS

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.

SCHEDULE

All items per this schedule are as indicated on the Declarations Page for this extension or as known to the Insurer.

SUBSECTION	LIMITS AND AMOUNTS	TYPE OF AUTOMOBILE	ESTIMATED COST OF HIRE	RATE PER \$100	ADVANCE PREMIUM
1. All-Perils	\$ (exclusive of interests costs) any one accident		\$		\$
	\$ Amount deductible				
2. Collision Or Upset	\$ (exclusive of interests costs) any one accident		\$		\$
	\$ Amount deductible				
3. Comprehensive	\$ (exclusive of interests costs) any one accident		\$		\$
	\$ Amount deductible				
4. Specified Perils	\$ (exclusive of interests costs) any one accident		\$		\$
	\$ Amount deductible				
Minimum Retained Premium	\$	TOTAL	\$		

The advance premiums for this extension are subject to adjustment in the same manner as those stated under Item 5 of the application.

All other terms and conditions of this policy remain unchanged.

S.E.F. No. 99 - Excluding Long Term Leased Vehicle Endorsement

(For attachment only to a Non-Owned Policy S.P.F. No. 6)

This exclusion modifies coverage provided by form L14, but only if indicated on the Declarations Page for the form.

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 the policy to which this endorsement is attached is hereby amended to read as follows:

The term "Hired Automobiles" as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the named insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

All other terms and conditions of this policy remain unchanged

THIS IS A CLAIMS MADE FORM - PLEASE READ IT CAREFULLY

Words in italics have special meaning, as described in the Definitions section.

1. INSURING AGREEMENTS

- a) The Insurer agrees to pay on behalf of the Insured all loss to which this insurance applies and for which the Insured is not indemnified by the Named Insured and which the Insured shall become legally obligated to pay on account of any claim first made against the Insured during the policy period, as compensatory damages because of any claim arising from a *wrongful act* committed in the administration of the condominium corporation or strata plan named in the declarations.
- b) The Insurer agrees to pay on behalf of the Named Insured all *loss* to which this insurance applies and for which the Named Insured shall be required by law, its articles of incorporation or its by-laws to indemnify the *Directors and Officers* and which the Directors and Officers shall become legally obligated to pay on account of any claim first made during the policy period, as compensatory damages because of any claim arising from a *wrongful act* committed in the administration of the condominium corporation or strata plan named in the declarations.

2. REPORTING PERIOD:

This Form applies to any *wrongful act* only if claim is first made or suit is first brought while this Form is in force. If during the policy period the Named Insured has knowledge of or becomes aware of any *wrongful act* and during the policy period gives written notice to the Insurer, then such notice will be considered to be a claim under this Form. Claim may also be made within twelve months after the date of expiration or termination of the policy period (except in the case of termination for nonpayment of premium) as stated in the Declarations, but only for a *wrongful act* committed before the date of such expiration or termination. Such twelve-month extension of the reporting period does not increase or reinstate any limits of liability under this Form.

3. LIMIT OF LIABILITY:

Regardless of the number of Insureds or claims made or suits brought on account of any *wrongful act* to which this Form applies, the Insurer's liability is limited as follows:

The amount stated in the Declarations for this Form as "Limit of liability - Each *wrongful act*" is the limit of the Insurer's liability for all loss arising out of the same act or interrelated acts of one or more *Director or Officer*. All loss arising out of the same act or interrelated acts of Directors or Officers will be considered as arising out of one *wrongful act*.

Subject to the above provision with respect to "each *wrongful act*" the amount stated in the Declarations for this Form as "Limit of liability Aggregate" is the total limit of the Insurers liability for all loss insured hereunder and arising out of all claims made during the policy period. The Insurer shall not be obligated to pay any loss after the limits of liability have been exhausted.

4. ADDITIONAL AGREEMENTS:

- a) The Insurer will have the right and duty to defend any claims made against the Insured seeking compensatory damages which are payable under this Form subject to the following:
 - i) The amount the Insurer will pay for compensatory damages is limited as described in 3. LIMIT OF LIABILITY.

- ii) The Insurer will have the right to appoint and instruct defence counsel and to investigate and settle any claim at the Insurer's discretion.
 - iii) The Insurer's right and duty to defend ends when the limits of liability have been exhausted by payments of settlements or judgements.
- b) No Insured, except at their own cost, will voluntarily make any settlement or payment, admit any liability or assume any obligation or incur any expense without the written consent of the Insurer. If such consent is given, the Insurer will pay costs, charges and expenses, subject to the following provisions:
- i) If a payment not in excess of the Limits of Liability has to be made to dispose of a claim, the Insurer will pay costs, charges and expenses in addition to the Limits of Liability otherwise applicable under this Form.
 - ii) If the Insured successfully resists a claim, the Insurer will pay costs, charges and expenses up to but not exceeding the Limit of Liability under this Form.
 - iii) If a payment has to be made to dispose of a claim in excess of the Limits of Liability under this Form, the Insurer's liability to pay costs, charges and expenses in connection with the claim will be limited to the proportion of the said costs, charges and expenses as the Limits of Liability bear to the amount paid to dispose of the claim. The Insurer's liability to pay costs, charges and expenses will be in addition to the Limits of Liability otherwise applicable under this Form.

5. TO WHOM THIS INSURANCE APPLIES

This Form applies to:

1. The Named Insured, being the Strata or Condominium Corporation stated in the Policy declarations; and
2. As the Insured(s), each *Director or Officer* of the Named Insured but only with respect to their duties as *Directors or Officers* of the Named Insured; and
3. A lawful or common law spouse, but only to the extent that such a person is named as a co-defendant in a claim solely in his or her capacity as the spouse of a *Director or Officer*. This Form will not provide coverage for any actual or alleged *wrongful act* of a spouse.

Except with respect to any rights or duties specifically assigned to the first Named Insured, this insurance applies separately to each Insured against who claim is made or action is brought. Nothing contained in the preceding sentence shall operate to increase the Insurer's limit of liability.

6. EXCLUSIONS

This Form does not apply to:

- a) any *wrongful act* (or to any claim arising out of any fact or circumstance that may reasonably give rise to a claim whether disclosed in the application or not) in any way known to any Insured prior to the effective date of this Form (or of the initial policy issued by the Insurer if this Form is part of a continuous series of renewals);
- b) any demand, suit or proceeding pending, or any order, decree, judgement or settlement pending on or prior to the effective date of this Form (or of the initial policy issued by the Insurer if this Form is part of a continuous series of renewals), or arising out of or alleging the same or essentially the same facts as those alleged in such pending or prior litigation;
- c) *personal injury, bodily injury or property damage*;
- d) any claim arising out of, caused by, or contributed to by actual or alleged infiltration of moisture into or within a building envelope or any component of a building;
- e) an Insured gaining, in fact, any personal profit or advantage to which they were not legally entitled;
- f) any claim for the return by an Insured of any remuneration paid to such Insured without the previous approval of the Board of Directors of the Named Insured, which payment (without such previous approval) shall be held by the courts to have been illegal;

- g) any failure or omission on the part of an Insured to effect and maintain insurance, including any error or omission as to the amount, form or provisions of any insurance;
- h) any claim or an accounting of profits made from the purchase or sale of securities, or any failure to comply with any law requiring registration of the purchase, sale or other disposal of securities;
- i) dishonest, fraudulent, criminal or malicious acts;
- j) physical abuse, sexual abuse, sexual harassment, intentional psychological abuse, intentional emotional abuse or the failure to prevent any of these;
- k) anything other than monetary damages;
- l) discrimination, if in violation of a statute, ordinance or regulation prohibiting such discrimination;
- m) any claim made against the Insured for payment of any sum actually or allegedly owed under a contract or agreement or loss of income and/or profits actually or allegedly incurred due to a breach of contract or agreement, but this exclusion shall not apply to liability for losses that the Insured would have in the absence of the contract or agreement;
- n) the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalies, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. This exclusion does not apply if such discharge, dispersal, release or escape is neither expected nor intended by the Insured;
- o) any claim arising out of, caused by or contributed to by nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing;

The following exclusions apply regardless of the cause or other causes that give rise to a claim or whether other causes acted concurrently or in any sequence to give rise to a claim. This Form will not apply to any claim arising out of:

- p) *Terrorism*; or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism.
- q) the *Data Problem* or the distribution or display of Data by means of an internet website, the internet, an intranet, extranet or similar device or system designed or intended for electronic communication of *Data*;
- r) the actual or alleged inhalation of, contact with, exposure to, use of, existence of or presence of asbestos, *fungi or spores* or any material containing asbestos, *fungi or spores* in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos, *fungi or spores* or any material containing asbestos, *fungi or spores*;
- s) any order or demand under any legislation or regulation or any claim, proceeding, action or suit by or on behalf of a governmental authority, that the Insured or others perform, or assume liability for, the following:
 - i) operations to evaluate or assess the presence or absence of asbestos, *fungi or spores*, their effects or their quantities;
 - ii) operations to test for, monitor, contain, treat, detoxify, neutralize, identify, clean up, sample, remove, abate, mitigate or dispose of asbestos, *fungi or spores*;
 - iii) any other actions to respond to situations that involve asbestos, *fungi or spores*.
- t) any supervision, instructions, recommendations, warnings, or advice given or that should have been given in connection with (r) or (s) above and any obligation to pay compensatory damages, share compensatory damages with, or repay someone else who must pay compensatory damages because of such injury or damage referred to in (r) or (s) above;

7. DEFINITIONS:

- 1. *Bodily injury* means bodily or mental injury, sickness, disease, disability, shock, including resulting death at any time and compensatory damages for the care and loss of services incidental thereto.

2. *Data Problem* means:
 - 1) Erasure, destruction, corruption, misappropriation, loss of use or misinterpretation of *Data*;
 - 2) Erroneously creating, amending, entering, deleting or using *Data*.
3. *Data* means representations of information or concepts in any format.
4. *Director or Officer* (either in the singular or the plural) means any person who was, or now is, a duly elected or formerly appointed director or officer of the Named Insured, but only in his or her capacity as such. Insurance will automatically apply to any person who becomes a director or officer of the Named Insured after the inception date of this Form. *Director or Officer* shall also include their legal representatives or assigns of either, in the event of death, incompetency, insolvency or bankruptcy.
5. *Fungi* means 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 such mould, yeast, mushroom or mildew; or emitted from or arising out of *spores* or resultant mycotoxins, allergens, or pathogens.
6. *Loss* (either in the singular or the plural) means any amount which an Insured is legally obligated to pay for any claim made against the Insured for a *wrongful act*, and includes but is not limited to compensatory damages, judgements, settlements and costs, cost of investigation (excluding salaries of Officers or Employees of the Named Insured) and defence of legal actions, claims or proceedings and appeals, cost of attachment or similar bonds; provided always, however, such loss will not include fines or penalties imposed by law, or matters which may be deemed uninsurable under the law pursuant to which this Form will be construed.
7. *Personal injury* means (1) false arrest, malicious prosecution, wrongful detention or imprisonment; (2) the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy.
8. *Property Damage* means injury to or destruction of tangible property, including loss of use thereof, or loss of use of tangible property that has not been physically injured or destroyed.
9. *Spores* means one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any *fungi*.
10. *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 or instilling fear in the public or a section of the public.
11. *Wrongful Act* means any negligent act, error, omission, negligence, breach of duty, misleading statement or any other act actually or allegedly committed by the Insured in Canada and in the discharge of the Insured's duties; or any other matter claimed against the Insured solely by reason of his being a *Director or Officer* in Canada and not excluded by the terms and conditions of this Form.

ADDITIONAL or AMDENDED GENERAL CONDITIONS

Except as amended or added below, the GENERAL CONDITIONS of the L1-Commercial General Liability Policy to which this Form is attached will have full force and effect.

1. ACTION BY ONE INSURED FOR OTHERS

By acceptance of this Form, the Named Insured agrees to act on behalf of all its Insureds with respect to the giving and receiving of notice of claim or cancellation, the payment of premiums and the receiving of any return premiums that may become due under this Form.

2. DEDUCTIBLE

Each claim arising out of a wrongful act will be subject to the amount stated in the Declarations for this Form as "Deductible". The Insurer will be liable only for the difference between such deductible amount and the Limit of Liability for each wrongful act. The payment of any deductible

amount by the Named Insured shall not operate to reduce the aggregate limit of the Insurers' liability.

The Insurer may pay any part of the entire deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the Named Insured will promptly reimburse the Insurer for such part of the deductible amount as had been paid by the Insurer

3. NOTICE OF CLAIM OR SUIT

If any Insured has knowledge or becomes aware of any wrongful act or if a claim is made or a suit is brought against any Insured, the Named Insured will give immediate notice to the Insurer as soon as practicable. Such notice shall contain all available information pertaining to such claim or suit that is obtainable at the time. The Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or the Insured's representative.

4. OTHER INSURANCE

- a) The Insurer will not be liable if at the time of the *wrongful act* covered by this Form there is insurance afforded by any other existing policy under which payment of the *loss* had been made or will be made, except in respect of any excess beyond the amount of payment under such other policy.
- b) The Insurer will not be liable if payment exists under any policy which expired prior to the effective date and hour of this Form.

5. SUBROGATION

In the event of any payment under this Form, the Insurer shall be subrogated, to the extent of such payment, to all the rights of recovery of the Insured and the Insured shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings shall be apportioned as follows:

- a) The Insurer will be first reimbursed to the extent of its actual payment hereunder
- b) If a balance remains after the application of (a) it will be applied to reimburse the Named Insured.
- c) The expenses of all proceedings necessary to the recover of any such amount will be apportioned between the Named Insured and the Insurer in the ratio of their respective recoveries as finally settled.
- d) If there should be no recovery in proceedings instituted solely on the initiative of the Insurer, all the expenses will be borne by the Insurer.

6. WRONGFUL ACT IMPUTATIONS

The *wrongful act* of any *Director or Officer* or any fact pertaining thereto will not be imputed to any other *Director or Officer* for the purpose of determining the applicability of any exclusion set forth in this Form.

Commercial Legal Expense Insurance for Condominium/Strata Corporations

Policy of Insurance

LEGAL EXPENSE INSURANCE

PROMOTING JUSTICE,
REPAIRING INJUSTICE

At a Glance

Commercial Legal Expense Insurance for Condominium/Strata Corporations

Who is the Insured?

This policy provides cover to the corporation which is named as Insured on the Declarations. At the request of the Insured it can be extended to include cover for any director, officer, council member or similar office holders who are appointed or elected to that office, provided they were acting within the scope of their position and with respect to the Business Activity of the Insured.

What is the Business Activity?

This is management and maintenance of Condominium /Strata units by the Insured for the benefit of the owners.

Who is the Insurer?

This policy is underwritten by certain Lloyd's Underwriters, London, England and provided through your broker.

Telephone Legal Advisory Service

The Insurer will provide the Insured access to a legal information helpline through which the Insured can receive confidential general legal information over the phone and email relating to any to available coverage under the legal defence policy. The purpose of this legal information helpline is to provide the insured with access to legal input to help determine their legal rights and options under the laws of the applicable province and the federal laws of Canada [with the exception of Quebec].

The advice lawyer cannot provide case specific research or review documents.

The Insurer will provide this service between the hours of 8am and midnight, local time, 7 days a week. In addition, the Insurer will facilitate access to a lawyer twenty-four hours a day, 7 days a week, in emergency situations. Calls to this service may be recorded.

To contact this service call 1-800-804-9127 or email scor@dolden.com.

The Insurer will not accept responsibility if the advice service is unavailable for reasons outside of their control or the control of the insurer's legal counsel.

Insurance Cover Provided

Please refer to the Declarations page to verify which of the following Insuring Clauses have been purchased:

➤ **Employment Disputes**

This section has strict requirements as to the steps the Insured needs to take in seeking advice from the Underwriting Manager regarding various employment dispute scenarios, and the times when this must be done. Failure to comply may lead to cover being denied. Please see Insuring Clause 1.1 for full details.

- **Civil Defence**
- **Criminal Defence**
- **Personal Injury**
- **Property Disputes**
- **Defence of Disputes with Owners**
- **Contract Disputes**

The Policy Wording contains full details of cover including the specific exclusions for each Insuring Clause together with the General Exclusions which also apply.

How to make a Claim

As soon as the Insured is aware of any situation that might result in a claim they must report it immediately at legalexpanse@ipgclaims.com. If the matter is an emergency then the Insured may report it by telephone at 416-933-3305.

The Insured will be assisted by qualified loss adjusters and legal professionals in determining an appropriate course of action. Any legal fees which the Insured incurs prior to consent being given by the Underwriting Manager will not be covered. Such consent will be given when it is determined that there are reasonable prospects of a successful defence or mitigation of loss or that there are reasonable prospects of recovery of damages or other remedy.

Selection of a Lawyer

The Insured may select a lawyer from the list of approved Panel Law Firms administered by the U Manager.

What Indemnity is provided by the Policy?

The Insurer will pay the legal fees, costs and disbursements of the lawyer (subject to the maximum hourly rate set out in the Declarations attached to the Policy of Insurance). The policy limit per claim and in the aggregate depend upon the level of cover purchased, and these policy limits are set out in the Declarations attached to the Policy of Insurance.

Content

The content on pages 2 and 3 contains only a summary of the principal terms and conditions of the Insurance Policy and does not form part of the Policy. In the event of any conflict between the description of coverage and the Policy, the Policy will govern. For full terms and conditions please read the Policy Wording at pages 4 onwards.

Insuring clauses	.....	6-9
Limit of Indemnity	.....	10
Excess	.....	10
Co-Insurance	.....	10
General Exclusions	.....	10-12
Conditions	.....	12-16
Governing Law	.....	16
Interpretation	.....	17
Notifications	.....	17
Resolution of Disputes	.....	17
Arbitration	.....	17
Definitions	.....	18-20

**Commercial Legal Expense Insurance
For Condominium/Strata Corporations**

Policy of Insurance

ALL PROVINCES AND TERRITORIES OF CANADA

Underwritten by certain Underwriters at

LLOYD'S

Commercial Legal Expense Insurance for Condominium/Strata Corporations

Agreement

The **Insurer** agrees to indemnify the **Insured**, to the extent specified in the Insuring Clauses, in connection with the **Business Activity** of the **Insured** in consideration of the **Premium** paid by the **Insured**, subject to the terms, conditions, exclusions and limitations in this Policy and its **Declarations**.

1. INSURING CLAUSES

The **Insurer** agrees to provide coverage only for those **Insuring Clauses** which are specified in the **Declarations** as being included.

1.1 EMPLOYMENT DISPUTES	
What is covered	What is not covered
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in defending any claim or legal proceedings made or brought against the Insured within the Territorial Limits and arising from the Business Activity of the Insured following a dispute with an Employee arising out of their contract of employment with the Insured or pursuant to the statutes listed in Schedule A attaching to and forming part of this Policy, provided that:</p> <ul style="list-style-type: none"> a) the claim is made or legal proceedings are brought against the Insured and is or are notified to the Underwriting Manager during the Policy Period in accordance with Notification Condition Error! Reference source not found.; and b) the Insured obtains the advice of the Underwriting Manager as to the procedure to be adopted and follows and acts on that advice with due diligence: <ul style="list-style-type: none"> i. prior to carrying out any disciplinary procedure or taking any disciplinary action, such action being specifically authorized by the Telephone Legal Advisory Service; ii. prior to the dismissal of an Employee, such dismissal being 	<p>The Insurer shall not be liable to indemnify the Insured in respect of claims arising out of or in connection with:</p> <ul style="list-style-type: none"> a) any business transfer or purported business transfer; b) any law or duty relating to the rights of Employees to engage in, or abstain from engaging in, union activities; c) the duty to notify, meet, discuss, consult or bargain with any Employee or representative, including collective bargaining agreements; d) claims arising from strikes, work stoppages, boycotts, picketing, lockouts or other industrial action; e) a dispute occurring during the ninety (90) day period immediately following the inception of that policy's Policy Period. <p>General exclusions also apply.</p>

<p>specifically authorized by the Telephone Legal Advisory Service;</p> <p>iii. prior to instituting an individual lay-off or a lay-off programme the terms, procedure and application of such action being specifically authorized by the Telephone Legal Advisory Service;</p> <p>iv. upon notification formally or informally express or implied of a complaint of sexual and/or racial and/or disability discrimination and/or other unlawful discrimination;</p> <p>v. prior to altering the terms and conditions of employment of an Employee (other than in respect of increasing their wages or salary) or refusing to alter the terms and conditions of employment when requested to do so by the Employee, such alteration or refusal of alteration being specifically authorized by the Telephone Legal Advisory Service;</p> <p>vi. on becoming aware of any cause event or circumstance that may reasonably be deemed to amount to constructive dismissal including absence from work following an Employee walking out with or without written notice.</p>	
--	--

1.2 CIVIL DEFENCE	
What is covered	What is not covered
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in:</p> <ol style="list-style-type: none"> 1. The defence of any claim or legal proceedings relating to a failure or alleged failure to comply with requirements under protection of privacy legislation bought against the Insured by the Owner; 2. The defence of any claim or legal proceedings made or brought against the Insured in its capacity as trustee 	<p>The Insurer shall not be liable to indemnify the Insured in respect of claims arising out of or in connection with the ownership, possession or use of any vehicle.</p>

<p>of a pension fund that benefits the Insured's employees;</p> <p>3. Any appeal by the Insured against the imposition of a statutory notice which adversely affects the Business Activity of the Insured;</p> <p>Provided that:</p> <p>(i) such legal proceedings or appeal are made by or brought against the Insured within the Territorial Limits and arising from the Business Activity of the Insured and are notified to the Underwriting Manager during the Policy Period.</p>	
<h3 style="text-align: center;">1.3 CRIMINAL DEFENCE</h3>	
<h4>What is covered</h4>	<h4>What is not covered</h4>
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in defending the Insured against a formal investigation and/or prosecution arising from Criminal or Statutory Proceedings brought or commenced against the Insured within the Territorial Limits and arising from the Business Activity of the Insured provided that the prosecution is brought or commenced and notified to the Underwriting Manager during the Policy Period</p>	<p>The Insurer shall not be liable to indemnify the Insured in respect of any prosecution arising out of or in connection with:</p> <ol style="list-style-type: none"> 1. The ownership possession or use of any vehicle; 2. Any prosecution, legislated investigation, tribunal and/or enquiry relating to any Municipal, Provincial, Federal or other Governmental tax matters pertaining to the Insured's Business Activity; 3. An allegation against the Insured involving: <ul style="list-style-type: none"> - assault, violence, fraud, conspiracy to defraud or dishonesty; - malicious falsehood; - the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials; - illegal immigration; <p>- money laundering or bribery offences and related charges.</p>
<h3 style="text-align: center;">1.4 PERSONAL INJURY</h3>	
<h4>What is covered</h4>	<h4>What is not covered</h4>
<p>The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the pursuit of any claim or legal proceedings made by the Insured within the Territorial Limits and arising out of the Business Activity of the Insured arising from the act or omission by a</p>	

third party which results in **Injury** to the **Insured**.

Provided that:

1. the **Injury** was sustained by the **Insured** away from the **Insured's** business premises and while engaged in the **Business Activity** of the **Insured** and within the **Territorial Limits**; and
2. the **Injury** occurs and is notified to the **Underwriting Manager** during the **Policy Period**.

1.5 PROPERTY DISPUTES

What is covered

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit of any claim or legal proceedings brought or commenced by the **Insured** within the **Territorial Limits** and arising from the **Business Activity** of the **Insured** relating to:

1. nuisance or trespass to **Common Property**;
2. disputes following physical damage to **Common Property**.

Provided that:

3. the **Insured** will suffer financial loss if it fails to pursue the claim or legal proceedings; and

the claim is made by the **Insured** and is notified to the **Underwriting Manager** during the **Policy Period**.

1.6 DEFENCE OF DISPUTES WITH OWNERS

What is covered

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the defence of any claim or legal proceedings brought by an **Owner** against the **Insured** relating to a failure or alleged failure by the **Insured** to comply with the **Insured's** by-laws and/or regulations.

1.7 CONTRACT DISPUTES

What is not covered

The **Insurer** shall not be liable to indemnify the **Insured** in respect of any claim or legal proceedings arising out of or in connection with any dispute:

1. concerning **Common Property** relating to mining, subsidence or heave whatever the cause of such mining, subsidence or heave;
2. arising out of or in connection with a contract entered into by the **Insured**;
3. relating to the payment or non-payment or review of rent or service charges;
4. relating to planning or building regulations or decisions, expropriation or compulsory purchase orders;
5. Relating to the renewal of a lease or other contract to use the **Common Property**.

What is not covered

The **Insurer** shall not be liable to indemnify the **Insured** in respect of claims arising out of or in connection with any dispute relating to the payment or non-payment of any fee or charges owed by the **Owner** to the **Insured**.

What is covered

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit or defence of any claim or legal proceedings made by or brought against the **Insured** within the **Territorial Limits** and arising from the **Business Activity** of the **Insured** in a dispute with a **Contracting Party** arising out of a **Contract for Services** obtained or the sale, purchase, lease or rental of any **Goods**.

Provided that:

1. the indemnity for **Legal Expenses** incurred under this clause shall not exceed 75% of the **Sum in Dispute**;
2. the amount in dispute exceeds the **Minimum Sum in Dispute**;
3. where the dispute relates to monies owed to the **Insured** notification of the claim to the **Underwriting Manager** shall be made at the sooner of:
 - (a) 30 days from the date at which the debt is contested, or
 - (b) 90 days from the **Due Date** provided that all reasonable attempts have been made to recover the money owed or negotiate a reasonable settlement within those 90 days; and
4. the claim is or legal proceedings are made by or brought against the **Insured** and are notified to the **Underwriting Manager** during the **Policy Period**.

What is not covered

The **Insurer** shall not be liable to indemnify the **Insured** in respect of claims arising out of or in connection with:

A. Contracts:

1. performed outside the **Territorial Limits**;
2. entered into prior to the **Retroactive Date** when the dispute occurs during the ninety (90) day period immediately following the initial inception date of this policy;
3. for the provision or procurement of insurance, credit, secured lending, or guarantee;
4. where the liability of the **Insured** or the right of recovery is incurred through an agent or by assignment or subrogation;
5. where the dispute arising from the contract relates to the collection of any outstanding amount receivable owed to the **Insured** by a third party for any goods or service provided, except where there is a dispute involving the liability to pay by the third party;
6. of employment;
7. for the possession, purchase, sale or use of **Common Property**;
8. in connection with or related to a franchise;
9. for the ownership, sale, lease, rental or use of any vehicle;
10. relating to the planning, construction, structural alteration, conversion or extension of **Property** or parts thereof, other than non-structural repair to or renovation of existing **Property** or parts thereof;
11. containing an arbitration clause.

- ### B
- Breach or alleged breach of **Professional Duty** owed to or by the **Insured**.

2. LIMIT OF INDEMNITY

The **Insurer's** total liability under this Policy shall not exceed the amounts specified in the **Declarations** for 1 and 2 below:

1. **Any One Claim;**
2. in the aggregate for all claims notified to the **Underwriting Manager** during the **Policy Period**

3. EXCESS

The **Insurer** shall only be liable under this Policy to the extent that such liability exceeds the **Excess** as specified in the **Declarations**. A separate **Excess** shall apply to **Any One Claim**.

4. CO-INSURANCE

The **Insured** shall be liable in respect of claims for indemnity under all Insuring Clauses of this Policy for the proportion of **Legal Expenses** over and above the **amount** as specified in the **Declarations** under the heading **Co-Insurance**.

5. EXCLUSIONS - These apply to all Insuring Clauses

The **Insurer** shall not have any liability under this Policy in respect of:

1. the defence of the **Insured** in civil legal proceedings arising from or connected with:
 - (a) death or injury to any person including (without limitation) any sickness, disease or any naturally occurring condition or degenerative process;
 - (b) loss destruction or damage to property owned, occupied or under the control of a third party;
 - (c) alleged breach of **Professional Duty**;
 - (d) any tortious liability save as specifically provided in Insuring Clause 1.5 (Property Disputes);
2. any claims related to patents, copyrights, design rights, moral rights, confidential information, other intellectual property rights, trade or service marks or registered designs, trade secrets or passing off actions;
3. any claim arising out of defamation or alleged defamation;
4. any claim made, brought or commenced outside the **Territorial Limits**;
5. **Legal Expenses** incurred before the **Underwriting Manager's** consent has been granted in writing or without such consent;
6. any claim relating to or arising from any cause, event or circumstance occurring prior to the **Retroactive Date** specified in the **Declarations**;
7. any claim in connection with or arising from any cause, event or circumstance occurring prior to or existing at inception of the Policy and which the **Insured** knew or ought reasonably to have known might give rise to a claim or legal proceedings by or against the **Insured**;
8. awards and/or demands of compensation, repayment, damages, liability, surcharge levies, interest, fines or penalties of any nature including but not limited to those which

the **Insured** is ordered to pay by any relevant court, board, commission or other tribunal or administrative body;

9. any claim or legal proceedings in respect of which the **Insured** is, but for the existence of this Policy, entitled to indemnity under any other insurance policy or certificate or if the **Insured** is eligible for legal representation from a provincial legal aid plan;
10. any claim or legal proceedings in respect of which the **Insured** is entitled to indemnity under any policy or certificate which the **Insured** is required to hold by law or by a regulatory body;
11. any claim arising out of the deliberate, conscious or intentional or reckless or negligent disregard by the **Insured** of the need to take all reasonable steps to avoid and prevent claims or legal proceedings. In this context, "reasonable" shall be assessed by the standards of a reasonable person carrying on the **Business Activity** of the **Insured**;
12. any costs which the **Insured** may be ordered to pay by a court or tribunal adjudicating on **Criminal or Statutory Proceedings**;
13. any dispute with government or local authority departments concerning the imposition of regulatory or statutory charges, fees and levies;
14. any dispute between the **Insured** and any parent, subsidiary or associated company, or partner;
15. any dispute between the **Insured**, and the **Insurer**, and/or the **Underwriting Manager**, and/or the **Coverholder**, and/or the **Lawyer**;
16. any dispute relating to or in connection with any franchise agreement;
17. any **Legal Expenses** in connection with the pursuit of an appeal or judicial review;
18. any claims or legal proceedings (including any **Legal Expenses** or other costs or expenses of any description) arising out of or in connection with:
 - (a) war (whether declared or not), invasion, acts of a foreign enemy, hostilities, or any similar act, condition or warlike operation, warlike action by a regular or irregular military force or other authority to hinder or defend against an actual or expected attack;
 - (b) insurrection, rebellion, revolution, riot, attempt to usurp power, popular uprising, or any action taken by any governmental or martial authority in hindering or defending against any of these;
 - (c) discharge, explosion, or use of a weapon of mass destruction, whether or not employing nuclear fission or fusion, or chemical, biological, radioactive or similar agents, by any party at any time for any reason;
19. any claims or legal proceedings (including any **Legal Expenses** or other costs or expenses of any description) arising out of or in connection with any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, preventing or suppressing terrorist action. If the **Insurer** alleges that by reason of this exclusion any liability or loss is not covered by this Policy, the burden of proving the contrary shall be upon the **Insured**;

20. any claims or legal proceedings (including any **Legal Expenses** or other costs or expenses of any description) arising out of or in connection with any pollution, seepage, discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, fungi, mould, fumes, acids, alkalis, chemicals and waste (including but not limited to material to be recycled, reconditioned or reclaimed) or contamination of any kind; or ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or radioactive, toxic, explosive or other hazardous properties of any explosive.

6. CONDITIONS

6.1 Cancellation

This Policy may be cancelled at any time on the instruction of the **Insured** in writing to the **Coverholder** and the premium shall be adjusted on the basis of the **Insurer** receiving or retaining short-term premium on the following basis:

Over 9 months unexpired Policy Period	-	50%
Over 6 months unexpired Policy Period	-	75%
Over 3 months unexpired Policy Period	-	90%
Less than 3 months unexpired Policy Period	-	100%

This Policy may also be cancelled by the **Insurer** on giving 30 days' notice in writing to the **Insured** via the **Coverholder** and the premium shall be adjusted on the basis of the **Insurer** receiving or retaining pro rata premium.

If the **Insured** is placed in liquidation, receivership or administration or adjudicated bankruptcy or if any court application is made or meeting convened for any such purpose, this Policy will lapse on the happening of that event and the **Insured** shall be entitled to pro rata return of premium.

Cancellation under this condition shall not prejudice the rights of the **Insured** in respect of any cause, event or circumstance which has been notified to and consent granted by the **Underwriting Manager** during the **Period of Insurance**, provided that no return of premium shall be allowed if the **Insured** has notified a claim which has been or is subsequently accepted under this Policy.

Cover under this Policy can be terminated by the **Insurer** with immediate effect upon the **Insured** acting fraudulently and/or dishonestly or for failing to consistently comply with the terms and conditions of cover such as to cause prejudice to the **Insurer**. In such circumstances no further cover will be provided for any claim that may have been notified and/or accepted under this Policy.

6.2 Notification

It is a condition precedent to the **Insurer's** liability under this Policy that the **Underwriting Manager** must be notified in writing immediately the **Insured** is aware of any cause, event or circumstance which has given rise or may give rise to a claim or legal proceedings involving the **Insured** as soon as that cause event or circumstance shall come to the attention of the **Insured**.

In the event that the **Underwriting Manager** is notified during the **Policy Period** of any cause event or circumstance which in the **Underwriting Manager's** reasonable opinion is likely to give rise to a claim or legal proceedings then any subsequent claim or legal proceedings

which arises directly from that cause, event or circumstance shall be deemed to have been made during the **Policy Period**.

On receipt of the **Insured's** notification, the **Underwriting Manager** will forward to the **Insured** a claim form which must be completed and returned immediately.

6.3 Underwriting Manager's Consent

It is a condition precedent to the **Insurer's** liability under this Policy that the **Underwriting Manager's** consent to incur **Legal Expenses** must first be obtained in writing. This consent will be given by the **Underwriting Manager** if the **Insured** can satisfy the **Underwriting Manager** that it is reasonable to incur **Legal Expenses** and:

1. there are in the view of the **Underwriting Manager** reasonable prospects of a successful defence or mitigation of the **Insured's** loss;
2. in Criminal Defence claims where the **Insured** pleads guilty, there is in the view of the **Underwriting Manager** a reasonable prospect of a significant mitigation of the **Insured's** sentence or fine; or
3. there are in the view of the **Underwriting Manager** reasonable prospects of a recovery of damages or other remedy.

In making this decision the **Underwriting Manager** will have regard (without limitation) to:

the advice received by the **Underwriting Manager** concerning the merits of the **Insured's** case;

the **Insured's** prospects of securing and enforcing any judgement;

the amount of money in dispute in relation to the **Legal Expenses** likely to be incurred;

the alternative methods available for protecting the **Insured's** interests.

The decision to grant or withhold consent will be based on the consideration of the opinion of the **Lawyer** and any other adviser the **Underwriting Manager** may deem it necessary to consult.

The **Underwriting Manager** at its discretion may require the **Insured** to participate in mediation or other forms of dispute resolution and provide assistance in settling disputes, the cost of which will be covered under this Policy subject to all other terms, conditions and limitations of this Policy.

The **Underwriting Manager** at its discretion may require the **Insured** to obtain an opinion from counsel or obtain an expert's report at the **Insured's** expense as to the merits of a claim or legal proceedings which must have regard to the same criteria as required by the **Underwriting Manager**. If that opinion indicates there are reasonable prospects, the **Insurer** will pay for the cost of the opinion within the Limit of Indemnity for that claim.

When the **Underwriting Manager** grants consent, the **Insurer** agrees to provide indemnity to the **Insured** within the terms, conditions, limitations, provisos and exclusions of this Policy. Such consent does not imply that all **Legal Expenses** shall be paid but only those which the **Underwriting Manager** has expressly agreed to.

If after consent has been granted by the **Underwriting Manager** it becomes apparent to the **Underwriting Manager** that the claim falls outside the terms, conditions, limitations, provisos and exclusions of the Policy such consent shall be withdrawn and no indemnity provided.

If after consent has been granted by the **Underwriting Manager** it ceases to be reasonable in the view of the **Underwriting Manager** to incur **Legal Expenses**, the **Underwriting**

Manager may withdraw consent. **Legal Expenses** incurred up until that time will continue to be indemnified by the **Insurer**.

Notwithstanding any general consent granted, the **Insurer** limits its liability to the payment of **Legal Expenses** incurred solely for the purpose of indemnifying the **Insured** in respect of the claim or legal proceedings to which consent has been granted. **Legal Expenses** incurred for the routine presentation or administration of the **Insured's** affairs or expenses which would have been incurred in the normal course of the **Insured's Business Activity** shall fall outside the indemnity provided under this Policy.

If the **Insured** elects to proceed with the pursuit or defence of a claim or legal proceedings to which consent has not been granted by the **Underwriting Manager** because there are not reasonable prospects and the **Insured** is successful in such a pursuit or defence, then the **Insurer** agrees to pay those **Legal Expenses** incurred after the **Underwriting Manager** refused consent subject to the terms, conditions and limitations of this Policy.

For the purposes of this clause, success shall mean a cost order or agreement to pay over 50% of incurred costs in favour of the **Insured** or an acquittal of the **Insured**.

6.4 Conduct of a Claim

(i) Choice of **Lawyer**

Where it is necessary that the **Insured** has recourse to a lawyer, the **Insured** may select the **Lawyer** only from the list of approved law firms, as amended from time to time, which shall be provided by the **Underwriting Manager** to the **Insured** upon request. In all cases the **Lawyer** shall be appointed to act in the name and on behalf of the **Insured** in any claim or legal proceedings to which the **Underwriting Manager** has given written consent. The **Lawyer** is not the agent of or employed by the **Underwriting Manager** or the **Insurer**.

The **Insurer** shall only be responsible to pay the **Lawyer's** normal hourly rate up to the **Fee Limit** set out in the **Declarations**. The **Insured** must pay the **Lawyer** any legal fees in excess of this amount. Any **Lawyer** the **Insured** chooses must disclose his or her chargeable rates and the rates of any staff.

(ii) Access to information

The **Underwriting Manager** is entitled to receive from the **Lawyer** any information, document or advice in connection with any claim or legal proceedings even if such material is legally privileged. On request the **Insured** will give to the **Lawyer** any instructions necessary to secure the required access.

(iii) Disclosure and co-operation

The **Insured** must give the **Lawyer** all necessary help and information including a complete truthful account of the facts of the case and all relevant documentary or other evidence in the **Insured's** possession. The **Insured** must search for, provide, obtain sign or execute all documents as required by the relevant court or tribunal rules or as recommended by the **Lawyer** and attend all meetings or conferences as requested. Cover may be withdrawn if the **Insured** fails to co-operate at all or within a reasonable time with the **Lawyer's** request.

(iv) Payment of **Legal Expenses**

All invoices relating to a claim that the **Insured** receives from the **Lawyer** should be forwarded to the **Underwriting Manager** immediately. If the **Underwriting Manager** so requires, the **Insured** must ask the **Lawyer** to submit their bill of costs for taxation or assessment by the appropriate Law Society, governing body or court.

The **Insured** shall be responsible for the payment of **Legal Expenses** invoices. The **Insurer** will, however, settle these directly with the **Lawyer** if requested to do so by the **Insured**. All invoices must be certified by the **Underwriting Manager** to the effect that all charges have been properly incurred and this will be deemed authority for the **Insurer** to settle the invoice directly with the **Lawyer**.

Only invoices in respect of **Legal Expenses** incurred with the consent of the **Underwriting Manager** and in the amount agreed with the **Underwriting Manager** shall be paid. The **Insured** shall personally pay the **Lawyer** the portion of **Legal Expenses** to be borne by the **Insured** as the **Excess**, and/or **Co-Insurance** and in excess of the **Limit of Indemnity** pursuant to this Policy.

(v) Instruction of counsel and experts

Where the **Lawyer** wishes to obtain the opinion of or instruct other counsel or experts, it must provide its reasons and seek and receive the prior written consent of the **Underwriting Manager**.

6.5 Settlement

It is a condition precedent to the **Insurer's** liability under this Policy that the **Insured** informs the **Underwriting Manager** in writing as soon as the **Insured** receives a payment into court, an offer to settle a claim or legal proceedings or an invitation to participate in a mediation or other form of dispute resolution. The **Insured** must not agree to settle any claim without the prior written consent of the **Underwriting Manager** which will not be unreasonably withheld or delayed. If the **Insured** rejects any offer to settle a claim by way of payment into court or otherwise which the **Underwriting Manager** considers reasonable and recommends acceptance of, then no further indemnity will be provided by the **Insurer** from the date of rejection by the **Insured**.

6.6 Minimizing Costs

The **Insured** must take all reasonable measures to minimize the costs of any claim under this Policy including but not limited to pursuing settlement negotiations and must consider all reasonable settlement offers.

6.7 Recovery of Costs

Whenever the **Insured** is awarded costs or costs are included under the terms of any settlement, those costs are to be repaid to the **Insurer**. In every claim the **Insured** and the **Lawyer** shall make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement, the **Insured** agrees that the **Lawyer's** appraisal of a fair and reasonable proportion of that settlement will be deemed costs and shall be due to the **Insurer**.

6.8 Dishonest and fraudulent claims

If the **Insured** makes any claim under this Policy (or has made a claim under any other or previous Policy) which the **Insured** knows or ought to know to be false or fraudulent in any way, this Policy shall be cancelled ab initio and all rights of the **Insured** under this Policy including the premium shall be forfeit. The **Insurer** shall be entitled to recover any **Legal Expenses** previously paid.

6.9 Insolvency or liquidation of the Insured

If the **Insured** becomes insolvent or bankrupt within the meaning of the Bankruptcy Act (Canada) or had property seized or attached in satisfaction of a judgement, had a receiver appointed, or taken action (if a corporation) with a view to winding up, dissolution or liquidation during the course of any claim or legal proceedings any consent previously given shall automatically be withdrawn unless expressly agreed in writing to the contrary by the **Underwriting Manager**.

6.10 Provincial Sales Tax (PST) and/or Goods and Services Tax (GST) and/or Harmonized Sales Tax (HST)

If the **Insured** is registered for PST and/or GST and/or HST, the **Insurer** will not be liable to indemnify the **Insured** for the PST and/or GST and/or HST element of any **Legal Expenses** invoices.

6.11 Premium

The **Premium** payable hereunder is calculated by reference to the number of residential units managed and maintained by the **Insured**.

- (i) The **Insured** undertakes that the **Premium** and applicable taxes will be paid in full to the **Coverholder** within thirty days of inception of this Policy (or, in respect of instalment premiums, when due).
- (ii) If the **Premium** has not been so paid to the **Coverholder** by the thirtieth day from the inception of this Policy the **Insurer** shall have the right to cancel this Policy by notifying the **Insured** in writing via the **Coverholder**. In the event of cancellation, **Premium** is due to the **Insurer** on a pro rata basis for the period that the **Insurer** is on risk but the full **Premium** shall be payable to the **Insurer** in the event of a notification prior to the date of termination which gives rise to a claim under this Policy.
- (iii) It is agreed that the **Insurer** shall give not less than 15 days prior notice of cancellation to the **Insured**. If the **Premium** due is paid in full to the **Insurer** before the notice period expires, notice of cancellation shall automatically be revoked. If not, the Policy shall automatically terminate at the end of the notice period.

7. GOVERNING LAW

This Policy shall be governed by and construed in accordance with the laws of Canada. Any terms of this Policy which are in conflict with the statutes of the province where the Policy is issued are amended to conform to such statutes.

8. INTERPRETATION

In this Policy:

- (i) reference to any statute or statutory provision and orders or regulations thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy;
- (ii) reference to any statutory or other body shall include the successor to that body;
- (iii) words importing the singular include the plural and vice versa and references to persons include bodies corporate or unincorporated. Words importing any gender shall include all genders;

- (iv) if any term, condition, exclusion or endorsement or part thereof is found to be invalid or unenforceable the remainder shall remain in full force and effect;
- (v) the headings are for reference only and shall not be considered when determining the meaning of this Policy.

9. NOTIFICATIONS

All communications, documents or notices, other than in respect of claims, which this Policy requires the **Insured** to deliver, must be made to the **Coverholder** at the address stipulated in the **Declarations**.

In respect of claims under this Policy the **Insured** must contact and send all communications to the **Underwriting Manager**.

The **Insured** is deemed to have received all correspondence, documents and notices within four days of the date of mailing if sent in writing by ordinary mail to the address as last declared to the **Insurer** or in relation to any matters arising out of any claim or legal proceedings if sent to the **Lawyer**.

10. RESOLUTION OF DISPUTES

Any dispute between the **Insured** and the **Insurer** relating to the application or interpretation of this Policy which is not resolved by the parties within fifteen (15) days written notice thereof given by one party or the other shall be subject to mediation. In this event, the **Insured** and the **Insurer** will mutually agree on the nomination of a mediator or where such agreement is not made the **Insured** and the **Insurer** will request the court of competent jurisdiction to appoint a person to mediate the dispute. The **Insured** and the **Insurer** agree to co-operate with the mediator with the view to resolving the dispute. The **Insured** and the **Insurer** shall share the costs of the mediation services in equal proportions.

11. ARBITRATION

Any dispute that can not be resolved by mediation in accordance with Resolution of Disputes above may be submitted by either party to a single arbitrator who shall be either a lawyer agreed upon by the parties or, failing agreement, a person appointed by a judge of the Supreme Court (or equivalent) of the province or territory in which the **Insured** has its principal office. Such arbitration shall be governed by the arbitration legislation in force in the aforesaid province or territory. The decisions of the arbitrator shall be final and binding on the **Insured** and the **Insurer** and arbitration costs shall be paid in full by the party against whom the decision is made. If the decision is not clearly made against either party, the arbitrator shall have the power to apportion costs. If the decision is made in the **Insurer's** favour, no costs shall be recoverable by the **Insured** under this Policy.

12. DEFINITIONS

- 12.1 "**Any One Claim**" means all claims or legal proceedings arising from the same originating cause or series of events or occurrences attributable to one originating cause.
- 12.2 "**Application**" means the information form completed together with any additional information supplied by the **Insured** or on the **Insured's** behalf.
- 12.3 "**Business Activity**" means the management and maintenance of the **Common Property** and **Common Assets** of the **Insured** for the benefit of **Owners**.
- 12.4 "**Common Assets**" means personal property held by or on behalf of the **Insured** for the benefit of any **Owner**.

- 12.5 **"Common Property"** means land (including buildings thereon) or an interest in land **shown on a property plan that is not property of any Owner.**
- 12.6 **"Contract for Services"** means a contract made between the **Insured** and a **Contracting Party** whereby one of the parties provides a service in connection with the **Business Activity** to the other for monetary consideration.
- 12.7 **"Contracting Party"** means a company, firm or individual who has a direct contractual relationship with the **Insured.**
- 12.8 **"Coverholder"** means Megson Fitzpatrick Inc. who are responsible for issuing and receiving any or all **Applications** and who provide the **Insured** with a policy of insurance as agreed by the **Insurer.**
- 12.9 **"Criminal or Statutory Proceedings"** means offences pursuant to the *Criminal Code (Canada)*, the *Controlled Drugs and Substances Act*, the *Food and Drugs Act (Canada)*, the *Occupational Health and Safety Act*, the *Environmental Protection Act* and the *Workplace Hazardous Materials Information Services Act*, and any other provincial, territorial or federal statutes or regulations which prescribe offences punishable on summary conviction or by indictment.
- 12.10 **"Due Date"** means the date on which monies owed to the **Insured** become due and payable.
- 12.11 **"Excess"** means the amount specified in the **Declarations** the **Insured** must bear in **Legal Expenses** in respect of **Any One Claim** before the **Insurer** is liable to provide any indemnity under this Policy.
- 12.12 **"Goods"** means tangible, moveable property and excluding interests or rights in **Common Property.**
- 12.13 **"Injury"** means bodily injury or death but does not mean any sickness, disease or naturally occurring condition or degenerative process.
- 12.14 **"Insured"** means the corporation named as **Insured** in the **Declarations** and who is insured under this Policy including jointly and severally at the **Insured's** request any director, officer, council members or similar office holders who are appointed or elected to that office pursuant to legislation applicable to the **Business Activity** of the **Insured** while acting on behalf of the **Insured** for acts within the scope of their position and only in so far as such acts relate to the **Business Activity** of the **Insured.**
- 12.15 **"Insurer"** means certain Lloyd's Underwriters, London, England.
- 12.16 **"Lawyer"** means the legal representative selected by the **Insured** and approved by the **Underwriting Manager**, who is on the list of approved law firms provided by the **Underwriting Manager**, to act in the name of and behalf of the **Insured** in accordance with the terms, conditions, limitations, provisos and exclusions of this Policy.
- 12.17 **"Legal Expenses"** means
- (i) fees, expenses and disbursements including **Witness Attendance Allowance** and costs and expenses of expert witnesses reasonably incurred by the **Lawyer**, subject to the **Fee Limit** set out in the **Declarations**, with the **Underwriting Manager's** prior written consent;
 - (ii) all costs reasonably and properly incurred by the **Underwriting Manager** and the costs of providing the **Telephone Legal Advisory Service** to the **Insured**;

- (iii) costs incurred by other parties to which the **Insured** is held liable in court or tribunal proceedings to pay or which the **Insured** agrees to pay with the **Underwriting Manager's** prior written consent but excluding any costs which the **Insured** may be ordered to pay by a court or tribunal adjudicating on **Criminal or Statutory Proceedings**.
- 12.18 "**Minimum Sum in Dispute**" means the amount specified in the **Declarations**.
- 12.19 "**Owner**" means a person or entity as more particularly defined under the relevant legislation pertaining to the management duties of the **Insured** and who is shown as the owner or leaseholder of a unit in the register of a land title office.
- 12.20 "**Policy Period**" means the period as specified in the **Declarations**.
- 12.21 "**Premium**" means the amount specified in the **Declarations**.
- 12.22 "**Professional Duty**" means contractual, tortious or fiduciary duties owed to or by the **Insured** to or by another company, partner, firm or individual or a director or employee thereof in connection with the provision of professional services or advice, for which there is a requirement to have professional indemnity insurance or an equivalent insurance providing indemnity in the event of a negligent act, error or omission.
- 12.23 "**Retroactive Date**" means the date specified in the **Declarations** after which the cause, event or circumstance giving rise to a claim or legal proceeding by or against the **Insured** must have occurred.
- 12.24 "**Sum in Dispute**" means the sum in dispute between the **Insured** and a **Contracting Party**.
- 12.25 "**Telephone Legal Advisory Service**" means the telephone advisory service stipulated in the **Declarations which can be used by the Insured**.
- 12.26 "**Territorial Limits**" means as specified in the **Declarations**.
- 12.27 "**Underwriting Manager**" means the company stipulated in the **Declarations** or appointed subsequently by the **Insurer** which is authorised to handle and administer claims under this Policy on the **Insurer's** behalf and to whom any notification of a claim must be made.
- 12.28 "**Witness Attendance Allowance**" means costs not to exceed \$250 per day or \$2500.00 **Any One Claim** when any individual within the defined term of **Insured** is absent from work consequent upon attending a court or tribunal hearing of a claim to which the **Underwriting Manager** has given written consent under this Policy.
- 12.29 "**Employee**" means any person in an employee relationship with the **Insured** and who is currently on the **Insured's** payroll, and for whom the **Insured** remits income tax, employment insurance premiums and Canada Pension Plan payments and have done so during all of or a portion of the **Policy Period**.

Standard Lloyd’s Endorsement Schedule

This schedule of documents contains the following notices, endorsements, and clauses, which apply to the attached policy.

- 1. LMA3100 - Sanction Limitation and Exclusion Clause 2
- 2. LMA5018 - Microorganism Exclusion (Absolute)..... 2
- 3. LMA5022 - Law and Jurisdiction 2
- 4. LMA5028a - Service of Suit Clause (Canada) (Action against Insurer)..... 2
- 5. LMA5096 - Several Liability Clause (Combined Certificate) 3
- 6. LMA5062 – Fraudulent Claim Clause 3
- 7. LMA5185 - Made in Canada Clause 4
- 8. LMA5190a - Canada Subscription Policy (where applicable) 4
- 9. LMA5393 - Communicable Disease Endorsement..... 5
- 10. LMA5396 - Communicable Disease Exclusion 6
- 11. LMA5398 - Infectious Or Contagious Disease Exclusion 7
- 12. LMA5401 - Property Cyber And Data Exclusion 7
- 13. LMA5484 - Cyber Risks Exclusion..... 8
- 14. LMA5528 - Cyber and Data Exclusion 9
- 15. LSW1001 - Several Liability Notice (where applicable)..... 10
- 16. LSW1135B - Lloyd’s Privacy Policy Statement 10
- 17. LSW1542F - Lloyd’s Underwriters’ Policyholders’ Complaint Protocol 11
- 18. LSW1543D - Privacy: Notice Concerning Personal Information 13
- 19. LSW1548C - Standard Declarations 17
- 20. LSW 1550 Identification of Insurer / Action Against Insurer..... 18
- 21. LSW1554 - Subscription Policy (where applicable)..... 19
- 22. LSW1565C - Code of Consumer Rights and Responsibilities 20
- 23. NMA464 - War and Civil War Exclusion Clause 22
- 24. NMA1191 – Radioactive Contamination Exclusion Clause – Physical Damage – Direct (U.S.A.) .. 22
- 25. NMA1331 - Cancellation Clause 22
- 26. NMA1622 - Radioactive Contamination and Explosive Nuclear Assemblies Exclusion Clause 23
- 27. NMA1978A - Nuclear Incident Exclusion Clause - Liability – Direct (Broad) –Canada 23
- 28. NMA2340 - Seepage and Pollution Exclusion Clause..... 25
- 29. NMA2920 - Terrorism Exclusion Endorsement 27
- 30. NMA2962 - Biological or Chemical Materials Exclusion..... 27

Last Updated: Oct 1, 2022

1. LMA3100 - Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10
LMA3100

2. LMA5018 - Microorganism Exclusion (Absolute)

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:
mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

14/09/2005
LMA5018

Form approved by Lloyd’s Market Association

3. LMA5022 - Law and Jurisdiction

This Insurance shall be governed by the laws of Canada and subject to the exclusive jurisdiction of the courts of Canada.

14/09/2005
LMA5022

Form approved by Lloyd’s Market Association

4. LMA5028a - Service of Suit Clause (Canada) (Action against Insurer)

In any action to enforce the obligations of the Underwriters they can be designated or named as “Lloyd’s Underwriters” and such designation shall be binding on the Underwriters as if they had

each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is Royal Bank Plaza South Tower, 200 Bay Street, Suite 2930, P.O. Box 51 Toronto, Ontario M5J 2J2.

01/10/2020
LMA5028a

Form approved by Lloyd's Market Association

5. LMA5096 - Several Liability Clause (Combined Certificate)

PLEASE NOTE - This notice contains important information. PLEASE READ CAREFULLY

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

07/03/08
LMA5096

6. LMA5062 – Fraudulent Claim Clause

If the (re)insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall become void and all claim hereunder shall be forfeited.

LMA5062
4 September 2006

7. LMA5185 - Made in Canada Clause

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd’s Underwriters’ 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).

01/11/11
LMA5185

8. LMA5190a - Canada Subscription Policy (where applicable)

Lloyd’s endorsement (only to be used in conjunction with LSW 1554 or an alternative subscription policy document containing the attributes of LSW 1554)

PLEASE NOTE – This notice contains important information – PLEASE READ CAREFULLY

Whereas the Subscription Policy (“the Policy”) has been entered into by the Coverholder in accordance with the authorization granted to the Coverholder by the underwriting members (“the members”) of the Lloyd’s syndicates as shown in the List of Subscribing Companies (and where the List of Subscribing Companies also notes the identity of the Coverholder);

Whereas the liability of each insurer under the Policy is several and not joint with other insurers party to the Policy;

The following additional provisions shall apply in respect of the participation of the members to the Policy. The following provisions are in addition to and not in substitution for the provisions, terms and condition as set out in the Policy (including any amendment or endorsement thereto).

Several liability

1. The proportion of liability under the Policy underwritten by the members of a Lloyd’s syndicate (being the total of the proportions underwritten by all the members of the syndicate taken together) is as provided for in the binding authority agreement number shown in the List of Subscribing Companies, or which may be obtained on application to the Coverholder whose name is also noted in the List of Subscribing Companies.
2. In the case of a Lloyd’s syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total being the total of the proportions of the total shown for the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members or other insurers. A member is liable only for that member’s proportion. A member is not jointly liable for any other member’s proportion. Nor is any member otherwise responsible for any liability of any other insurer that may

underwrite the Policy. The business address of each member is Lloyd's, One Lime Street, EC3M 7HA, United Kingdom. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained in writing to Market Services, Lloyd's at the above address.

3. Although reference is made at various points in this endorsement to "the Policy" in the singular, where the circumstances so require this should be read as a reference to Policies in the plural.

Action Against Insurer

4. In any action to enforce the obligations of the members they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the members as if they had been individually named as defendant. Service of such proceedings may be validly made upon the attorney-in-fact in Canada for Lloyd's Underwriters, whose address for service is Royal Bank Plaza South Tower, 200 Bay Street, Suite 2930, P.O. Box 51 Toronto, Ontario M5J 2J2.

Notice

5. Any notice to the members may be validly given to the Coverholder whose signature and name appear in the List of Subscribing Companies.

LMA5190A
01 October 2020

9. LMA5393 - Communicable Disease Endorsement

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.

3. 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:
 - 3.1. 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
 - 3.2. the method of transmission, 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
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

25 March 2020
LMA5393

10. LMA5396 - Communicable Disease Exclusion
(For use on liability policies)

1. Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.
3. 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:
 - i. 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
 - ii. the method of transmission, 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
 - iii. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

LMA5396
17 April 2020

11. LMA5398 - Infectious Or Contagious Disease Exclusion

(for attachment to Legal Expenses forms)

Indemnity Clause 3 (Bodily Harm and Clinical Negligence) does not cover any **Insured’s Costs**, loss, damage, liability, cost or expense, in any way caused by or resulting from:

- a) infectious or contagious disease;
- b) any fear or threat of a) above; or
- c) any action taken to minimise or prevent the impact of a) above.

Infectious or contagious disease means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.

LMA5398 (amended)
06 May 2020

12. LMA5401 - Property Cyber And Data Exclusion

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

- 1.1. Cyber Loss;
- 1.2. 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;

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

- 2. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

- 4. 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.
- 5. 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.

- 6. Cyber Incident means:
 - 6.1. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7. Computer System means:
 - 7.1. 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,
 - 7.2. owned or operated by the Insured or any other party.
- 8. 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.

11 November 2019
LMA5401

13. LMA5484 - Cyber Risks Exclusion
(for attachment to Legal Expenses forms)

This Policy does not cover legal costs and expenses for, incurred as a result of, or arising out of a **Cyber Act** or **Cyber Incident**.

Definitions

Computer System means 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.

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.

Cyber Incident means:

- i) 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
- ii) 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.

LMA5484
13 November 2020

14. LMA5528 - Cyber and Data Exclusion

(for attachment to Canadian Liability forms)

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy does not apply to any loss, damage, liability, claim, fines, penalties, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:
 - iv. 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;
 - v. loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any Data, including any amount pertaining to the value of such Data; or
 - vi. complaint, investigation, or proceedings arising directly or indirectly from a breach or alleged breach of the Personal Information Protection and Electronic Documents Act, the Canada Anti-Spam Legislation, any Privacy Act, or any similar Canadian, Provincial or Territorial statute or regulation, regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
3. This endorsement supersedes any other wording in the Policy or any endorsement thereto having a bearing on a Cyber Act, Cyber Incident or Data, and, if in conflict with such wording, replaces it.

Definitions

4. Computer System means 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.
5. 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.
6. Cyber Incident means:
 - vii. 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
 - viii. 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.
7. 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.

15. LSW1001 - Several Liability Notice (where applicable)

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

08/94
LSW1001

16. LSW1135B - Lloyd's Privacy Policy Statement

UNDERWRITERS AT LLOYD'S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

06/03
LSW1135B

17. LSW1542F - Lloyd’s Underwriters’ Policyholders’ Complaint Protocol

Lloyd’s strives to enhance your customer experience with us through superior service and innovative insurance products.

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd’s representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

- Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.
- If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd’s Underwriters

Attention: Complaints Officer:

1155 rue Metcalfe, Suite 2220, Montréal (Québec) H3B 2V6

Tel: 1-877-455-6937 - Fax: (514) 861-0470

E-mail: info@lloyds.ca

Your complaint will be directed to the appropriate business contact for handling. They will write to you within two business days to acknowledge receipt of your complaint and to let you know when you can expect a full response. If need be, we will also engage internal staff in Lloyd’s Policyholder

and Market Assistance Department in London, England, who will respond directly to you, and in the last stages, they will issue a final letter of position on your complaint.

In the event that your concerns are still not addressed to your satisfaction, you have the right to continue your pursuit to have your complaint reviewed by the following organizations:

General Insurance OmbudService (GIO): assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at:

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

Autorité des marchés financiers (AMF): The regulation of insurance companies in Quebec is administered by the AMF. If you remain dissatisfied with the manner in which your complaint has been handled, or with the results of the complaint protocol, you may send your complaint to the AMF who will study your file and who may recommend mediation, if it deems this action appropriate and if both parties agree to it. The AMF can be reached at

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca

If you have a complaint specifically about Lloyd's Underwriters' complaints handling procedures you may contact the FCAC.

Financial Consumer Agency of Canada (FCAC) provides consumers with accurate and objective information about financial products and services, and informs Canadians of their rights and responsibilities when dealing with financial institutions. FCAC also ensures compliance with the federal consumer protection laws that apply to banks and federally incorporated trust, loan and insurance companies. The FCAC does not get involved in individual disputes. The FCAC can be reached at:

427 Laurier Avenue West, 6th Floor, Ottawa ON K1R 1B9

Services in English: 1-866-461-FCAC (3222)

Services in French: 1-866-461-ACFC (2232)

www.fcac-acfc.gc.ca

09/14

Standard Lloyd's Wording Schedule[12]

18. LSW1543D - Privacy: Notice Concerning Personal Information

Who we are

We are the Lloyd's underwriter(s) identified in the insurance contract and/or the certificate of insurance. Your privacy is important to us. This Privacy notice explains what personal information we collect, use and disclose about policyholders, beneficiaries, claimants and witnesses and for what purposes, in compliance with applicable Canadian privacy laws.

What personal information we collect

Personal information is any information about an identified and or identifiable individual. The personal information that is collected for a clear and legitimate use and disclosure generally includes the following:

- Identification and contact information (name, address including postal code, country, telephone number, email address, month and date of birth, drivers licence, employer, job title, employment history, family details)
- Policy information (policy number, policy amounts, policy terms)
- Claim information (claim number, information relating to a potential or existing claim)
- Payment information (credit card details, bank account details, credit score)
- Other information related to your insurance cover or a claim only for legitimate business purposes

We also collect personal information about you when you visit www.lloyds.com. Further details can be found on our online Cookies policy at <http://www.lloyds.com/common/privacy-and-cookies-statement>

We will not use your personal information for marketing purposes and we will not sell your personal information to other parties.

How we use your information

By purchasing insurance from certain Lloyd's Underwriters ("Lloyd's"), a customer provides Lloyd's with his or her explicit consent to the collection, use and disclosure of personal information. Meaningful consent is subject to the customer's understanding of the nature, purpose and consequences of the collection, use or disclosure of their personal information.

Information is generally collected, used, disclosed and stored in order to provide you with the insurance products that you have requested, including to:

- Identify you and provide you with insurance cover
- Communicate with Lloyd’s policyholders
- Calculate, collect or refund premiums
- Underwrite policies and facilitate policy administration
- Evaluate and process claims
- Detect and prevent fraud, carry out anti-money laundering and sanctions checks
- Investigate and prosecute fraud
- Meet our regulatory and other legal obligations
- Enforce terms or exercise rights under the insurance contract
- Analyze insurance risk and business results
- Improve our services and offerings
- Provide general client care
- Defend or prosecute legal claims
- Renew your insurance policy
- Transfer of books of business, company sales and reorganisations

Or as may be otherwise required or authorized by law.

Your information may be shared and disclosed;

In order to fulfil the purposes described in this Privacy notice, we may share your personal information with other third parties that we have engaged to provide services on our behalf, or who otherwise assist us in providing you with services, such as affiliated organizations, sub-contractors, agents/coverholders, legal counsel, insurers, brokers, reinsurers, loss adjusters and other service providers.

We will limit this disclosure to only the Personal Information that is reasonably necessary for the purpose or service for which the third party or affiliate will provide. We will use contractual and other means to provide a comparable level of protection while the information is being processed by these service providers, including limiting such providers to using your Personal Information solely to provide Lloyd’s with the specific service for which they were engaged, and for no other purpose. You can obtain more information about our policies and practices with respect to the use

of Personal Information by Third Party Service Providers by contacting us as described below, under the section “How to Contact Us” at the end of this document.

Some of these entities may be located outside Canada, therefore your information may be processed in a foreign jurisdiction, where it will be subject to the laws of that jurisdiction, which may be different than the laws in your province. Personal information that is stored or processed outside Canada may also be accessible to the law enforcement and national security authorities of that jurisdiction.

We may also share or transfer your Personal Information where reasonably required in the context of a sale, merger or amalgamation of all or part of our business or the insurance or securitization of our assets. In any such case, the recipient parties will be contractually required to keep the information confidential and use it only for the purposes of the transaction, or proposed transaction, in question. In the event a business transaction is affected, assignees or successors of Lloyd’s or our business or assets, or those of our affiliated entities, may use and disclose Personal Information only for the purposes as set out in this Privacy notice, unless further consent is obtained.

We may also share your Personal Information with law enforcement, national security agencies or other governmental officials, as required or permitted by law, such as in response to a court order or a verified request relating to a criminal investigation or alleged illegal activity, where we are legally obligated to contribute information to compulsory insurance databases, or where required to detect, prevent or prosecute fraud.

Authority to collect, use and disclose personal information

When you share information with us for particular purposes, such as providing you with insurance, you give us explicit consent to collect, use and disclose your information for those purposes. Canadian law also authorizes us to collect, use and disclose personal information without consent in certain circumstances prescribed by law, which may include the following:

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next to kin or authorized representative of an injured, ill or deceased individual
- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction where obtaining consent would compromise the availability or accuracy of the information
- Witness statement necessary to assess, process or settle insurance claims
- Information that is produced in the course of an individual’s employment, business or profession

There may be situations where we need your additional consent to collect, use, and disclose information about you. In those situations, we will ask you for consent separately. You do not have to give your consent and, subject to legal and contractual restrictions, you can withdraw your consent to us collecting, using and disclosing your information at any time. However, withdrawing your consent may affect our ability to provide you with insurance cover or other services.

Retention and security

We retain personal information for as long as necessary to provide you with insurance cover and meet the other purposes for collection, use and disclosure described in this Privacy notice, or as otherwise required or permitted by law. When your Personal Information is no longer required, we will make all reasonable efforts to ensure all electronic and hard copies of such information are securely destroyed and irreversibly deleted from our systems.

We use various physical, technical and administrative security measures, appropriate to the sensitivity of the personal information, that are designed to protect against loss, theft, unauthorized access, disclosure, copying, use or modification by. Although we will take reasonable measures to protect personal information, the transmission of information through the internet or other electronic means is not guaranteed to be secure and may create risks for the privacy and security of your information.

How to access your personal information

Subject to certain exceptions provided by applicable law, you have the right to access your personal information, request corrections about your personal information if you identify any inaccuracies, and request that we delete your information. If you would like to exercise any of these rights, please contact the Ombudsperson at info@lloyds.ca.

The Ombudsperson can also provide additional information about Lloyd’s policies and practices, answer questions about the collection, use, disclosure or storage of personal information by Lloyd’s and its service providers located outside Canada, as well as discuss any complaints you may have regarding the collection, use and disclosure of your personal information.

Changes

We may amend this Privacy notice from time to time as our business evolves, in response to legal developments, as new technologies become available, or as we introduce new features, products or services.

When we make changes to wording of this Privacy notice we will revise the “last updated” date at the bottom of this Privacy notice. You should check back here periodically to find out if any changes have been made to this Privacy notice. If we make substantial changes we will, as appropriate prominently post these changes to our Site or notify registered Users directly.


How to contact us

Further information about Lloyd’s personal information protection policy may be obtained by visiting, <https://www.lloyds.com/lloyds-around-the-world/americas/canada/market-conduct> from

your broker, or by contacting Lloyd's by phone: 514 861 8361, 1 877 455 6937 or email: info@lloyds.ca.

05/19
LSW1543D

19. LSW1548C - Standard Declarations

	<p>COMMERCIAL INSURANCE Effected with certain Lloyd's Underwriters, "The Company", "The Insurer", or "This Company" through Lloyd's Approved Coverholder ("the Coverholder"):</p> <p>Megson FitzPatrick Inc. 1st Floor, 710 Redbrick Street Victoria, British Columbia V8T 5J3</p>
---	--

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE

DECLARATIONS

POLICY NO: As per declaration page

INSURED NAME: As per declaration page
INSURED ADDRESS: As per declaration page
PERIOD OF INSURANCE: **from:** As per declaration page
to: As per declaration page
 (both days at 12:01 a.m. Standard Time at the Address of the Insured).

PREMIUM: As per declaration page

LIMIT OF LIABILITY OR AMOUNT OF INSURANCE: As per declaration page

The insurance contract consists of this Declarations page as well as all coverage wordings, riders, or endorsements that are attached hereto.

<p>IDENTIFICATION OF INSURER / ACTIONS AGAINST INSURER</p> <p>This insurance has been effected in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to the Agreement shown in the List of Subscribing Companies (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.</p> <p>In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is Royal Bank Plaza South Tower, 200 Bay Street, Suite 2930, P.O. Box 51 Toronto, Ontario M5J 2J2.</p>
--

Standard Lloyd's Wording Schedule [17]

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder

In witness whereof this policy has been signed as authorized by the Underwriters, by **Megson FitzPatrick Inc** Per _____ as per declarations page _____

The Insured is requested to read this policy, and if incorrect, return it immediately for alteration.

In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder whose name and address appears above. All inquiries and disputes are also to be addressed to this Coverholder.

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd’s Underwriters’ insurance business in Canada.

LSW1548C
01 October 2020

20. LSW 1550 Identification of Insurer / Action Against Insurer

	<p>IDENTIFICATION OF INSURER / ACTION AGAINST INSURER Lloyd’s Approved Coverholder (“the Coverholder”): Megson FitzPatrick Inc. 1st Floor, 710 Redbrick Street Victoria, British Columbia V8T 5J3</p>
--	--

Where LLOYD’S UNDERWRITERS are subscribing insurers to the Policy, the following applies to them:

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been entered into in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to the Agreement shown in the List of Subscribing Companies (hereinafter referred to as “the Underwriters”). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as “Lloyd’s Underwriters” and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd’s Underwriters, whose address for such service is Royal Bank Plaza South Tower, 200 Bay Street, Suite 2930, P.O. Box 51 Toronto, Ontario M5J 2J2.

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder.

10/20
LSW1550

21. LSW1554 - Subscription Policy (where applicable)

IN CONSIDERATION OF THE INSURED having paid or agreed to pay each of the INSURERS named in the List of Subscribing Companies forming part hereof, or to INSURERS whose names are substituted therefor or added thereto by endorsement, hereinafter called "THE INSURERS", the Premium set against its name in the List of Subscribing Companies (attached hereto),

THE INSURERS SEVERALLY AND NOT JOINTLY agree, each for the Sum(s) Insured or Percentage(s) and for the Coverage(s) Insured set against its name in the List of Subscribing Companies, and subject always to the terms and conditions of this Policy, that if a loss occurs for which insurance is provided by this Policy at any time while it is in force, they will indemnify the INSURED against the loss so caused; the liability of each insurer individually for such loss being limited to that proportion of the loss payable according to the terms and conditions of this Policy which the Sum Insured or the amount corresponding to the Percentage set against its name in the List of Subscribing Companies, or such other sum or percentage as may be substituted therefor by endorsement, bears to the total of the sums insured or of the amounts corresponding to the percentages of the sums insured respectively set out against the coverage concerned on the Declarations page(s).

That as regards each item of property insured which is lost or damaged at any time while this Policy is in force by a peril for which insurance is provided by the terms and conditions of this Policy, the liability of each Insurer individually shall be limited to whichever is the least of:

- (a) that proportion of the actual cash value of the property at the time of the loss, destruction or damage which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual Insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril, or
- (b) that proportion of the interest of THE INSURED in the property which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this policy in respect of that property against that peril, or
- (c) that proportion of the limit of insurance stipulated in respect of the property lost, destroyed or damaged which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of

Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril,

Provided however, that where the insurance applies to the property of more than one person or interest THE INSURERS' total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

If this Policy contains a Co-Insurance Clause or a Guaranteed Amount (Stated Amount) Clause, and subject always to the limit of liability of each Insurer corresponding to the percentage of the sum insured by this Policy as set out above, no Insurer shall be liable for a greater proportion of any loss or damage to the property insured, than the sum insured by such Insurer bears to:

- (a) that percentage, stated in the Co-Insurance Clause, of the actual cash value of the said property at the time of loss, or
- (b) the Guaranteed Amount (Stated Amount) of total insurance stated in the Guaranteed Amount (Stated Amount) Clause, as the case may be.

If the insurance under this Policy is divided into two or more items, the foregoing shall apply to each item separately.

Wherever in this Policy, or in any endorsement attached hereto, reference is made to "The Company", "The Insurer", "This Company", "we", "us", or "our", reference shall be deemed to be made to each of the Insurers severally.

This policy is made and accepted subject to the foregoing provisions, and to the other provisions, stipulations and conditions contained herein, which are hereby specially referred to and made a part of this Policy, as well as such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

IN WITNESS WHEREOF THE INSURERS through their representative(s) duly authorized by them for this purpose have executed and signed this Policy.

LSW1554

22. LSW1565C - Code of Consumer Rights and Responsibilities

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

Standard Lloyd's Wording Schedule[20]

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

Right to Complaint Resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

10/12
LSW1565C

23. NMA464 - War and Civil War Exclusion Clause

Notwithstanding anything to the contrary contained herein this Certificate does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

NMA464

24. NMA1191 – Radioactive Contamination Exclusion Clause – Physical Damage – Direct (U.S.A.)

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused * NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

* NOTE. - If Fire is not an insured peril under this Policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

7/5/59
NMA1191

25. NMA1331 - Cancellation Clause

NOTWITHSTANDING anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrendering of this Contract of Insurance. This Insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured. by registered, certified or other first class mail, at the

Assured's address as shown in this Insurance, written notice stating when, not less than 10 days thereafter, the cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the Earned Premium hereon or the customary short rate proportion of any Minimum Premium stipulated herein whichever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the Earned Premium hereon or the pro rata proportion of any Minimum Premium stipulated herein whichever is the greater.

Payment or tender of any Unearned Premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

20/4/61
NMA1331

26. NMA1622 - Radioactive Contamination and Explosive Nuclear Assemblies Exclusion Clause

(Approved by Lloyd's Underwriters' Non-Marine Association)
This Policy does not cover

- (a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - (i) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (ii) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

4/4/68
NMA1622

27. NMA1978A - Nuclear Incident Exclusion Clause - Liability – Direct (Broad) –Canada

(For use with all Public Liability Policies except Personal, Farmers' and Storekeepers')

It is agreed that this Policy does not apply:

- (a) to liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof; nor
- (b) to bodily injury or property damage with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; nor
- (c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:
 - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
 - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
 - (iii) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this policy:

1. The term “nuclear energy hazard” means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
2. The term “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 or pursuant to any law, act or statute, or 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;
3. The term “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 utilizing spent fuel, or (iii) handling, processing or packaging waste;

- (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured 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.
- 4. The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- 5. With respect to property, loss of use of such property shall be deemed to be property damage.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this Clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

NMA1978a

28. NMA2340 - Seepage and Pollution Exclusion Clause

U.S.A. & CANADA

LAND, WATER AND AIR EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- (a) any loss, damage, cost or expense, or
- (b) any increase in insured loss, damage, cost or expense, or
- (c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- (a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- (b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

DEBRIS REMOVAL ENDORSEMENT

THIS ENDORSEMENT CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Endorsement shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter referred to as "Damage or Destruction"), this Policy also insures, within the Sum Insured, subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses;
 - (a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and
 - (b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.
2. In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph 1 above):

- (a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of US\$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and
- (b) the amount of such costs or expenses as limited in (a) above shall be added to:
 - (i) the amount of the Damage or Destruction; and
 - (ii) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and

the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.

24/11/88
NMA2340

29. NMA2920 - Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

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

08/10/01
NMA2920

30. NMA2962 - Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

06/02/03
NMA2962

Misrepresentation

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

Property of others

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

Change of interest

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

Material change in risk

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

Termination of insurance

5.
 - (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
 - (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum

retained premium specified in the contract, and

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

Requirements after loss

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

Fraud

7. Any fraud or 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.

Who may give notice and proof

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

Salvage

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

Entry, control, abandonment

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

In case of disagreement

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

When loss payable

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

Repair or replacement

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

Notice

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

A. STANDARD MORTGAGE CLAUSE (approved by the Insurance Bureau of Canada) - IT IS HEREBY PROVIDED AND AGREED THAT

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 (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee--on reasonable demand--from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
2. **RIGHT OF SUBROGATION** - Whenever the Insurer pays the Mortgagee any loss award under this Policy and claims that --as to the Mortgagor or Owner--no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. **OTHER INSURANCE** - If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee--at law or in equity--then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. **WHO MAY GIVE PROOF OF LOSS** - In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the Policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
5. **TERMINATION** - The term of this mortgage clause coincides with the term of the Policy;
PROVIDED ALWAYS that the Insurer reserves the right to cancel the Policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
6. **FORECLOSURE** - Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF 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.

B. APPLICATION OF DEDUCTIBLE

Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

C. COMMERCIAL PROPERTY POLICY CONDITIONS (Applicable in all jurisdictions except the Province of Québec)

1. **MISREPRESENTATION** - If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
2. **PROPERTY OF OTHERS** - Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.
3. **CHANGE OF INTEREST** - The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.
4. **MATERIAL CHANGE** - Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
5. **TERMINATION**
 - i) 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
 - (b) by the Insured at any time on request.
 - ii) Where this contract is terminated by the Insurer,

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

6. REQUIREMENTS AFTER LOSS

- i) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11
 - (a) forthwith give notice thereof 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 if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes
 - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured
 - (iv) showing the amount of other insurances and the names of other Insurers
 - (v) showing the interest of the Insured and of all others in the property with particulars of all 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) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value
 - (d) if required and if practicable, produce 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.
 - ii) The evidence furnished under clauses (c) and (d) of sub-paragraph i) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.
- 7. FRAUD** - Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.
- 8. WHO MAY GIVE NOTICE AND PROOF** - Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.
- 9. SALVAGE**
- i) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
 - ii) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph i) of this condition according to the respective interests of the parties.
- 10. ENTRY, CONTROL, ABANDONMENT** - After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.
- 11. APPRAISAL** - In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.
- 12. WHEN LOSS PAYABLE** - The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.
- 13. REPLACEMENT**

- i) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty (30) days after receipt of the proofs of loss.
- ii) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. ACTION - Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year* next after the loss or damage occurs.

* two years in Province of Manitoba and Yukon Territory.

Saskatchewan Statutory Condition 14 is repealed. See The Limitations Act, S.S. 2004, c.L-16.1

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

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

D. ADDITIONAL CONDITIONS (Applicable in all jurisdictions except the Province of Québec)

1. NOTICE TO AUTHORITIES - Where the loss is due to malicious acts, burglary, robbery, theft, or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.
2. NO BENEFIT TO BAILEE - It is warranted by the Insured that this insurance shall in no wise enure directly or indirectly to the benefit of any carrier or other bailee.
3. PAIR AND SET - In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.
4. PARTS - In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.
5. SUE AND LABOUR - It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.
6. BASIS OF SETTLEMENT - Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
7. SUBROGATION - The Insurer, upon making any payment or assuming liability therefor under this Policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportions in which the loss or damage has been borne by them respectively.

E. GENERAL CONDITIONS (Applicable in the Province of Québec)

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

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

For all coverages except where inapplicable.

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 only to property insurance)

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

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 of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

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

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 liability insurance only)

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

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 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 reserves 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 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.

Commercial Crime

General Conditions and Definitions

R3

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Words and phrases in quotation marks are defined in the General Definitions section of the policy.

Unless stated otherwise in the Declarations, any rider or endorsement, the following General Conditions and General Definitions apply to all riders and/or endorsements forming part of this policy.

GENERAL CONDITIONS

Condition 1. CANADIAN CURRENCY CLAUSE:

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

Condition 2. CANCELLATION:

- (a) You may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- (b) We may cancel this policy by mailing or delivering to you written notice of cancellation at least:
 - 1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - 2) 30 days before the effective date of cancellation if we cancel for any other reason.Except in Quebec, if notice is mailed, cancellation takes effect 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation as shown in (b) 1) or 2) above. Proof of mailing will be sufficient proof of notice.
In Quebec, cancellation takes effect either 15 or 30 days after receipt of the notice at your last known address depending upon the reason for cancellation.
Delivery by us shall be equivalent to mailing.
- (c) We will mail or deliver our notice to your last mailing address known to us.
- (d) The policy period will end on the date cancellation takes effect.
- (e) If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

Condition 3. CHANGE OF INTEREST:

We will not be liable to anyone other than you unless we have been advised of a change of interest and consented to it. However, if you die, or are declared insolvent or bankrupt, this policy will insure your legal representative.

Condition 4. CHANGES:

This policy contains all the agreements between you and us concerning the insurance provided by this policy. You may request changes to this policy; however, such changes will be effective only upon our consent as evidenced by our issuing an endorsement which will form part of this policy.

Condition 5. DISCOVERY PERIOD FOR LOSS:

We will pay only for an insured loss discovered no later than one year from the end of the policy period.

Condition 6. DUTIES IN THE EVENT OF LOSS:

After you discover a loss or a situation that may result in loss of or damage to insured property you must:

- (a) notify us as soon as possible;
- (b) submit to examination under oath at our request and give us a signed statement of your answers;
- (c) give us a detailed, sworn proof of loss within 120 days;
- (d) cooperate with us in the investigation and settlement of any claim;
- (e) give immediate notice to the public police, or other peace authorities having jurisdiction, of any loss due to violation of law;
- (f) if "securities" are insured under this policy, take all reasonable measures to prevent their negotiation, sale or conversion.

Condition 7. INSPECTION:

Commercial Crime General Conditions and Definitions

R3

We will be permitted to inspect your "premises" at any reasonable time.

Condition 8. JOINT INSURED:

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

Condition 9. LEGAL ACTION AGAINST US:

You may not bring any legal action against us:

- (a) unless you have complied with all the terms of this insurance; and
- (b) until 90 days after you have filed proof of loss with us; and
- (c) except if the loss occurs in Quebec, unless brought within 2 years from the date you discover the loss.

Condition 10. LOSS SUSTAINED DURING PRIOR INSURANCE:

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

Condition 11. OTHER INSURANCE:

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

Condition 12. OWNERSHIP OF PROPERTY; INTEREST COVERED:

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

Condition 13. POLICY PERIOD, TERRITORY:

This policy applies only to loss which occurs during the policy period shown in the Declarations and within Canada or the United States of America.

Condition 14. RECORDS:

You must keep records of all insured property so we can verify the amount of any loss.

Condition 15. RECOVERIES:

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

Commercial Crime General Conditions and Definitions

R3

Condition 16. REPRESENTATIONS:

By accepting this policy, you agree:

- (a) that the statements in the Declarations are accurate and complete;
- (b) those statements are based upon representations you made to us; and
- (c) we have issued this policy in reliance upon your representations.

Condition 17. TRANSFER OF YOUR RIGHTS OF RECOVERY AGAINST OTHERS TO US:

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

Condition 18. VALUATION:

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

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

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

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

We may, at our election, pay the actual cash value, or pay for such repair or replacement. If you cannot agree with us upon the cash value or the cost of repair or replacement, the cash value or the cost will be determined by arbitration.

GENERAL DEFINITIONS

"BANKING PREMISES" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

"BURGLARY" (except as used in a Stock Burglary Rider) means the unlawful taking of insured property from within the "premises" by a person unlawfully entering or leaving the "premises" as evidenced by marks of forcible entry or exit.

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

"CUSTODIAN" means you or your partner or any employee authorized by you to have the care and custody of insured property, excluding any person while acting as a "guard", janitor, porter, or "watchman".

"EQUIPMENT" means:

- (1) all contents usual to your business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than building or "stock";
- (2) similar property belonging to others which you are under obligation to keep insured or for which you are legally liable.

"GUARD" means any able-bodied person who accompanies a "custodian" at your direction, but who is not a driver of a public conveyance.

"JEWELLERY" means jewellery, watches, gems, pearls, precious or semi-precious stones and articles containing one or more gems, pearls, or precious or semi-precious stones.

"KIDNAPPING" means the compelling of a "custodian" outside the "premises", by violence or threat of violence, to admit a person or to furnish such person with the means of entry into the "premises" while closed for business, resulting in unlawful taking by such person of insured property from within the "premises", provided such loss shall occur before the "premises" are next open for business.

"MONEY" means currency and coins in current use and having a face value.

"OCCURRENCE" means any act or series of related acts involving one or more persons which results in a loss insured by this policy.

Commercial Crime

General Conditions and Definitions

R3

"PREMISES" means the interior of that portion of any building you occupy in conducting your business at the address designated in the Declarations but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls or stairways.

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

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

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

"PROPERTY" means any property usual to your business other than "money" and "securities", that has intrinsic value but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them or any property that is excluded under any rider.

"ROBBERY" means the taking of insured property from a "custodian" by a person or persons who have:

- (1) caused or threatened to cause the "custodian" bodily harm; or
- (2) committed an overt unlawful act witnessed by the "custodian"; or
- (3) taken such property from a "custodian" who has been killed or rendered unconscious.

"ROBBERY OF A WATCHMAN" means the unlawful taking of insured property by violence or threat of violence inflicted upon a "watchman" and while such a "watchman" is on duty within the "premises".

"SAFE BURGLARY" means:

- (1) the unlawful taking of insured property from a vault or safe, which has a combination lock and is located within the "premises", by a person making unlawful entry into the vault or the safe and a vault which contains the safe, provided that:
 - (a) all doors of the vault, safe or vault and safe are closed and locked by a combination lock; and
 - (b) the unlawful entry was forcible and is evidenced by visible marks on the exterior of the vault or safe and any vault containing the safe; or
- (2) the unlawful taking of the safe from within the "premises".

In the event that insurance is provided by a Safe Burglary Rider, the definition of "safe burglary" is restricted to any safe or vault described on the Declarations Page for form C11 as **Description of safe or vault**.

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

"STOCK" means:

- (1) merchandise of every description usual to your business but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them;
- (2) packing, wrapping and advertising materials; and
- (3) similar property belonging to others which you are under obligation to keep insured or for which you are legally liable;

but does not include "securities".

"WATCHMAN" means any person employed exclusively by you to have care and custody of insured property inside the "premises", while the "premises" are closed for business, and who has no other duties.

Short Rate Cancellation Table

R7

Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time as indicated in the table below. In no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned
1	0.95	64	0.72	127	0.55	190	0.38	253	0.24	316	0.10
2	0.94	65	0.72	128	0.54	191	0.38	254	0.24	317	0.10
3	0.93	66	0.71	129	0.54	192	0.37	255	0.24	318	0.10
4	0.93	67	0.71	130	0.54	193	0.37	256	0.23	319	0.10
5	0.92	68	0.71	131	0.54	194	0.37	257	0.23	320	0.09
6	0.92	69	0.71	132	0.53	195	0.37	258	0.23	321	0.09
7	0.91	70	0.70	133	0.53	196	0.37	259	0.23	322	0.09
8	0.91	71	0.70	134	0.53	197	0.36	260	0.23	323	0.09
9	0.90	72	0.70	135	0.53	198	0.36	261	0.22	324	0.08
10	0.90	73	0.70	136	0.52	199	0.36	262	0.22	325	0.08
11	0.89	74	0.69	137	0.52	200	0.36	263	0.22	326	0.08
12	0.89	75	0.69	138	0.52	201	0.35	264	0.22	327	0.08
13	0.88	76	0.69	139	0.51	202	0.35	265	0.21	328	0.08
14	0.88	77	0.68	140	0.51	203	0.35	266	0.21	329	0.07
15	0.87	78	0.68	141	0.51	204	0.35	267	0.21	330	0.07
16	0.87	79	0.68	142	0.51	205	0.35	268	0.21	331	0.07
17	0.86	80	0.68	143	0.50	206	0.34	269	0.21	332	0.07
18	0.86	81	0.67	144	0.50	207	0.34	270	0.20	333	0.06
19	0.85	82	0.67	145	0.50	208	0.34	271	0.20	334	0.06
20	0.85	83	0.67	146	0.50	209	0.34	272	0.20	335	0.06
21	0.84	84	0.66	147	0.49	210	0.33	273	0.20	336	0.06
22	0.84	85	0.66	148	0.49	211	0.33	274	0.19	337	0.06
23	0.83	86	0.66	149	0.49	212	0.33	275	0.19	338	0.05
24	0.83	87	0.66	150	0.48	213	0.33	276	0.19	339	0.05
25	0.83	88	0.65	151	0.48	214	0.33	277	0.19	340	0.05
26	0.82	89	0.65	152	0.48	215	0.32	278	0.19	341	0.05
27	0.82	90	0.65	153	0.48	216	0.32	279	0.18	342	0.05
28	0.82	91	0.65	154	0.47	217	0.32	280	0.18	343	0.04
29	0.82	92	0.64	155	0.47	218	0.32	281	0.18	344	0.04
30	0.81	93	0.64	156	0.47	219	0.31	282	0.18	345	0.04
31	0.81	94	0.64	157	0.46	220	0.31	283	0.17	346	0.04
32	0.81	95	0.63	158	0.46	221	0.31	284	0.17	347	0.03
33	0.80	96	0.63	159	0.46	222	0.31	285	0.17	348	0.03
34	0.80	97	0.63	160	0.46	223	0.31	286	0.17	349	0.03
35	0.80	98	0.63	161	0.45	224	0.30	287	0.17	350	0.03
36	0.80	99	0.62	162	0.45	225	0.30	288	0.16	351	0.03
37	0.79	100	0.62	163	0.45	226	0.30	289	0.16	352	0.02
38	0.79	101	0.62	164	0.45	227	0.30	290	0.16	353	0.02
39	0.79	102	0.62	165	0.44	228	0.30	291	0.16	354	0.02
40	0.79	103	0.61	166	0.44	229	0.29	292	0.15	355	0.02
41	0.78	104	0.61	167	0.44	230	0.29	293	0.15	356	0.01
42	0.78	105	0.61	168	0.43	231	0.29	294	0.15	357	0.01
43	0.78	106	0.60	169	0.43	232	0.29	295	0.15	358	0.01
44	0.77	107	0.60	170	0.43	233	0.28	296	0.15	359	0.01
45	0.77	108	0.60	171	0.43	234	0.28	297	0.14	360	0.01
46	0.77	109	0.60	172	0.42	235	0.28	298	0.14	361	0.00
47	0.77	110	0.59	173	0.42	236	0.28	299	0.14	362	0.00
48	0.76	111	0.59	174	0.42	237	0.28	300	0.14	363	0.00
49	0.76	112	0.59	175	0.42	238	0.27	301	0.14	364	0.00
50	0.76	113	0.59	176	0.41	239	0.27	302	0.13	365	0.00
51	0.76	114	0.58	177	0.41	240	0.27	303	0.13		
52	0.75	115	0.58	178	0.41	241	0.27	304	0.13		
53	0.75	116	0.58	179	0.40	242	0.26	305	0.13		
54	0.75	117	0.57	180	0.40	243	0.26	306	0.12		
55	0.74	118	0.57	181	0.40	244	0.26	307	0.12		
56	0.74	119	0.57	182	0.40	245	0.26	308	0.12		
57	0.74	120	0.57	183	0.39	246	0.26	309	0.12		
58	0.74	121	0.56	184	0.39	247	0.25	310	0.12		
59	0.73	122	0.56	185	0.39	248	0.25	311	0.11		
60	0.73	123	0.56	186	0.39	249	0.25	312	0.11		
61	0.73	124	0.56	187	0.39	250	0.25	313	0.11		
62	0.73	125	0.55	188	0.38	251	0.24	314	0.11		
63	0.72	126	0.55	189	0.38	252	0.24	315	0.10		